



ENDAVA (IRELAND) LIMITED

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025**

COMPANY REGISTRATION NUMBER 523512



COMPANY REGISTRATION NUMBER	523512
REGISTERED OFFICE	13-18 City Quay DUBLIN 2 IRELAND
DIRECTORS	Mark Stuart Thurston Rohit Bhoothalingam Joseph Dunleavy [appointed 28 February 2024]
SECRETARY	Rohit Bhoothalingam
AUDITOR	KPMG Ireland Chartered Accountant 1 Stokes Place St. Stephen's Green Dublin 2
BANKERS	HSBC Bank Plc - Ireland 1 Grand Canal Square Grand Canal Harbour Dublin, Ireland



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DIRECTORS' REPORT

The Directors present their Directors' Report on and the audited financial statements of Endava (Ireland) Limited (the "Company") for the year ended 30 June 2025.

PRINCIPAL ACTIVITIES

The principal activity of the Company is to provide IT services (including but not limited to software design, development, testing, consulting, support and resale, infrastructure management, hosting, website development) and to carry on all activities related to the same.

BUSINESS REVIEW

FINANCIAL SUMMARY

The results of the year are set out in the Statement of Profit and Loss and Other Comprehensive Income and Balance Sheet on pages 31 and 32 respectively.

Our review of the Company's business performance is that we have closed the financial year with declining results as compared to prior periods.

Our highlights are:

- Revenue was €20,078,000, a decrease of 17% on prior year.
- Operating loss was €4,156,000, a decrease of 333% on prior year (operating profit of €1,781,000 in FY24). This is due to the recognition of an impairment loss for goodwill in the period of €4,990,000. Excluding this, the Company generated an operating profit of €834,000. Operating loss margin was 21% in FY25 (4% operating profit margin excluding impairment loss, 7% operating profit margin in FY24).
- Loss after tax was €4,320,000 (€1,631,000 profit after tax in FY24), with a net loss margin of 22% (7% net profit margin in FY24).
- Cash balances closed at €407,000 on 30 June 2025 as opposed to €664,000 at 30 June 2024.

OPERATIONAL REVIEW

The business performed well in terms of operating results despite the revenue decline reported. Business is expected to improve in the upcoming period in terms of revenue in line with overall Group's growth strategy. The Company continues to deliver services using Endava Group companies located in Central and Eastern Europe.

KEY PERFORMANCE INDICATORS

The Directors and executive officers of the Group manage the Group's operations as a single operating and reportable segment. For this reason, the directors believe that analysis using key performance indicators for the Company alone is not necessary or appropriate for an understanding of the development, performance or position of the business of the Company. The development, performance and position of the Group, which includes the company, are discussed in the Endava plc's annual report on pages 4-17, which does not form part of this



DIRECTORS' REPORT (CONTINUED)

report. The Group's annual report can be obtained from the sources set out in Note 1 of the accompanying financial statements.

PRINCIPAL RISKS AND UNCERTAINTIES

In common with other companies in the IT services market, the Company faces a number of principal risks and uncertainties. The overall success of the Company depends, in part, upon its ability to succeed in different operating environments and to manage and to mitigate such risks.

Local management identifies the risks associated with the Company and implements internal control procedures to mitigate and exercise control over those risks in accordance with laws and regulations.

The Company has applied the risk management framework currently in place at Group level which it uses to monitor risks and further identify corporate level risks. The framework is used to identify areas where risk has been identified and where management may be required to act.

If our IT systems, those of third parties with whom we work or our data, are or were compromised, we could experience adverse consequences resulting from such compromise.

In the ordinary course of business, we collect, store and process (defined above) personal data and other sensitive information, including proprietary and confidential business data, trade secrets, source code, intellectual property, sensitive third-party data, and client data (including proprietary and confidential information of our clients and our clients' clients, including their confidential business data and intellectual property). We and the third parties with whom we work face a variety of evolving threats, including but not limited to ransomware attacks, which could cause security incidents, disrupt our operations, result in the loss or exposure of sensitive information, regulatory actions, fines, penalties, reputational loss, a loss of clients and loss of revenue or profits.

Cyberattacks, malicious internet-based activity, online and offline fraud, and other similar activities threaten the confidentiality, integrity, and availability of our sensitive information and information technology systems, and those of the third parties with whom we work. Such threats are prevalent and continue to rise, are increasingly difficult to detect, and come from a variety of sources, including traditional computer "hackers," threat actors, "hacktivists," organised criminal threat actors, personnel (such as through theft or misuse), sophisticated nation states, and nation-state-supported actors. Some actors now engage and are expected to continue to engage in cyberattacks, including without limitation nation-state actors for geopolitical reasons and in conjunction with military conflicts and defence activities. During times of war and other major conflicts, we and the third parties with whom we work may be vulnerable to a heightened risk of these attacks, including retaliatory cyberattacks, that could materially disrupt our systems and operations, supply chain, and ability to produce, sell and distribute our goods and services. For example, we have employees and clients located in potentially unstable regions and regions experiencing (or expected to experience) geopolitical or other conflicts, including Moldova, a neighbouring country of Ukraine (which was attacked by Russia in February 2022 through various means, including cyberattacks).



DIRECTORS' REPORT (CONTINUED)

PRINCIPAL RISKS AND UNCERTAINTIES (CONTINUED)

We and the third parties with whom we work may be subject to a variety of evolving threats, including but not limited to social-engineering attacks (including through deep fakes, which may be increasingly more difficult to identify as fake, and phishing attacks), malicious code (such as viruses and worms), malware (including as a result of advanced persistent threat intrusions), denial-of-service attacks (such as credential stuffing), credential harvesting, personnel misconduct or error, ransomware attacks, supply-chain attacks, software bugs, server malfunctions, software or hardware failures, loss of data or other information technology assets, adware, attacks enhanced or facilitated by artificial intelligence, or AI, telecommunications and internet infrastructure failures, earthquakes, fires, and floods, and other similar threats. Like many companies, any significant failure of our equipment or systems, or any major disruption to basic infrastructure like power and telecommunications in the locations in which we operate, could impede our ability to provide our solutions and services to our clients. We may not be able to consistently maintain active voice and data communications between our various global operations and with our clients due to disruptions in telecommunication networks and power supply, or system failures. Any significant failure in our ability to communicate could result in a disruption in business, which could hinder our performance and our ability to complete projects on time. Such failure to perform on client contracts could have a material adverse effect on our revenue, business, results of operations and financial condition. Additionally, severe ransomware attacks are becoming increasingly prevalent and can lead to significant interruptions in our operations, loss of sensitive information and income, reputational harm, and diversion of funds. Extortion payments may alleviate the negative impact of a ransomware attack, but we may be unwilling or unable to make such payments due to, for example, applicable laws or regulations prohibiting such payments.

Additionally, our workforce has transitioned from being based primarily in our offices or at client sites to a hybrid working model. A significant number of our employees will continue to work from home at least part time, as part of this hybrid working model. This model has increased risks to our information technology systems and data, as more of our employees utilise network connections, computers, and devices outside our premises or network, including working at home, while in transit and in public locations. Our operations could also be materially adversely affected by interruptions in internet service or power at employee residences. Additionally, the services we provide are often critical to our clients' businesses and the level of criticality has increased in some cases as a result of our client's increased reliance on digital systems due to new hybrid ways of working. Although we provide training on the appropriate use of web browser password managers to store Endava and client credentials, there is a risk that these credentials may be compromised by an attack on one of our employees' personal devices, leading to a breach of our systems or our clients' systems and consequential reputational and financial impacts. Future or past business transactions (such as acquisitions or integrations) could expose us to additional cybersecurity risks and vulnerabilities, as our systems could be negatively affected by vulnerabilities present in acquired or integrated entities' systems and technologies. Furthermore, we may discover security issues that were not found during due diligence of such acquired or integrated entities, and it may be difficult to integrate companies into our information technology environment and security programme.

Additionally, we rely on third-party service providers and technologies, such as third-party hardware and software (including SaaS applications) to operate critical business systems,



DIRECTORS' REPORT (CONTINUED)

PRINCIPAL RISKS AND UNCERTAINTIES (CONTINUED)

including but not limited to processing sensitive information. For example, we may use the following third-party service providers and technologies to process sensitive information: cloud-based infrastructure, data centre facilities, encryption and authentication technology, employee email, technology to facilitate content delivery to clients, and others. We may also rely on third-party service providers and technologies to provide other products, services, or otherwise, apart from processing sensitive information, that are critical to the general operation of our business. Our ability to monitor these third parties' information security practices is limited, and these third parties may not have adequate information security measures in place.

If our third-party service providers experience a security incident or other interruption, we could experience adverse consequences. While we may be entitled to damages if our third-party service providers fail to satisfy their privacy or security-related obligations to us, any award may be insufficient to cover our damages, or we may be unable to recover such award. In addition, supply-chain attacks have increased in frequency and severity, and we cannot guarantee that third parties' infrastructure in our supply chain or our third-party partners' supply chains have not been or will not be compromised.

Any of the previously identified or similar threats could cause a security incident or other interruption that could result in unauthorised, unlawful, or accidental acquisition, modification, destruction, loss, alteration, encryption, disclosure of, or access to our or our clients' or our clients' clients sensitive information or information technology systems, or those of the third parties upon whom we work. A security incident or other interruption could disrupt our ability (and that of third parties with whom we work) to provide our services. We may spend significant resources to endeavour to protect against, detect, and/or mitigate vulnerabilities or security incidents, and applicable laws or other obligations may require us to implement specific measures. We may also expend significant resources to modify our business activities to try to protect against security incidents. Certain data privacy and security obligations may require us to implement and maintain specific security measures to protect our information technology systems and sensitive information. Additionally, certain of our client contracts require us to comply with certain security obligations, such as maintaining network security and backup data, taking steps designed to ensure our network is virus-free, maintaining business continuity planning procedures, and verifying the integrity of employees that work with our clients by conducting background checks.

We have implemented security measures designed to protect against security incidents, but there can be no assurance that these measures are or will be effective. We take steps to detect and remediate vulnerabilities but have not always been able in the past and may be unable in the future to detect vulnerabilities in our information technology systems because such threats and techniques change frequently, are often sophisticated in nature, and may not be detected until after a security incident has occurred. For example, we have from time-to-time experienced minor security incidents, including for example an employee who inadvertently extracted data from a client's system (no personal data was extracted). None of these incidents, to our knowledge, have required regulatory disclosures or notifications. Promptly after each incident's discovery, we took remedial actions to assess and contain the security incident and to evaluate the likelihood and severity of risks to personal data. In each such instance, we determined that there was no material impact to our business or financial condition nor to individual's personal data. While we believe we responded appropriately, there can be no assurance that we were successful in implementing these remedial and preventative measures or successfully mitigating the effects of any future security incident.

ENDAVA (IRELAND) LIMITED



DIRECTORS' REPORT (CONTINUED)

PRINCIPAL RISKS AND UNCERTAINTIES (CONTINUED)

Further, we may experience delays in developing and deploying remedial measures designed to address any such identified vulnerabilities.

Applicable data privacy and security obligations may require us to notify relevant stakeholders, including affected individuals, clients or our clients' clients, regulators, and investors of security incidents, or to implement other requirements, such as providing credit monitoring. Such disclosures and compliance with such requirements are costly, and the disclosure or the failure to comply with such requirements could lead to adverse consequences. Additionally, if we, a third party with whom we work, our clients or our clients' clients experience a security incident or are perceived to have experienced a security incident, we may experience adverse consequences. These consequences may include: litigation exposure (including class action claims) and other claims for substantial damages against us; government enforcement actions (for example, investigations, regulatory fines, penalties, audits, inspections or intervention); additional reporting requirements and/or oversight; restrictions on processing sensitive information (including personal data); indemnification obligations; monetary fund diversions; interruptions in our operations (including availability of data); financial loss; loss of confidence in our security measures; reputational damage; negative publicity; reimbursement or other compensatory costs; additional compliance costs; and additional similar harms, and therefore could materially adversely affect our revenue, and results of operations, business and prospects, such as causing clients to stop using our services, deter new clients from using our services, and negatively impact our ability to grow and operate our business. If any person, including any of our personnel or former personnel or aforementioned threat actors, compromises our security or accidentally exposes our sensitive information, including our source code, or compromises the security, or accidentally exposes the sensitive information, including source code, of our clients', our clients' clients or other third party, or misappropriates such information, then we could be subject to significant liability from our clients, our clients' clients or other third parties for breaching contractual provisions, including confidentiality, or applicable privacy and data security laws.

Additionally, the reliability of the systems that we develop and host for our clients is critical to our success. However, these systems could contain errors, defects, security vulnerabilities or software bugs that are difficult to detect and correct, particularly when such vulnerabilities are first introduced or when new versions of the systems are deployed. It may be costly and difficult to develop and deploy patches for vulnerabilities and delays in releasing patches or difficulties installing them may impact our clients' or our clients' ability to use systems and services, and result in security incidents. Additionally, some of our business depends upon our customer's appropriate and successful implementation of the systems that we develop and host for them. If our clients fail to implement or use these systems correctly, our clients may suffer a security incident or experience other adverse consequences. Additionally, any failure in a customer's system, whether related to our solutions or services, could result in adverse consequences, including damage to our reputation or substantial damages against us. Even if such incidents are unrelated to our security practices, it could result in our incurring significant economic and operational costs in investigating, remediating, and implementing additional measures to further protect our clients, and could result in reputational harm, as well as other adverse consequences.

Our contracts may not contain limitations of liability, and even where they do, there can be no assurance that limitations of liability in our contracts are sufficient to protect us from liabilities, damages, or claims related to our data privacy and security obligations. We cannot be sure



DIRECTORS' REPORT (CONTINUED)

PRINCIPAL RISKS AND UNCERTAINTIES (CONTINUED)

that our insurance coverage will be adequate or sufficient to protect us from or to mitigate liabilities arising out of our privacy and security practices, that such coverage will continue to be available on commercially reasonable terms or at all, or that such coverage will pay future claims.

In addition to experiencing a security incident, third parties may gather, collect, or infer sensitive information about us from public sources, data brokers, or other means that reveals competitively sensitive details about our organisation and could be used to undermine our competitive advantage or market position.

Additionally, our sensitive information or that of our clients could be leaked, disclosed, or revealed as a result of or in connection with our employee's, personnel's, or vendor's use of generative AI technologies. Any sensitive information (including confidential, competitive, proprietary, or personal data) that we input into a third-party generative AI platform could be leaked or disclosed to others, including if sensitive information is used to train the third parties' AI model. Additionally, where an AI model ingests personal data and makes connections using such data, those technologies may reveal other personal or sensitive information generated by the model. See also the risk factor titled "*We use generative AI tools in our operations, which may result in significant operational challenges, liability and reputational harm.*"

Our contracts could be unprofitable.

We perform our services primarily under time-and-materials contracts (where materials costs consist of travel and out-of-pocket expenses). We charge out the services performed by our employees under these contracts at daily or hourly rates that are agreed at the time at which the contract is entered. The rates and other pricing terms negotiated with our clients are highly dependent on our internal forecasts of our operating costs and predictions of increases in those costs influenced by wage inflation and other marketplace factors, as well as the volume of work required by the client. Our predictions are based on limited data and could turn out to be inaccurate, resulting in contracts that may not be profitable. Typically, we do not have the ability to increase the rates established at the outset of a client project, other than on an annual basis and often subject to caps. Independent of our right to increase our rates on an annual basis, client expectations regarding the anticipated cost of a project may limit our ability to increase our rates for ongoing work.

In addition to our time-and-materials contracts, which generate a significant proportion of our revenue, we undertake a small proportion of our engagements on a fixed-price basis. Our pricing in fixed-price contracts is highly dependent on our assumptions and forecasts about the costs we expect to incur to complete the related project, which are based on limited data and could turn out to be inaccurate. Any failure by us to accurately estimate the resources, including the skills and seniority of our employees, required to complete a fixed-price contract on time and on budget, or any unexpected increase in the cost of our employees assigned to the related project, office space or materials could expose us to risks associated with cost overruns and could have a material adverse effect on our business, results of operations and financial condition. In addition, any unexpected changes in economic conditions that affect any of the foregoing assumptions and predictions could render contracts that would have been favourable to us when signed unfavourable.



DIRECTORS' REPORT (CONTINUED)

PRINCIPAL RISKS AND UNCERTAINTIES (CONTINUED)

We are dependent on our existing client base and our ability to retain such clients.

A significant percentage of our revenue comes from our existing client base. However, the volume of work performed for a specific client is likely to vary from year to year, especially since we generally do not have long-term commitments from our clients and are often not our clients' exclusive technology services provider. A major client in one year may not provide the same level of revenue for us in any subsequent years. Further, one or more of our significant clients could be acquired and there can be no assurance that the acquirer would choose to use our services to the same degree as previously, if at all. In particular, some of our clients are owned by private equity firms and are, therefore, inherently more likely to be sold at some point in the future.

In addition, the services we provide to our clients, and the revenue and income from those services, may decline or vary as the type and quantity of services we provide changes over time. Our reliance on any individual client for a significant portion of our revenue may give that client a certain degree of pricing leverage against us when negotiating contracts and terms of service. In order to successfully perform and market our services, we must establish and maintain long-term relationships with our clients and develop a thorough understanding of their businesses.

We anticipate that a limited number of clients will continue to account for a significant portion of our revenue in any given fiscal year for the foreseeable future and, in some cases, a portion of our revenue attributable to an individual client may increase in the future. There can be no assurance that we will be successful in maintaining our relationship with and successfully obtaining new engagements from our existing clients or achieve our revenue growth and other financial goals as a result.

Additionally, if our existing client base, notably our largest clients, are adversely impacted by current or future adverse global economic or geopolitical conditions and disruptions to trade, commerce, pricing stability, credit availability and supply chain continuity, then we may experience a decrease in demand, delays in payment or postponement of projects, which could have a material adverse effect on our business, results of operations and financial condition.

Our revenue is dependent on a limited number of industry verticals, and any decrease in demand for technology services in these verticals or our failure to effectively penetrate new verticals could adversely affect our results of operations.

Historically, we have focused on developing industry expertise and deep client relationships in a limited number of industry verticals. As a result, a substantial portion of our revenue has been generated by clients operating in the payments, banking and capital markets BCM and the technology, media and telecommunications, or TMT, vertical. Our business growth largely depends on continued demand for our services from clients in these verticals, and any slowdown or decline in to spend on technology services in these verticals could result in a decrease in the demand for our services and impact our revenue.

We have also begun expanding our business into other verticals, such as consumer products, healthcare, mobility, insurance and retail. However, we have less experience in these verticals



DIRECTORS' REPORT (CONTINUED)

PRINCIPAL RISKS AND UNCERTAINTIES (CONTINUED)

and there can be no assurance that we will be successful in penetrating these verticals. There may be competitors in these verticals that may be entrenched and difficult to dislodge. As a result of these and other factors, including increased spending controls by companies due to global economic conditions, our efforts to expand our client base may be expensive and may not succeed, and we therefore may be unable to grow our revenue. Failure to further penetrate our existing industry verticals or expand our client base in new verticals may materially and adversely affect our revenue, financial condition and results of operations.

Other developments, including impacts from the current period of economic uncertainty, the escalation of geopolitical tensions, including the Russia-Ukraine war and the ongoing conflict in the Middle East and other unfavourable global economic conditions including disruptions to trade and commerce, in the industries in which we operate may also lead to a decline in the demand for our services, and we may not be able to successfully anticipate and prepare for any such changes. For example, consolidation or acquisitions in the industry, particularly involving our clients, may adversely affect our business. Our existing and potential clients may experience rapid changes in their prospects, substantial price competition and pressure on their profitability. This, in turn, may result in increasing pressure on us to lower our prices, which could adversely affect our revenue, results of operations and financial condition.

We use artificial intelligence (“AI”) AI tools in our operations, which may result in significant operational challenges, liability and reputational harm.

We use a range of AI tools in our operations, including both generative and agentic AI, and expect to continue to do so in the future. We may also use AI tools to generate code that is incorporated into client deliverables or to automate elements of a delivery process. If we are unable to use AI tools, it could make our business less efficient and result in competitive disadvantages.

Generative AI refers to AI technology that creates new content (such as text, audio, data, images, video, software code), which we collectively refer to as Output, by leveraging content that the technology was trained on (e.g., through machine learning) in response to prompts submitted by a user, which we refer to as Prompts. Generative AI provides significant opportunities for new and efficient forms of content development, across a wide range of applications. Agentic AI refers to autonomous or semi-autonomous AI agents that can plan, decide and execute multi-step tasks with limited human oversight, often utilising external software or other AI agents to achieve a defined goal. The adoption of agentic AI creates a distinct additional layer of risk. As agents can iterate and call external tools without direct human intervention, they may take unanticipated actions, generate unauthorised code paths or initiate transactions that breach client policies, regulatory requirements or our internal controls, potentially exposing us to downstream liability even where no employee acted intentionally. An error introduced early in an agent's chain of actions can propagate through successive steps, amplifying operational, security or quality defects before they are detected. In addition, agentic workflows typically rely on tool or API orchestration and persistent memory, features that enlarge the attack surface for prompt injection, malicious tool substitution or model poisoning attacks, thereby increasing the likelihood of data exfiltration or large-scale vulnerability insertion.



DIRECTORS' REPORT (CONTINUED)

PRINCIPAL RISKS AND UNCERTAINTIES (CONTINUED)

Moreover, where an AI agent makes an autonomous decision it can be difficult to determine who, if anyone, exercised sufficient control to bear legal responsibility, complicating contractual indemnities, insurance cover and professional liability analyses. The dynamic planning modules that underpin agentic AI may not yield a stable artefact that auditors can reproduce, making it harder to evidence compliance with transparency obligations or to defend our position in litigation. Finally, some clients prohibit autonomous code generation or require explicit disclosure of agentic methods; inadvertent use of such technology could therefore trigger breach of contract claims or indemnity demands.

In addition, we have little or no insight into the third-party content and materials used to train the AI tools or LLMs, or the extent of the original works which remain in the Output. As a result, we and our clients may face claims from third parties alleging infringement of their intellectual property rights, or infringement of open source licences or other licence terms. Open source licences have various conditions on the use of the source code, ranging from notice and attribution requirements to other more onerous provisions, such as an obligation to make any proprietary code linking to or derived from such open source code available under the same licence terms, which could have significant implications for our and our clients' proprietary code. We and our clients could also be subject to claims from the providers of the AI tools if the use of the Output or the tool is inconsistent with, or in breach of, the terms of use. Any of these claims could result in legal proceedings and liability for us or our clients and could require us or our clients to purchase a costly licence, comply with the requirements of open source software licence terms, limit or cease using the Output unless and until such Output is re-engineered to avoid infringement, or change the use of, or remove, the implicated Output. As a result, clients may seek to recover from us by way of IP indemnification claims or other contractual claims, any damages or costs that they have incurred as a result of claims from the providers of AI tools. Our use of AI tools for software development may also present additional security risks because the generated source code may have been modelled from publicly available code, or otherwise not be subject to our internal controls. There is also a risk that "bad actors" may intend to influence training models to incorporate latent security issues, trojans, malware, or "inorganic" results in Outputs. Unlike open source software which typically involves community oversight and review of contributions to open source projects or other community-driven code, AI tools may not have the same oversight and review, increasing the risk of any widespread vulnerability or influence of algorithmic output by those with intentions that are against the interest of users or entire groups of users. Our personnel may also forget to obtain client consent to incorporate code generated using AI tools into client deliverables or may operate in violation of client policy by taking shortcuts and using AI tools without authorisation.

Any of the foregoing events could adversely impact our business and the business of our clients, and, as a result, we may suffer significant reputational harm and we may face claims from our clients, including contractual claims if the agreement prohibits the use of AI-generated content in the deliverables and indemnification claims.

In addition, we may use Outputs to influence our decision making. AI tools however may create flawed, incomplete, inaccurate, discriminatory, unethical or biased Outputs, some of which may appear correct. This may happen if the inputs that the AI model relied on were inaccurate, incomplete or flawed (including if a bad actor "poisons" the AI model with bad inputs or logic), or if the logic of the AI model is flawed (a so-called "hallucination"). Due to these potential inaccuracies or flaws, reliance on or use of such Outputs to influence our decisions may lead



DIRECTORS' REPORT (CONTINUED)

PRINCIPAL RISKS AND UNCERTAINTIES (CONTINUED)

to adverse outcomes, which may expose us to reputational and competitive harm, client loss, and legal liability.

Our use of AI tools may be subject to certain AI and privacy obligations, which may result in impacts to our operations, administrative fines, liability, and reputational harm.

The business, legal and ethical landscape regarding generative and agentic AI, and its commercialisation and regulation is unsettled and constantly evolving. Uncertainty in the legal regulatory regime relating to AI may require significant resources to modify and maintain business practices to comply with relevant U.S. and non-U.S. laws. Several jurisdictions around the globe, including Europe and certain U.S. states, have already proposed or enacted laws governing AI and we expect other jurisdictions will adopt similar laws. For example, on August 1, 2024, the EU AI Act came into force, imposing onerous obligations that will become applicable in a phased manner. Some of the obligations relate to the use of certain AI-related systems and which may require us to change our business practices to comply with such obligations. If services we have developed or deployed fall within the "high-risk" category or are repurposed by our clients such that they are then considered a "high-risk" AI system, we could become subject to additional obligations under the EU AI Act, including conformity assessments, logging, human oversight and incident reporting obligations. As a result, we may be required over the next few years to adapt our approach to software development to ensure that we are in a position to comply with applicable obligations. If we are found liable under the EU AI Act for non-compliance, we may be subject to legal liability, regulatory fines or penalties, and/or reputational harm. In addition, under the EU AI Act certain AI systems are deemed to present an unacceptable risk and are classified as "prohibited" AI systems on the basis that they pose an unacceptable health or safety risk or a risk to the fundamental rights of EU citizens. Our use, deployment or development of AI systems could be deemed a prohibited AI system under the EU AI Act. If we fail to have processes in place that enable us to identify "prohibited" AI systems, and we consequently provide products or services that are deemed prohibited under the EU AI Act, we may be subject to legal liability, regulatory fines or penalties, and/or reputational harm, and may have to change our operations and/or business model. Moreover, if regulatory restrictions prevent us from deploying AI systems we have developed, whether for internal use or for client offerings, it could increase our costs and adversely affect our financial condition.

While we have implemented policies to govern the use of AI tools by our personnel and any other person in the performance of services for our Company, the use of AI in aspects of our business may present material risks and challenges that could increase as AI tools become more prevalent.

Recent decisions of the U.S. Copyright Office suggest that we would not be able to claim copyright ownership in any Output or code generated by agentic AI, and the availability of such protection in other countries is unclear. In the United Kingdom, copyright law may protect works generated by a computer where there is no human creator, however to date there has been no judicial treatment of these computer-generated work considerations in the context of AI. Therefore, even in jurisdictions where copyright protection may be extended to AI-generated works, the ownership of any Outputs generated using AI tools may be subject to legal challenge. As a result, we may not be the legal owner of the Output, which in turn is likely to prevent or limit our ability and the ability of our clients to enforce our respective rights in the Output or mean that both our clients and us are unable to prevent others from copying it or



DIRECTORS' REPORT (CONTINUED)

PRINCIPAL RISKS AND UNCERTAINTIES (CONTINUED)

reusing it, or unable to stop the provider of the AI tool from providing identical Outputs to third parties. The AI tool's terms of service may also declare that the provider of the AI tool owns the Outputs, or that it retains a broad right to re-use the Outputs beyond the right to use the Outputs (and the Prompts) to train the AI tool.

We also face risks in respect of any personal data or confidential or proprietary information of the company which may be included in any Prompts. Whilst some AI tool operators offer an "enterprise" or "business" version with more client-favourable confidentiality and security provisions, free-to-use AI tools do not typically have confidentiality or security obligations with respect to Prompts or Outputs. As a result, if our confidential or proprietary information, or information of a third party to which we have an obligation to keep confidential or which is proprietary to such third party, is included in the Prompt provided to the AI tool, the AI tool might disclose or reuse such confidential or proprietary information, including re-creating the Output to others, or using the information as training data for its AI model, and we may not have the ability to prevent the AI tool from doing so or be aware of any changes in the AI tool operator's practices or terms and conditions allowing any such use. Additionally, there is the risk of personal data being included in a Prompt, which could result in such personal data being inappropriately transferred or processed. This could result in a breach of our obligations under applicable data protection laws, or contracts with our clients or other third parties, which could put us at risk of a fine from the relevant regulator and/or a claim for damages. For further information of data protection breaches and fines, see the risk factor titled "*We are subject to stringent and evolving laws, regulations, rules, self-regulatory standards, policies, contractual obligations, and other obligations related to data privacy and security, including in the European Union and the United Kingdom, where we have material operations. Our actual or perceived failure to comply with such obligations could expose us to regulatory investigations or actions, litigation, fines and penalties or other financial liabilities, disruption of our business operations, reputational harm, loss of revenue or profit, loss of clients or sales and/or adversely affect our ability to conduct our business.*"

Our results of operations may be negatively impacted by the military conflict between Russia and Ukraine.

The military conflict between Russia and Ukraine related sanctions have resulted and could continue to result in disruptions to trade, commerce, pricing stability, credit availability and supply chain continuity in both Europe and globally and has introduced significant uncertainty into global markets.

While our business and operations have not thus far been significantly impacted, it is not possible to predict the broader or longer-term consequences of the Russia-Ukraine conflict on our business. For example, we have employees and clients based in Moldova, a neighbouring country of Ukraine. If the armed conflict involving Russia and Ukraine were to spread to other countries such as Moldova, we may incur significant costs associated with assisting our employees with relocating to neighbouring countries or providing other forms of aid. We may also lose clients or experience other disruptions of our business activities in the region including through interruptions to power, curfew measures imposed on our employee or due to staff displacement caused by attacks in the region. It is possible that clients will request that we provide services from countries other than Moldova.



DIRECTORS' REPORT (CONTINUED)

PRINCIPAL RISKS AND UNCERTAINTIES (CONTINUED)

Other consequences of the Russia-Ukraine conflict could include further sanctions, embargoes, regional instability, geopolitical shifts and adverse effects on macroeconomic conditions, security conditions, currency exchange rates and financial markets. Such geopolitical instability and uncertainty could have a negative impact on our ability to sell to, deliver to, collect payments from, and support clients in certain regions. This could be due to trade restrictions, embargoes and export control law restrictions, and logistics restrictions including closures of air space, which could increase the costs, risks and adverse impacts from supply chain and logistics challenges. There can be no assurance that the Russia-Ukraine conflict, including any resulting sanctions, export controls or other restrictive actions, will not have a material adverse impact on our future operations and results.

We face intense competition.

The market for technology and IT services is intensely competitive, highly fragmented and subject to rapid change and evolving industry standards and we expect competition to intensify. We believe that the principal competitive factors that we face are the ability to innovate; technical expertise, including AI-enabled innovations, combined with industry knowledge; end-to-end solution offerings; the ability to effectively incorporate rapidly emerging technologies, such as AI, technology (including AI tools), in our operations and service offering; delivery locations; price; reputation and track record for high-quality and on-time delivery of work; effective employee recruiting; training and retention; responsiveness to clients' business needs; scale; and financial stability.

Our primary competitors include next-generation digital IT service providers, such as Globant S.A., EPAM Systems, Grid Dynamics and Thoughtworks, digital agencies and consulting companies, such as Ideo, McKinsey & Company and Publicis Sapient; global consulting and traditional IT services companies, such as Accenture PLC, Capgemini SE, Cognizant Technology Solutions Corporation and Tata Consultancy Services Limited; and in-house development by our clients of their technology and IT capabilities. Many of our competitors have substantially greater financial, technical and marketing resources and better name recognition than we do. As a result, they may be able to compete more aggressively on pricing or devote greater resources to the development and promotion of technology and IT services. Companies based in some emerging markets also present significant price competition due to their competitive cost structures and tax advantages.

In addition, there are relatively few barriers to entry into our markets and we have faced, and expect to continue to face, competition from new market entrants. Further, there is a risk that our clients may elect to increase their internal resources or use AI solutions to produce code and enhance efficiencies to satisfy their service needs as opposed to relying on a third-party service provider, such as us. In particular, in the past 12 months, there has been the emergence of sophisticated "software engineering agents" that could be used to undertake work that we currently undertake for our clients. The technology services industry may also undergo consolidation, which may result in increased competition in our target markets from larger firms that may have substantially greater financial, marketing or technical resources, may be able to respond more quickly to new technologies or processes and changes in client demands, and may be able to devote greater resources to the development, promotion and sale of their services than we can. Increased competition could also result in price reductions, reduced operating margins and loss of our market share. We cannot be certain that we will be



DIRECTORS' REPORT (CONTINUED)

PRINCIPAL RISKS AND UNCERTAINTIES (CONTINUED)

able to compete successfully with existing or new competitors or that competitive pressures will not materially and adversely affect our business, results of operations and financial condition.

Our business will suffer if we are not successful in delivering contracted services.

Our operating results are dependent on our ability to successfully deliver contracted services in a timely manner. We must consistently build, deliver and support complex projects. Failure to perform or observe any contractual obligations, including our inability to comply with local laws and regulations, could damage our relationships with our clients and could result in cancellation or non-renewal of a contract. Some of the challenges we face in delivering contracted services to our clients include:

- maintaining high-quality control and process execution standards;
- maintaining planned resource utilisation rates on a consistent basis;
- maintaining employee productivity and implementing necessary process improvements;
- controlling costs;
- accurately forecasting the number of IT professionals required to complete contracted services, including their skills and seniority, and ensuring that we have adequate employees available to be allocated such work;
- maintaining close client contact and high levels of client satisfaction;
- maintaining physical and data security standards required by our clients;
- recruiting and retaining sufficient numbers of skilled IT professionals; and
- maintaining effective client relationships.

If we are unable to deliver on contracted services, our relationships with our clients will suffer and we may be unable to obtain new projects. In addition, it could damage our reputation, cause us to lose business, impact our margins and adversely affect our business and results of operations.

We may be subject to liability claims for actual or perceived breaches of our contracts which may not contain limitations of liability, and our insurance may be inadequate to cover our losses.

We are subject to numerous obligations, including indemnity obligations, in our contracts with our clients and suppliers. Despite the procedures, systems and internal controls we have implemented to comply with our contracts, we may breach these commitments, whether through a failure to comply with applicable laws or regulations, a weakness in our procedures,



DIRECTORS' REPORT (CONTINUED)

PRINCIPAL RISKS AND UNCERTAINTIES (CONTINUED)

systems and internal controls, inability to prevent acts by third parties, such as cyber threat actors or negligence or the wilful act of an employee or contractor.

Additionally, a client may make a claim against us because they believe such a breach of contract occurred. Our contracts may not contain limitations of liability, and even where they do, there can be no assurance that limitations of liability in our contracts are sufficient to protect us from liabilities, damages, or claims related to our contractual obligations, including our privacy and security obligations. We currently carry insurance, including, but not limited to, our professional indemnity (errors and omissions) and cyber and data coverage in an amount we consider reasonable and appropriate for all of the services we provide. These insurance policies, may be inadequate to insure us for any potential losses that may result from claims arising from breaches of our contracts, security incidents, disruptions in our services, failures or disruptions to our infrastructure, catastrophic events and disasters or otherwise. In addition, such insurance may not be available to us in the future on economically reasonable terms, or at all. Further, our insurance may not cover all claims made against us and defending a suit or claim, regardless of its merit, could be costly and divert management's attention.

We are subject to stringent and evolving laws, regulations, rules, self-regulatory standards, policies, contractual obligations, and other obligations related to data privacy and security, including in the European Union and the United Kingdom, where we have material operations. Our actual or perceived failure to comply with such obligations could expose us to regulatory investigations or actions, litigation, fines and penalties or other financial liabilities, disruption of our business operations, reputational harm, loss of revenue or profit, loss of clients or sales and/or adversely affect our ability to conduct our business.

In the ordinary course of business, we collect, receive, store, process, generate, use, transfer, disclose, make accessible, protect, secure, dispose of, transmit, and share (collectively, process) personal data and other sensitive information, including proprietary and confidential business data, trade secrets, source code, intellectual property, sensitive third-party data, and customer data (including proprietary and confidential information of our clients and our clients' clients, such as their confidential business data and intellectual property). Our data processing activities subject us to numerous laws, rules, regulations, guidance, external and internal privacy and security policies, contractual requirements, industry standards, and other obligations related to privacy and data security, including in the United Kingdom and European Union, where we have material operations, and other jurisdictions around the world.

European countries have imposed strict laws, regulations, directives and requirements for processing personal data, such as the European Union's General Data Protection Regulation, or EU GDPR, and the United Kingdom's General Data Protection Regulation, or U.K. GDPR, and the Privacy and Electronic Communications Directive 2002/58/EC, or ePrivacy Directive. For example, both the EU GDPR and/or the U.K. GDPR, together referred to as GDPR, require companies to offer individuals certain rights over their personal data (such as the right to be forgotten), impose additional data breach notification requirements, requires companies to appoint data protection officers in certain circumstances, and impose additional recordkeeping obligations, in addition to other requirements. Penalties under these laws (and others) can be severe. In particular, under the GDPR we may face temporary or definitive bans on data processing and other corrective actions that could materially and adversely impact our operations and ability to do business; fines of up to 20 million Euros or 17.5 million pounds



DIRECTORS' REPORT (CONTINUED)

PRINCIPAL RISKS AND UNCERTAINTIES (CONTINUED)

(under the EU GDPR and the U.K. GDPR, respectively) or 4% of annual global revenue, whichever is greater; or private litigation related to processing of personal data brought by individual data subjects or groups of data subjects or consumer protection organisations authorised at law to represent their interests. Developments and changes in privacy and data security laws in the European Union and United Kingdom, including to the EU GDPR, U.K. GDPR, ePrivacy Directive, and EU or U.K. data breach laws, may more materially affect our operations than developments or changes to such laws in other jurisdictions because the majority of our operations (including employees) are based in the EU and U.K., we are headquartered in the United Kingdom, and we serve clients across Europe. Additionally, we may be subject to various privacy laws in the jurisdictions where we operate, including Australian privacy laws, such as the Privacy Act of 1988, as well as Canada's Personal Information Protection and Electronic Documents Act, or PIPEDA, and various related provincial laws, as well as Canada's Anti-Spam Legislation, or CASL. We also have operations in Asia and may be subject to new and emerging data privacy regimes in the region, including Singapore's Personal Data Protection Act or Vietnam Decree No. 13/2023/ND-CP on the Protection of Personal Data.

The European Union, United Kingdom and other jurisdictions have enacted laws requiring data to be localised, heavily conditioning or limiting the transfer of personal data to other countries. We may be unable to transfer personal data from Europe and other jurisdictions to different countries due to data localisation laws, regulations, requirements or limitations on cross-border data flows. Although there are various mechanisms that may be used in some cases to lawfully transfer personal data from the United Kingdom, Europe and other jurisdictions to the different countries, these mechanisms are subject to legal challenges and may not be available to us. A prohibition or material limitation on our ability to transfer personal data to other countries could materially and adversely impact our business operations. In particular, on July 10, 2023, the European Commission adopted an adequacy decision for the new EU-U.S. Data Privacy Framework, which facilitates international transfers of personal data between the European Union and the United States, for companies that choose to self-certify with the framework and comply with its principles. However, the EU-U.S. Data Privacy Framework is expected to be subject to legal challenges and could be withdrawn if, for example, it is deemed not to provide an adequate level of protection to EU individuals. It is unclear how data transfers to and from the United States and the European Union will be regulated in the long term, which measures must be put in place for onward transfers to and from the United States and the European Union, and whether or not the EU-U.S. Data Privacy Framework will provide a long-term solution to managing flows of personal data between the European Union and the United States. The United States and the United Kingdom implemented a similar transfer mechanism for data transfers from the United Kingdom to the United States, which may also be subject to legal challenges, and there is no assurance that we will satisfy or rely on this measure to lawfully transfer personal data to the United States.

Although there are currently various mechanisms that may be used to transfer personal data from Europe or the United Kingdom to third countries, these mechanisms are subject to legal challenges, and there is no assurance that we can satisfy or rely on these measures to lawfully transfer personal data to such countries or recipients. Other jurisdictions are increasingly adopting similarly stringent data localisation and cross-border data transfer laws. In addition, such laws may be stringently interpreted by regulators. If there is no lawful manner for us to transfer personal data from the United Kingdom, Europe or other jurisdictions to different



DIRECTORS' REPORT (CONTINUED)

PRINCIPAL RISKS AND UNCERTAINTIES (CONTINUED)

countries, or if the requirements for a legally-compliant transfer are too onerous, we could face materially adverse consequences, including the interruption or degradation of our operations, the need to relocate part of or all of our business or data processing activities to other jurisdictions at significant expense, increased exposure to regulatory actions, substantial fines and penalties, the inability to transfer data and work with partners, vendors and other third parties, and injunctions against our processing or transferring of personal data necessary to operate our business. Notably, some European regulators have prevented companies from transferring personal data out of Europe for allegedly violating GDPR and the EU's cross-border data transfer limitations. Additionally, some of our customer contracts may require us to host personal data locally, and this further complicates our ability to transfer and process personal data in order to provide our services, operate and earn revenue.

In the United States, federal, state, and local governments have enacted numerous privacy and data security laws, including consumer protection laws (e.g., Section 5 of the Federal Trade Commission Act), data breach notification laws, and personal data privacy laws. For example, the federal Health Insurance Portability and Accountability Act of 1996, or HIPAA imposes specific requirements relating to the privacy, security, and transmission of individually identifiable health information, including on entities such as ours which are business associates under HIPAA. Various states have also implemented laws regulating the use and disclosure of individually identifiable health information. Additionally, some of our U.S. healthcare industry clients may rely on our solutions to protect information as required by HIPAA and related regulations. As another example, the California Consumer Privacy Act, the CCPA, applies to personal information of consumers, business representatives, and employees who are California residents, and requires businesses to provide specific disclosures in privacy notices and honour requests of such individuals to exercise certain privacy rights. The CCPA provides for administrative fines of up to \$7,500 per intentional violation and allows private litigants affected by certain data breaches to recover significant statutory damages. Other states, such as Virginia, Utah, Connecticut and Colorado, have also passed comprehensive privacy laws, and similar laws are being considered in several other states. These developments may further complicate compliance efforts, and may increase legal risk and compliance costs for us, the third parties with whom we work, and our clients. Additionally, privacy and data security laws have been proposed at the federal, state, and local levels in recent years, which could further complicate compliance efforts.

Our use of AI tools is also subject to privacy and data security laws. For further information, see risk factor *"We use AI tools in our operations, which may result in significant operational challenges, liability and reputational harm."*

In addition to privacy and data security laws, we are contractually subject to industry standards adopted by industry groups and may become subject to such obligations in the future. We are also bound by contractual obligations related to data privacy and security, and our efforts to comply with such obligations may not be successful. For example, certain privacy laws, such as the GDPR and the CCPA, require our clients to impose specific contractual restrictions on their processors or service providers. We publish privacy policies, marketing materials and other statements, such as compliance with certain certifications or self-regulatory principles, including to our clients and others regarding data privacy and security. If these policies, materials or statements are found to be deficient, lacking in transparency, deceptive, unfair,



DIRECTORS' REPORT (CONTINUED)

PRINCIPAL RISKS AND UNCERTAINTIES (CONTINUED)

or misrepresentative of our practices, we may be subject to investigation, enforcement actions by regulators or other adverse consequences.

In addition, certain of our customers who are financial entities may be subject to the EU's Digital Operations Resilience Act, or DORA. We may become subject to increased compliance scrutiny as these customers flow down DORA obligations and may be bound by enhanced contractual obligations related to subcontracting, data protection, cyber security, training, audit by regulators and financial entities, reporting, and termination assistance requirements.

Obligations related to privacy and data security are quickly changing, becoming increasingly stringent, and creating regulatory uncertainty. Additionally, these obligations may be subject to differing applications and interpretations, which may be inconsistent or conflict among jurisdictions. Preparing for and complying with these obligations requires us to devote significant resources. These obligations may necessitate changes to our services, information technologies, systems, and practices and to those of any third parties that process personal data on our behalf. We may at times fail (or be perceived to have failed) in our efforts to comply with our data privacy and security obligations. Moreover, despite our efforts, our personnel or third parties with whom we work may fail to comply with such obligations, which could negatively impact our business operations.

Any failure or perceived failure by us or the third parties with whom we work to comply with applicable privacy or data security obligations could result in significant consequences, including governmental investigations and enforcement actions (e.g., fines, penalties, audits, inspections, and similar), litigation (including class-action claims) or other claims, additional reporting requirements and/or oversight, bans on processing personal data, orders to destroy or not use personal data, and fines and penalties. In particular, plaintiffs have become increasingly more active in bringing privacy-related claims against companies, including class claims and mass arbitration demands. Some of these claims allow for the recovery of statutory damages on a per violation basis, and, if viable, carry the potential for monumental statutory damages, depending on the volume of data and the number of violations. Any of these events could have a material adverse effect on our reputation, business or financial condition, including but not limited to: adverse publicity, loss of trust in us by our clients and partners, reputational harm, inability to process personal data or to operate in certain jurisdictions, expenditure of time and resources to defend any claim or inquiry, and interruptions or stoppages in our business operations.

If we incur any liability for a violation of the intellectual property rights of others, our reputation, business, financial condition and prospects may be adversely affected.

Our success largely depends on our ability to use and develop our technology, tools, code, methodologies and services without infringing the intellectual property rights of third parties, including patents, copyrights, trade secrets and trademarks. We may be subject to litigation involving claims of patent infringement or violation of other intellectual property rights of third parties. Parties making infringement claims may be able to obtain an injunction to prevent us from delivering our services or using technology involving the allegedly infringing intellectual property. A successful infringement claim against us, whether with or without merit, could, among other things, require us to pay substantial damages, develop substitute non-infringing technology, or rebrand our name or enter into royalty or licence agreements that may not be



DIRECTORS' REPORT (CONTINUED)

PRINCIPAL RISKS AND UNCERTAINTIES (CONTINUED)

available on acceptable terms, if at all, and would require us to cease making, licensing or using products that have infringed a third party's intellectual property rights. Protracted litigation could also result in existing or potential clients deferring or limiting their purchase or use of our services until resolution of such litigation, or could require us to indemnify our clients against infringement claims in certain instances. Any intellectual property claims or litigation, whether we ultimately win or lose, could damage our reputation and materially and adversely affect our business, financial condition and results of operations.

In addition, we typically indemnify clients who purchase our services and solutions against potential infringement of intellectual property rights, which subjects us to the risk of indemnification claims. These claims may require us to initiate or defend protracted and costly litigation on behalf of our clients, regardless of the merits of these claims and are often not subject to liability limits or exclusion of consequential, indirect or punitive damages.

If any of these claims succeed, we may be forced to pay damages on behalf of our clients, redesign or cease offering our allegedly infringing services or solutions, or obtain licences for the intellectual property related to such services or solutions. If we cannot obtain all necessary licences on commercially reasonable terms, our clients may stop using our services or solutions.

Further, our current and former employees could challenge our exclusive rights to the software they have developed in the course of their employment. In certain countries in which we operate, an employer is deemed to own the copyright work created by its employees during the course, and within the scope, of their employment, but the employer may be required to satisfy additional legal requirements in order to make further use and dispose of such works. While we believe that we have complied with all such requirements and have fulfilled all requirements necessary to acquire all rights in software developed by our employees and independent contractors, these requirements are often ambiguously defined and enforced. As a result, we may not be successful in defending against any claim by our current or former employees or independent contractors challenging our exclusive rights over the use and transfer of works those employees or independent contractors created or requesting additional compensation for such works.

Our performance and reputation could be adversely affected by increased and conflicting focus on and demands from clients, investors, employees and regulators with respect to environmental, social and governance issues, and we may be criticised or penalised for the timing, nature or scope of our ESG disclosures as regulatory standards evolve.

Expectations from our clients, investors, employees, and regulators regarding our environmental, social, and governance, or ESG, strategy and commitments continue to evolve. As investor policy and public sentiment changes, and regulations and legislation and U.S. presidential executive orders related to ESG disclosure and initiatives are adopted or suspended regionally and globally, our compliance obligations may not be aligned with investor, political, or legal support for or opposition to ESG investments, programmes, and disclosure. Failure to invest in and comply with ESG initiatives and regulations could limit our access to certain markets, result in fines, or cause reputational harm. Likewise, our



DIRECTORS' REPORT (CONTINUED)

PRINCIPAL RISKS AND UNCERTAINTIES (CONTINUED)

commitment to ESG policies and programmes could similarly harm our business and reputation with investors, clients, and the public.

Some institutional investors and activist shareholders have begun to direct capital away from and bring litigation against corporations that are perceived as prioritising ESG above profitability. However, many of our clients and potential clients, as well as certain market participants, including some major institutional investors and capital providers, use third-party benchmarks and scores to assess companies' ESG profiles in making procurement, investment or voting decisions. Further, many of our employees and potential employees increasingly expect meaningful commitment to ESG initiatives in the workplace, including on social topics, such as human rights, diversity, responsible supply chain management, ethics, cybersecurity and privacy concerns, among others. Our actual or perceived ESG-related initiatives, policies or commitments and any failure to achieve or pursue them could result in unfavourable ESG ratings and/or negatively impact our reputation, and result in loss of business from ESG-focused clients and potential clients, and difficulty attracting and retaining talent. This could negatively impact our revenue, profitability, share price and our access to and cost of capital, or otherwise materially harm our business.

Standards for tracking and reporting ESG metrics continue to evolve and may change over time and may conflict across or within jurisdictions, or with consumer and investor expectations. Compliance with such regulation may require us to devote significant resources to developing, implementing, and monitoring policies and procedures. In addition, our processes and controls may not always comply with evolving standards for identifying, measuring, and reporting ESG metrics, including ESG-related disclosures that may be required or expected by regulation or industry norms, and such standards may change over time, which could result in significant revisions to our current goals, reported progress in achieving such goals or ability to achieve such goals in the future, as well as increased costs, internal controls, oversight obligations, potential liability and business disruptions. These regulations may also be subject to further modifications and legal challenges, creating uncertainty regarding our obligations and the associated costs.

Additionally, if we are unable to meet or are forced to change our ESG goals and objectives, we could also face scrutiny from certain constituencies related to the scope and nature of those goals or any revisions to those goals, and we may suffer reputational harm with stakeholders, including our investors, our clients, and current or potential employees.

Increased inflation rates in the regions in which we operate may reduce our margins, profitability and financial performance.

Economies in many regions in which we operate, including the United States and Europe, have experienced in recent financial years, or may experience, high rates of inflation. Periods of higher inflation may slow economic growth and significantly impact our results of operations. To the extent inflation causes costs to increase, including wages, rents, leases and employee benefit payments, such inflation may materially and adversely affect our financial results and business as it may erode our profitability. We may be unable to raise our prices in line with increased inflation and fail to pass on the costs of increased inflation to our clients. As a result, this may reduce our gross margins and profitability.



DIRECTORS' REPORT (CONTINUED)

PRINCIPAL RISKS AND UNCERTAINTIES (CONTINUED)

Our revenue, margins, results of operations and financial condition may be materially and adversely affected if general economic conditions in Europe, the United States or the global economy worsen.

We derive a significant portion of our revenue from clients located in Europe and the United States. The technology services industry is particularly sensitive to the economic environment, and tends to decline during general economic downturns. If the U.S. or European economies continue to weaken or slow, including as a result of the Russia-Ukraine conflict, any impact of the ongoing conflict in the Middle East and related economic sanctions, or if the global economic slowdown persists or exacerbates, pricing for our services may be depressed and our clients may reduce or postpone their technology spending significantly, which may, in turn, lower the demand for our services and negatively affect our revenue and profitability. For example, in the fiscal year ended 30 June 2025, we experienced a slowing in demand for our services from clients in Europe due to a weakened economic outlook and global markets instability, and if this continues in the near to medium term, we may suffer declines in revenue and profitability. This may negatively impact investor perception of our company and could significantly impact our share price.

A weak or declining economy could also cause our clients to delay making payments for our services. Additionally, any weakening or failure of banking institutions or banking systems, which could be caused by a weakening or slowdown of the U.S., European or global economies, could adversely impact our business, operating results and financial condition and negatively impact our ability to receive and make payments. If we are unable to successfully anticipate changing economic and political conditions affecting the markets in which we operate, we may be unable to effectively plan for or respond to those changes, and our results of operations could be adversely affected.

Unstable market and economic conditions may have serious adverse consequences on our business, financial condition and the price of our ADSs.

The global economy, including credit and financial markets, has experienced significant volatility and disruptions, including severely diminished liquidity and credit availability, declines in consumer confidence, declines in economic growth, fluctuations in unemployment rates, high levels of inflation and interest fluctuations, and uncertainty about economic stability, including as a result of the proposed implementation of tariffs under the new U.S. administration. Political tensions as a result of such trade policies could reduce trade volume, investment, technological exchange and other economic activities between major international economies, resulting in a material adverse effect on global economic conditions and the stability of global financial markets. Additionally, such changes may result in reduced or delayed spending on IT services by our existing clients, which could have a material adverse effect on our financial condition or results of operations.

Further, as a result of these political tensions, trade policies and other factors, our efforts to expand our business into other verticals, such as consumer products, healthcare, mobility, insurance and retail, may not succeed. Failure to further penetrate our existing industry verticals or expand our client base in new verticals may materially and adversely affect our revenue, financial condition and results of operations. Other developments, including impacts from the escalation of geopolitical tensions, including between Russia-Ukraine and China-



DIRECTORS' REPORT (CONTINUED)

PRINCIPAL RISKS AND UNCERTAINTIES (CONTINUED)

Taiwan or in the Middle East, and other unfavourable global economic conditions, including disruptions to trade and commerce, in the industries in which we operate may also lead to a decline in the demand for our services, and we may not be able to successfully anticipate and prepare for any such changes.

If the equity and credit markets deteriorate, including as a result of political unrest or war, it may make any necessary debt or equity financing more difficult to obtain in a timely manner or on favourable terms, more costly or more dilutive. Increased inflation rates can adversely affect us by increasing our costs, including labour and employee benefit costs. In addition, higher inflation could also increase our clients' operating costs, which could result in reduced budgets for our clients and potentially less demand for our products and services. Consistent high inflation and any related high interest rates could have a material adverse effect on our business, results of operations and financial condition.

During the year, the Directors managed these risks and uncertainties of the Company in coordination with its fellow subsidiaries in the Group. Further information on these risks, together with how these are mitigated, can be found on pages 14 - 70 of the Endava plc UK annual report and financial statements.

OUR PEOPLE

Our employees have great ideas so we strive to involve our people with matters impacting them. We receive feedback through employee opinion surveys as they provide honest feedback that can drive business improvements. Since the Group's ordinary shares were admitted for trading on The New York Stock Exchange we encouraged employee involvement in the wider performance of the Group through the share save plan which is open to all employees across the Group. The Company also have a policy to give full and fair consideration to applications for employment from disabled persons having regard to their particular aptitudes and abilities. Depending on the nature, severity and duration of the disability, the Company continues to employ those employees who have become disabled and makes arrangements for the training and career development if necessary.

DIVIDENDS

No interim dividend was declared or paid in the year. No final ordinary dividend was proposed by the Directors in respect of the current financial year (2024: nil).

POLITICAL AND CHARITABLE DONATIONS

The company made no political donations or charitable donations during the year (2024: nil).



DIRECTORS' REPORT (CONTINUED)

COMPANY DIRECTORS

The directors of the Group who were in office during the year and up to date of signing the financial statements were:

- Mark Stuart Thurston;
- Rohit Bhoothalingam;
- Joseph Dunleavy (appointed 28 February 2024)

DIRECTORS AND SECRETARY AND THEIR INTERESTS

At the balance sheet date the directors that hold office at 30 June 2025 had the following interest in the shares or options in shares:

- Mark Stuart Thurston, held 100,714 shares or options in shares in Endava plc (2024: 82,703), the Company's ultimate parent undertaking;
- Rohit Bhoothalingam, held 43,695 shares or options in shares in Endava plc (2024: 28,738), the Company's ultimate parent undertaking;
- Joseph Dunleavy, held 26,853 shares or options in shares in Endava plc (2024: 692), the Company's ultimate parent undertaking;

ACCOUNTING RECORDS

The directors believe that they have been maintaining the requirements of sections 281 to 285 of the Companies Act 2014 with regard to maintaining adequate accounting records by employing accounting personnel with appropriate expertise and by providing adequate resources to the financial function. The accounting records of the Company are maintained at 13-18 City Quay, Dublin 2, Ireland.

POST BALANCE SHEET EVENTS

There have been no events since the balance sheet date that would require adjustment to or disclosure in these financial statements.

GOING CONCERN

The balance sheet shows an excess of liabilities over assets. In forming their opinion that the Company has sufficient resources to meet its obligations as they fall due for the foreseeable future, the directors have sought and received confirmation from the parent company that continuing financial support will be provided to the company to enable it to do so, if required.

DISCLOSURE OF INFORMATION TO AUDITOR

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

ENDAVA (IRELAND) LIMITED



DIRECTORS' REPORT (CONTINUED) INDEPENDENT AUDITOR

Pursuant to Section 383(2) of the Companies Act 2014, the auditor, KPMG, Chartered Accountants, will continue in office.

By order of the Board

DocuSigned by:

85735E12D7434A4...
Mark Stuart Thurston, Director

DocuSigned by:

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Rohit Bhoothalingam, Director

25 FEBRUARY 2026



STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS

The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with FRS 101 Reduced Disclosure Framework.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the assets, liabilities and financial position of the Company and of its profit or loss for that year.

In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so

The directors are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the assets, liabilities, financial position and profit or loss of the Company and enable them to ensure that the financial statements are prepared in accordance with the applicable accounting framework and comply with the provisions of the Companies Act 2014. They are responsible for such internal controls as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities. The directors are also responsible for preparing a directors' report that complies with the requirements of the Companies Act 2014.

On behalf of the board

DocuSigned by:

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Mark Stuart Thurston, Director

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Rohit Bhoothalingam, Director

25 FEBRUARY 2026



KPMG

Audit
1 Stokes Place
St. Stephen's Green
Dublin 2
D02 DE03
Ireland

Independent Auditor's Report to the Members of ENDAVA (Ireland) Limited

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Endava Ireland Limited ('the Company') for the year ended 30 June 2025 set out on pages 31 to 52, which comprise the the Balance Sheet, the Statement of Profit and Loss and Other Comprehensive Income, the Statement of Changes in Equity and related notes, including the material accounting policies set out in note 2.

In our opinion:

- the financial statements give a true and fair view of the assets, liabilities and financial position of the Company as at 30 June 2025 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with the requirements of the Companies Act 2014.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) 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 Company in accordance with ethical requirements that are relevant to our audit of financial statements in Ireland, including the Ethical Standard issued by the Irish Auditing and Accounting Supervisory Authority (IAASA), 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.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from the date when the financial statements are authorised for issue.

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

Other information

The directors are responsible for the other information presented in the Annual Report together with the financial statements. The other information comprises the information included in the directors' report and the Balance Sheet, the Statement of Profit and Loss and Other Comprehensive Income, the Statement of Changes in Equity and related notes . The financial statements and our auditor's report thereon do not comprise part of the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.



Independent Auditor's Report to the Members of ENDAVA (Ireland) Limited (continued)

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work we have not identified material misstatements in the other information.

Based solely on our work on the other information undertaken during the course of the audit, we report that:

- we have not identified material misstatements in the directors' report;
in our opinion, the information given in the directors' report is consistent with the financial statements; and
in our opinion, those parts of the directors' report specified for our review, which does not include sustainability reporting when required by Part 28 of the Companies Act 2014, have been prepared in accordance with the Companies Act 2014.

Our opinions on other matters prescribed by the Companies Act 2014 are unmodified

We have obtained all the information and explanations which we consider necessary for the purposes of our audit.

In our opinion the accounting records of the Company were sufficient to permit the financial statements to be readily and properly audited and the financial statements are in agreement with the accounting records.

Matters on which we are required to report by exception

The Companies Act 2014 requires us to report to you if, in our opinion, the disclosures of directors' remuneration and transactions required by Sections 305 to 312 of the Act are not made. We have nothing to report in this regard.

Respective responsibilities and restrictions on use

Responsibilities of directors for the financial statements

As explained more fully in the directors' responsibilities statement set out on page 27, the directors are responsible for: the preparation of the financial statements including being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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 (Ireland) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A fuller description of our responsibilities is provided on IAASA's website at <https://iaasa.ie/publications/description-of-the-auditors-responsibilities-for-the-audit-of-the-financial-statements/>.



Independent Auditor's Report to the Members of ENDAVA (Ireland) Limited *(continued)*

The purpose of our audit work and to whom we owe our responsibilities

Our report is made solely to the Company's members, as a body, in accordance with Section 391 of the Companies Act 2014. 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.

A handwritten signature in blue ink, appearing to read 'M. McCann', written in a cursive style.

Maurice McCann
for and on behalf of KPMG
Chartered Accountants, Statutory Audit Firm
1 Stokes Place, St. Stephen's Green
Dublin 2, D02 DE03

25 February 2026

FINANCIAL STATEMENTS

STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2025

	NOTE	2025 €'000	2024 €'000
TURNOVER	3	20,078	24,049
Cost of sales		(18,318)	(21,089)
GROSS PROFIT		1,760	2,960
Selling, general and administrative expenses		(926)	(1,179)
Impairment loss on goodwill	9	(4,990)	-
OPERATING (LOSS) / PROFIT	4	(4,156)	1,781
Finance costs		(49)	(23)
(LOSS) / PROFIT BEFORE TAX		(4,205)	1,758
Tax on profit on ordinary activities	7	(115)	(127)
(LOSS) / PROFIT FOR THE YEAR		(4,320)	1,631

There were no items of other comprehensive income arising in either year.

The notes on pages 34 to 52 form an integral part of these financial statements.

BALANCE SHEET
AS AT 30 JUNE 2025

	NOTE	2025 €'000	2024 €'000
ASSETS – NON CURRENT			
Goodwill	9	1,941	6,931
Property, plant and equipment	10	1	6
Deferred tax asset	8	7	7
TOTAL		1,949	6,944
CURRENT ASSETS			
Trade and other receivables	12	6,626	14,481
Corporation tax receivable	12	98	-
Cash and cash equivalents	11	407	664
TOTAL		7,131	15,145
CURRENT LIABILITIES			
Trade and other payables	13	9,522	17,908
Corporation tax payable	13	-	32
TOTAL CURRENT LIABILITIES		9,522	17,940
NET CURRENT LIABILITIES		2,391	2,795
NET ASSETS		(442)	4,149
CAPITAL AND RESERVES			
Called up share capital ¹	14	-	-
Share option reserve		879	1,150
Profit and loss account		(1,321)	2,999
SHAREHOLDERS' EQUITY		(442)	4,149

These financial statements were approved by the Board and authorised for issue on 25 FEBRUARY 2026 and are signed on their behalf by:

DocuSigned by:

 85735E12D7434A4...
Mark Stuart Thurston, Director

DocuSigned by:

 6BE9147758C64F7...
Rohit Bhoothalingam, Director

The notes on pages 34 to 52 form an integral part of these financial statements.

¹ Share capital = 100 EUR

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2025

	CALLED UP SHARE CAPITAL² €'000	SHARE OPTION RESERVE €'000	PROFIT AND LOSS ACCOUNT €'000	TOTAL €'000
BALANCE AT 30 JUNE 2023	-	1,548	1,368	2,916
Employee share based payment	-	(398)	-	(398)
Profit for the year	-	-	1,631	1,631
BALANCE AT 30 JUNE 2024	-	1,150	2,999	4,149
Employee share based payment	-	(271)	-	(271)
Loss for the year	-	-	(4,320)	(4,320)
BALANCE AT 30 JUNE 2025	-	879	(1,321)	(442)

The notes on pages 34 to 52 form an integral part of these financial statements.

² Share capital = 100 EUR



NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

REPORTING ENTITY

Endava (Ireland) Limited (“the Company”) is a company domiciled in Dublin, Ireland. The address of the Company’s registered office is 13-18 City Quay, Dublin 2. The Company is a limited liability company incorporated in accordance with the Companies Act, 2014 under registration number 523512.

The Company is exempt by virtue of sections 299, 300 301, 302 of the Companies Act 2014 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

OWNERSHIP OF THE COMPANY

The Company is a wholly owned subsidiary of Endava plc (“the Parent”). The Parent is the immediate and controlling party of the Company. The largest Group in which the Company is consolidated is the Parent. The Parent’s registered office is at 125 Old Broad St, London EC2N 1AR, United Kingdom. The Parent is a foreign private issuer on New York Stock Exchange under “DAVA” symbol and Consolidated Financial Statements are available on SEC site.

2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (“FRS 101”) There have been no material departures from the standard.

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU (“Adopted IFRSs”) but makes amendments where necessary in order to comply with the Companies Act 2014 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

The Company’s holding undertaking, Endava plc includes the Company in its consolidated financial statements. The consolidated financial statements of Endava plc are prepared in accordance with International Financial Reporting Standards and are available to the public and may be obtained from 125 Old Broad St, London EC2N 1AR, United Kingdom.



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

In these financial statements, the company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- A Cash Flow Statement and related notes;
- Disclosures in respect of transactions with related parties;
- The effects of new but not yet effective IFRSs;
- Disclosures in respect of the compensation of key management personnel;
- Disclosures related to International Tax Reform – Pillar Two Model rules;
- IFRS 2 Share Based Payments in respect of group settled share based payments.

1. FUNCTIONAL AND PRESENTATION CURRENCY

These financial statements are presented in Euro (“EUR”), which is the Company’s functional currency. The directors of the Company believe that the Euro most accurately represents the economic benefits of the underlying transactions, events and conditions.

All financial information presented in Euro has been rounded to the nearest thousand, except when otherwise indicated.

2. USE OF ESTIMATES AND JUDGMENTS

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts for 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.

Assumptions used in the Goodwill Impairment Test

The preparation of the annual goodwill impairment test relies on management’s estimate of future cash flows, discount rates and long-term growth rates to calculate the recoverable amount of the Company’s single Cash Generating Unit (“CGU”). In line with the requirements of IAS 1, management has considered the impact of these assumptions on the future as well as at the balance sheet date. Accordingly, we identify that a reasonably possible change in the discount rate and future cash flow assumptions would not cause a material adjustment to the carrying value of the assets of the Company CGU. Note 9 provides further details of the sensitivity analysis conducted.

Other than the assumptions used in the goodwill impairment test, there are no key areas involving estimates and judgments that have significant effect on the amounts recognised in the Company Financial Statements.

ENDAVA (IRELAND) LIMITED



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3. GOING CONCERN

In accordance with IAS 1 'Presentation of financial statements' the Directors have considered the funding and liquidity position of the Company and have assessed the Company's ability to continue as a going concern for the foreseeable future. In doing so, the Directors have reviewed the Company's budget and forecasts and have taken into account all available information about the future for a period of at least, but not limited to, 12 months from the date of approval of these financial statements.

At 30 June 2025, the Company had net liabilities of €0.4 million and net current liabilities of €2.4 million of which €0.4 million was cash and cash equivalents. The Company also has access to the Group Revolving Credit Facility, which has an undrawn amount of £169 million (€ 197.9 million) as at 30 June 2025. The total committed facility amounts to £350.0 million, of which £95.0 million matures in 2027 and £255.0 million matures in 2028.

The Company has also received a letter of support from its parent company, Endava plc, which states that Endava plc will:

- Not seek repayment of amounts advanced to the Company by Endava plc or other Group entities unless adequate alternative financing has been secured by the Company; and
- Advance further amounts to the Company as required.

The Directors have also considered the business activities and the Company's principal risks and uncertainties in the context of the current operating environment. This includes the associated risks with doing business in an environment with inflationary pressures and risk of recession increasing in certain markets.

The Directors considered the ability of Endava plc to provide this support if required. Endava Plc and the Group generated positive operating cashflows of £52.8 million in the year ending 30 June 2025 and £12.2 million in Q1 to 30 September 2025. The future forecast cashflows of the Group to 31 March 2027 indicate that positive cash flows will be generated and that the Group will remain in compliance with its borrowing covenants.

As a result, given the support from the parent company, the available funds from the un-utilised revolving credit facility and ability to manage the cost base as required, the Directors support the continued going concern assumption.

The Directors remain vigilant and ready to implement mitigation action in the event of a downturn in demand or an impact on operations.



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3. GOING CONCERN (CONTINUED)

The Directors are also not aware of any significant matters that are likely to occur outside the going concern period that could reasonably possibly impact the going concern conclusion. Having considered the outcome of these assessments, the Directors consider that the Company has adequate resources to continue in operation for the foreseeable future, being at least 12 months from the date of approval of these financial statements, and accordingly continue to adopt the going concern basis in preparing the financial statements.

4. FOREIGN CURRENCY

Foreign currency transactions are translated into the functional currency of Company, using the exchange rates prevailing at the dates of the transactions (spot exchange rate). Foreign exchange gains and losses resulting from the settlement of such transactions and from the re measurement of monetary items denominated in foreign currency at year-end exchange rates are recognised in profit or loss. Non-monetary items are not retranslated at year-end and are measured at historical cost (translated using the exchange rates at the transaction date), except for non-monetary items measured at fair value which are translated using the exchange rates at the date when fair value was determined.

5. FINANCIAL INSTRUMENTS

(i) Recognition, initial measurement and de-recognition

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted by transaction costs, except for those carried at fair value through profit or loss which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities are described below.

(ii) Classification and subsequent measurement of financial assets

For the purpose of subsequent measurement, financial assets are classified into the following categories upon initial recognition:

- trade receivables
- cash

All financial assets are subject to review for impairment at least at each reporting date to identify whether there is any objective evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets.

(iii) Classification and subsequent measurement of financial liabilities

The Company's financial liabilities include trade and other payables.

Financial liabilities are measured at amortised cost using the effective interest method.

ENDAVA (IRELAND) LIMITED



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

6. TANGIBLE ASSETS

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset.

The cost of an item of property, plant and equipment comprises:

- a) its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates.
- b) any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.
- c) the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which an entity incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period.

When parts of an item of property, plant and equipment have different useful lives, 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 (calculated as the difference between net proceeds from disposal and the carrying amount of the item) is recognised in statement of profit and loss and other comprehensive income.

(ii) Subsequent costs

Subsequent expenditure is capitalized only when it is probable that future economic benefits associated with the expenditure will flow to the Company. Ongoing repairs and maintenance are expensed as incurred.

(iii) Depreciation

Items of property, plant and equipment are depreciated on a straight-line basis in profit or loss over the estimated useful lives of each component. Leased assets are depreciated over the shorter of the leased term and their useful lives unless it is reasonably certain that the Company will obtain ownership by the end of the leased term. Land is not depreciated.

Items of property, plant and equipment are depreciated from the date they are installed and are ready for use, or in respect of internally constructed assets, from the date that the asset is completed and ready for use.



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

6. TANGIBLE ASSETS (CONTINUED)

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Computers and equipment	3 - 5 years
Furniture and fittings	5 years

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

7. GOODWILL

Goodwill represents the excess of the aggregate purchase price paid over the fair value of the net assets/ (liabilities) acquired in business combinations. Goodwill is not amortised and is tested for impairment at least annually or whenever events or changes in circumstances indicate that the carrying value may not be recoverable.

Events or changes in circumstances that could trigger an impairment review include a significant adverse change in business climate, an adverse action or assessment by a regulator, unanticipated competition, a loss of key personnel, significant changes in the manner of the Company's use of the acquired assets or the strategy for the Company's overall business, significant negative industry or economic trends, or significant underperformance relative to expected historical or projected future results of operations.

Where an impairment test is performed, the carrying value is compared with the recoverable amount which is the higher of the value in use and the fair value less costs of disposal. Value in use is the present value of future cash flows and is calculated using a discounted cash flow analysis based on the cash flows of the CGU compared with the carrying value of that CGU, including goodwill. Fair value less costs of disposal is the amount that a market participant would pay for the CGU less the costs of disposal and uses an income-based approach calculated using a discounted cash flow analysis based on the cash flows of the CGU on a post-tax basis. If the carrying amount of goodwill exceeds the recoverable amount of that goodwill, an impairment loss is recognised in an amount equal to the excess. The Company is one CGU and tests for goodwill impairment at least annually, on 30 June of each year.

8. LEASE AGREEMENTS

The Company assesses whether a contract is, or contains, a lease at the inception of a contract. 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.



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

8. LEASE AGREEMENTS (CONTINUED)

To assess whether a contract conveys the right to control the use of an identified asset, the Company uses the definition of a lease in IFRS 16.

The Company as a lessee

The Company recognises a right-of-use asset and a lease liability at the lease commencement date with respect to all lease arrangements except for short-term leases (leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the lease payments are recognised as an operating expense on a straight-line basis over the term of the lease.

As the Company's lease portfolio relates to property leases for offices, the Company has elected not to separate non-lease components and therefore accounts for the lease and non-lease component as a single lease component.

Right-of-use assets are initially measured at cost, comprising the initial amount of the corresponding lease liability, adjusted for any lease payments made at 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 Company as a lessee

Right-of-use assets are subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case, the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, right-of-use assets are adjusted for any remeasurement of lease liabilities. Right-of-use assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be fully recoverable.

Lease liabilities are initially measured at the present value of the lease payments that are due over the lease term, which have not been paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the incremental borrowing rate applicable to each lease. This is the rate that the Company would have to pay for a loan of a similar term, and with a similar security, to obtain an asset of a similar value.



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

9. REVENUE

The Company generates revenue primarily from its single class of business being the provision of IT services. It recognises revenue in accordance with IFRS 15 – “Revenue from Contracts with Customers”:

- a) The Company accounts for a contract when it has approval and commitment from both parties, the rights of the parties are identified, payment terms are identified, the contract has commercial substance and collectability of consideration is probable.
- b) The Company identifies its distinct performance obligations under each contract. A performance obligation is a promise in a contract to transfer a distinct product or service to the customer.
- c) The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring products or services to a customer. With respect to all types of contracts, revenue is only recognised when the performance obligations are satisfied and the control of the services is transferred to the customer, either over time or at a point in time, at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those services.
- d) The Company considers the majority of its contracts to have a single performance obligation. In cases in which there are multiple performance obligations in the contract, a separate price allocation is performed based on relative standalone selling prices.
- e) Revenue is measured at the fair value of the consideration received, excluding discounts, rebates and taxes.

The Company’s services are generally performed under time-and-material based contracts (where materials consist of travel and out-of-pocket expenses) and fixed-price contracts. The vast majority of our contracts are relatively short term in nature and have a single performance obligation.

Under time-and-materials based contracts, the Company charges for services based on daily or hourly rates and generally bills and collects monthly in arrears. The Company applies the practical expedient. Under the practical expedient, if the vendor’s right to consideration from a customer corresponds directly with the value to the customer of the vendor’s performance completed to date, the vendor can recognise revenue at the amount to which the vendor has the right to invoice. Consequently, the revenue from time-and-materials contracts is recognised based on the right to invoice for services performed, with the corresponding cost of providing those services reflected as cost of sales when incurred.



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

9. REVENUE (CONTINUED)

Fixed price contracts are predominantly flat rate recurring service arrangements provided evenly over time, where revenue is recognised on a straight-line basis over the period of the service and do not require any judgment.

A small proportion of fixed price contracts contain percentage of completion and milestone contracts recognised over time. Percentage of completion and milestone contract revenue is recognised over time applying the input or output methods depending on the nature of the project and the agreement with the customer. The input method is applied by recognising revenue on the basis of the Company's efforts to date in the satisfaction of the performance obligation relative to the total expected inputs to the satisfaction of the performance obligation. The output method is applied by recognising revenue on the basis of direct measurements of the value to the customer of the services transferred to date relative to the remaining services promised under the contract, respectively. Each method is applied according to the characteristics of each contract and client. The inputs and outputs are selected based on how faithfully they depict the Company's performance towards complete satisfaction of the performance obligation. These methods are followed where reasonably dependable estimates of revenues and costs can be made. Percentage of completion and milestone contracts generally correspond to short-term contracts that generally do not span more than one accounting period.

The Company also enters into a small number of volume-based arrangements where revenue is recognised based upon performance of certain activities (e.g. processing of IT service tickets). Volume-based revenue is recognised over time based on the volume of IT related services provided in the period at the fixed rate per activity.

Variable consideration usually takes the form of volume-based discounts, rebates, price concessions or incentives. Determining the estimated amount of such variable consideration involves assumptions and estimation uncertainty that can have an impact on the amount of revenues reported. The majority of this variable consideration relates to volume based discounts and rebates which are applied as a reduction to revenues recognised to date, and are estimated based on future forecasts of contracted revenue during the contractual period, considering the highly probable threshold.

From time to time, the Company may enter into arrangements with third-party suppliers to sell services. In such cases, the Company evaluates whether it is the principal (i.e., reports revenues on a gross basis) or the agent (i.e., reports revenues on a net basis). In doing so, the Company first evaluates whether it has control of the service before it is transferred to the customer. If the Company controls the service before it is transferred to the customer, the Company is the principal; if not, the Company is the agent. Determining whether the Company controls the service before it is transferred to the customer may require judgment.



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

9. REVENUE (CONTINUED)

A contract asset is a right to consideration that is conditional upon factors other than the passage of time. Services performed on or prior to the balance sheet date, but invoiced thereafter, are reflected in accrued income. Contract liabilities, or deferred income, consist of advance payments from clients and billings in excess of revenues recognised. The Company classifies deferred income as current on the consolidated balance sheet and it is recognised as revenue when the services are provided under a contract. These balances are generally short-term in nature and are generally recognised as revenue within one year.

10. INCOME TAXES

Tax expense recognised in profit or loss comprises the sum of deferred tax and current tax not recognised in other comprehensive income or directly in equity.

Current income tax assets and/or liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting periods, that are unpaid at the reporting date. Current tax is payable on taxable profit, which differs from profit or loss in the financial statements. Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

11. CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

12. SHARE CAPITAL

Share capital represents the nominal value of shares that have been issued.

13. EMPLOYEE SHARE SCHEMES AND SHARE BASED PAYMENTS

The parent company issues equity settled share options to its subsidiaries' employees. The options are measured at fair value at date of grant. The fair value of the share options issued is expensed to the statement of comprehensive income account on a straight line basis over the vesting period, based on the Company's estimate of the number of options that will eventually vest, updated at each balance sheet date.

14. BUSINESS COMBINATIONS

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Company. An investor controls an investee when the investor is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over

ENDAVA (IRELAND) LIMITED



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

14. BUSINESS COMBINATIONS (CONTINUED)

the investee. The consideration transferred by the Company to obtain control of a subsidiary is calculated as the sum of the acquisition-date fair values of assets transferred, liabilities incurred and the equity interests issued by the Company, which includes the fair value of any asset or liability arising from a contingent consideration arrangement.

Acquisition costs are expensed as incurred.

The Company recognises identifiable assets acquired and liabilities assumed in a business combination regardless of whether they have been previously recognised in the financial statements of the acquiree prior to the acquisition. Assets acquired and liabilities assumed are generally measured at their acquisition date fair values.

Goodwill is stated after separate recognition of identifiable intangible assets. It is calculated as the excess of the sum of a) fair value of consideration transferred, b) the recognised amount of any non-controlling interest in the acquiree and c) acquisition-date fair value of any existing equity interest in the acquiree, over the acquisition-date fair values of identifiable net assets. If the fair values of identifiable net assets exceed the sum calculated above, the excess amount (i.e. gain on a bargain purchase) is recognised in profit or loss immediately.

3. TURNOVER

Turnover recognised in the Statement of Profit and Loss and Other Comprehensive Income account is analysed into the following geography split, based on where the service is being delivered to:

	2025 €'000	2024 €'000
UK	1,641	1,208
Europe	18,407	22,203
North America	30	638
TOTAL	20,078	24,049

During the reporting period, the Company generated €19,142,000 revenue from services provided to third parties (2024: €23,027,000).



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4. OPERATING PROFIT

	2025 €'000	2024 €'000
OPERATING PROFIT IS STATED AFTER CHARGING / (CREDITING):		
Depreciation of owned property, plant & equipment	5	9
Net loss on foreign currency translation	49	23
Share-based compensation	141	139
	195	171
OPERATING LEASE COSTS:		
Land and buildings	-	31
	-	31

AUDITOR'S REMUNERATION:

The Company paid the following amounts to its auditors in respect of the audit of the historical financial information:

Audit of the financial statements	22	21
TOTAL AUDIT FEES	22	21

5. PARTICULARS OF EMPLOYEES

	2025	2024
AVERAGE NUMBER OF STAFF EMPLOYED BY THE COMPANY DURING THE FINANCIAL YEAR:		
Number of operational staff	4	4
Number of administrative staff	1	3
TOTAL	5	7



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5. PARTICULARS OF EMPLOYEES (CONTINUED)

	2025 €'000	2024 €'000
AGGREGATE PAYROLL COSTS OF THE ABOVE WERE:		
Wages and salaries	1,422	1,437
Social security costs	99	85
Retirement benefits	34	38
Share-based compensation	141	139
TOTAL	1,696	1,699

6. KEY MANAGEMENT REMUNERATION

The Company considers its directors to be its key management personnel. The aggregate remuneration attributable to key management personnel for the year amounted to €0.28 million (prior year €0.17 million) which includes a fair allocation of compensation paid or payable to directors who are employed by other group companies as well.

7. TAX ON PROFIT ON ORDINARY ACTIVITIES

ANALYSIS OF CHARGE / (CREDIT) IN THE YEAR

	2025 €'000	2024 €'000
Corporation tax based on the results for the year at 12.5% (2024: 12.5%)	103	189
Adjustments in respect of prior periods	12	(62)
CURRENT TAX	115	127



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

7. TAX ON PROFIT ON ORDINARY ACTIVITIES(CONTINUED)

RECONCILIATION OF THE TAX RATE ON COMPANY PROFITS

	2025 €'000	2024 €'000
(Loss)/Profit on ordinary activities before taxation	(4,205)	1,758
Profit on ordinary activities by rate of tax	(526)	220
Other timing differences	12	(62)
Share-based payments	5	(31)
Other permanent differences	624	-
CURRENT TAX	115	127

8. DEFERRED TAX

	AT 1 JULY 2024 €'000	INCOME STATEMENT €'000	AT 30 JUNE 2025 €'000
Accelerated depreciation	7	-	7
DEFERRED TAX	7	-	7

9. GOODWILL

	TOTAL €'000
COST AT 1 JULY 2024	6,931
Impairment loss	(4,990)
AT 30 JUNE 2025	1,941
	TOTAL €'000
COST AT 1 JULY 2023	6,931
Impairment loss	-
AT 30 JUNE 2024	6,931



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

9. GOODWILL (CONTINUED)

As at 30 June 2025, the Company's goodwill is €1,941,000 (2024: € 6,931,000). The goodwill is arising from the asset acquisition of Comtrade Digital Services Limited completed on 1 March 2021, when the Company entered into a Business Transfer Agreement, under which acquired all the properties, rights and interests and other tangible and intangible assets of Comtrade Digital Services Limited.

Goodwill is not amortised and is tested for impairment at least annually or whenever events or changes in circumstances indicate that the carrying value may not be recoverable. Events or changes in circumstances that could trigger an impairment review include a significant adverse change in business climate, an adverse action or assessment by a regulator, unanticipated competition, a loss of key personnel, significant changes in the manner of our use of the acquired assets or the strategy for our overall business, significant negative industry or economic trends, or significant underperformance relative to expected historical or projected future results of operations.

For the year ended 30 June 2025, management reviewed the value of the goodwill based on internal value in use calculations. The key assumptions for these calculations are revenue growth rate, earnings before interest, tax depreciation and amortisation ("EBITDA") margin and discount rate. The growth rates for the analysed period are based on management's expectations of the medium-term performance of the business, planned growth in market share, industry forecasts and growth in the market. These calculations used five-year cash flow projections and assumed a 1.5% terminal growth rate thereafter. The discount rate used of 16.8% for the 2025 impairment test (2024: 15.5%) represents the weighted average cost of capital ("WACC") of the Company and is a pre-tax rate. The starting point for the five-year cash flow projections is the Board approved forecast for the Group the Company is part of for financial year ending 30 June 2026.

The key assumptions used in the projections for the year ended 30 June 2025 are as follows:

Revenue (decline) / growth rate: (2.9)% - 7%
EBITDA margin: 3.9%

Management's impairment assessment for 2025 shows that the value in use does not exceed the carrying amount of goodwill, therefore an impairment loss of €4,990,000 was recognised.



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

10. PROPERTY, PLANT AND EQUIPMENT

	COMPUTERS & EQUIPMENT €'000	FURNITURE & FITTINGS €'000	TOTAL €'000
COST AT 1 JULY 2024	25	1	26
Additions	1	-	1
Disposals	(7)	(1)	(8)
AT 30 JUNE 2025	20	-	19

	COMPUTERS & EQUIPMENT €'000	FURNITURE & FITTINGS €'000	FIXED ASSETS IN PROGRESS €'000	TOTAL €'000
DEPRECIATION AT 30 JUNE 2024	19	1	-	20
Charge for the year	5	-	-	5
Disposals	(6)	(1)	-	(7)
AT 30 JUNE 2025	18	-	-	18

NET BOOK VALUE

AT 30 JUNE 2024	6	-	-	6
AT 30 JUNE 2025	1	-	-	1



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

11. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of the following:

	2025 €'000	2024 €'000
Cash and bank in hand	407	664
	407	664

12. TRADE AND OTHER RECEIVABLES

	2025 €'000	2024 €'000
Trade receivables	3,855	9,256
Accrued income	855	1,855
Amounts owed by group undertakings	1,879	2,898
Prepayments	17	30
Other debtors	20	442
TOTAL	6,626	14,481

	2025 €'000	2024 €'000
Corporation tax receivable	98	-
	98	-

The total current amounts owed by group undertakings as of 30 June 2025 are €1.9 million and are non-interest bearing and repayable on demand (2024: €2.9 million).



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

13. TRADE AND OTHER PAYABLES

	2025 €'000	2024 €'000
Amounts owed to group undertakings	8,440	15,542
Other taxation and social security	720	1,735
Deferred income	55	183
Accruals	305	447
Other liabilities	2	1
TOTAL	9,522	17,908

	2025 €'000	2024 €'000
Corporation tax payable	-	32
	-	32

The total current amounts owed to group undertakings as of 30 June 2025 are €8.4 million and are non-interest bearing and repayable on demand (2024: €15.5 million).

14. CALLED UP SHARE CAPITAL

AUTHORIZED SHARE CAPITAL:	2025 €'000	2024 €'000
100,000 Ordinary shares of €1 each	100	100

ALLOTTED, CALLED UP AND FULLY PAID:	2025 NO.	€	2024 NO.	€
Ordinary shares of €1 each	100	100	100	100



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

15. LEASES

The Company's lease portfolio consists of property leases of office that are not in scope for IFRS 16.

Income Statement Impact

The following items have been recognised in the Statement of comprehensive income for the current year:

	2025 €'000	2024 €'000
Expense related to short-term leases	-	31
	-	31

The Company did not have any cash outflow for leases as a lessee during the year (2024: nil).

The Company does not have any arrangements in which it acts as a lessor.

16. ULTIMATE PARENT COMPANY AND CONTROLLING PARTY

Ultimate Parent Company and Controlling Party

The Company is controlled by Endava plc, which is the ultimate parent company and controlling party. The financial statements of Endava plc are available from the registered office at 125 Old Broad Street, London, EC2N 1AR.

17. POST BALANCE SHEET EVENTS

There were no other significant subsequent events from the end of the year until the date of signing of this report that would require an adjustment to or disclosure in the financial statements. The Directors expect the current level of business activity to continue in the future.