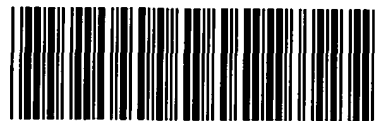


Intercede Group plc

Annual Report and Accounts 2025

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Chairman's Statement

Dear Shareholders,

I am delighted to report that Intercede Group has maintained the momentum from last year and delivered a sterling set of results for FY 2025. Revenues were £17.7 million including MyID CMS and MyID SecureVault subscription revenue of £2.5 million, adjusted EBITDA of £4.5 million and net profit of £4.1 million. With basic earnings per share of 6.9p, the Group ended the year with a cash balance of £18.7 million and no debt.

Software updates continue the quarterly cadence with latest versions of MyID MFA v5.08 (Multi Factor Authentication) and MyID CMS v12.14 (Credential Management System) both released in the final quarter. Recurring and repeatable revenues are a strategic focus for the Group and grew notably to £10.2 million of support and maintenance and £5.0 million of professional services in the year.

As a Group, we remain driven on both organic and inorganic growth. On the organic front, we have expanded our MyID Solutions portfolio with the in-year launch of our new product, MyID SecureVault, which has already achieved maiden sales within the current financial year and a growing pipeline.

We have continued to invest in our teams across the UK and US, supporting a planned increase in headcount to 115 by year-end. This growth, primarily within development and testing, enhances our capacity, broadens our capabilities, and strengthens internal succession planning. Inorganic growth also remains a central strategic pillar and is outlined in detail later.

Scalability and Growth

The United States of America (US) remains our largest market, and we continue to invest in people and infrastructure to help maintain our position as the leading CMS software provider to the Federal market. Despite the recent market instability as a result of tariff announcements, the Group is not experiencing a material impact, currently and the pipeline continues to develop in line with expectations. The Group is also expanding its range of global distribution and reseller partners, leading to new deployments in Europe, the Middle East and Asia, and is encouraged to see a more geo-diversified pipeline and conversion.

The Board is confident that there are significant opportunities for Intercede to realise in the coming years. It will continue to deliver on the KPIs it has set itself with the priority remaining to build Intercede into one of the leading cybersecurity software companies, in our space, operating globally based on:

- strong quality and commercially viable product propositions.
- IP owning with continuous development.
- a diverse, and low attrition client base.
- a diverse, well-motivated and incentivised group of colleagues.
- a diverse and engaged Board.
- robust financial foundations, including increasing recurring revenues.

We believe that by demonstrating to our clients, channels, technology partners and colleagues that we are committed to delivering on this agenda and we are embedding best practice that will deliver long-term value for all

Acquisition Strategy (M&A)

M&A remains a key growth driver for the Group, provided it creates value, complements our existing operations, and opens new avenues for expansion. We continue to evaluate a robust pipeline of potential acquisitions that align with our strategic goal of diversifying and expanding our addressable cybersecurity market.

A successful and fully integrated acquisition(s) would not only expand our product portfolio but also deliver the scale necessary to accelerate customer growth and increase recurring annual revenue. The 'land and expand' model is a critical lens through which we assess every acquisition opportunity, ensuring we unlock long-term value and sustainable/viable growth.

Throughout the year, we engaged with 29 companies and issued several draft Letters of Interest (LOIs). Our M&A pipeline remains healthy, with multiple opportunities under consideration. However, we remain vigilant when it comes to valuation metrics, intellectual property rights, and integration plans. As a result, we have either walked away from or postponed deals to allow for more thorough assessment and ensure any acquisition aligns with our strategic vision.

Colleagues, Stakeholders and Board

I would like to extend the Board's thanks to all our colleagues across the Group for their continued dedication and exceptional service throughout the year. It is their innovation, passion, and energy that drives the success and continued progress of Intercede.

We are also deeply grateful to our customers, partners, and stakeholders for their ongoing support and collaboration, who have played a key role in making this year a successful one for all involved.

A special thanks goes to Klaas and his management team for their strong leadership and outstanding performance. The Board also acknowledges the unwavering support and efforts of the entire team, and we remain appreciative of all the hard work that contributes to our collective success.

Outlook

As I have previously stated, Intercede is primed for growth, and we are already seeing the benefits of our targeted development and investments in its product offering. We are excited about the future and are confident that the Group will continue to build on these solid foundations in the years ahead.

Intercede is primed for growth and is already seeing the benefits of targeted development and investments in its product offering. The Group is excited about the future and confident it will continue to build on the solid foundations in the years ahead.

Despite ongoing global uncertainty, the cybersecurity market continues to expand, driven by the increasing complexity of threats and the growing influence of emerging technologies such as AI. Regulatory momentum is also increasing, with new standards like the Network and Information Security Directive 2 (NIS2) in Europe and parallel initiatives in the US aligning closely with Intercede's software capabilities and product development roadmap.

Whilst the Group is seeing no current impact from tariffs or Department of Government Efficiency (DOGE) directives, there is potential upside driven by increased Department of Defence (DoD) spending, as well as the emphasis on moving from Government Off-the-Shelf (GOTS) to Commercial Off-the-Shelf (COTS) solutions. However, decision-making cycles within government entities continue to be longer compared to non-governmental sector. Spending on cybersecurity is on the rise, with increasing potential for direct vendor engagement and a growing number of cybersecurity mandates at both US state and local levels. Despite reduced government funding for the Cybersecurity and Infrastructure Security Agency (CISA), the resilience of critical infrastructure remains intact.

Beyond the Americas, Intercede's market presence is strengthening. In Continental Europe and the UK, regulatory frameworks such as NIS2 and the Digital Operational Resilience Act (DORA) are gaining traction, alongside rising interest in the EU Digital Wallet (EUDI) and in the Middle East. The Group is focussed on accelerating its channel expansion in these regions through targeted marketing efforts. Meanwhile, in the Asia-Pacific region, particularly Singapore, there are growing demands for secure identity solutions, including activity in Australia and New Zealand.

Current trading is in line with Board expectations with our Tier 1 client base continuing to grow and diversify, reinforcing the Group's strong market position. With its 'best-in-class' MyID platform, we are uniquely equipped to capitalise on a dynamic and expanding global cybersecurity landscape.

DocuSigned by:

Royston Hoggarth
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Royston Hoggarth
Chairman

23 June 2025

“ We are maintaining our momentum, even amid ongoing global uncertainty and challenges. Following an outstanding FY24, the Group has delivered further strong results, driven by a strategically geo-diversified pipeline and market leading products. Intercede is committed to executing its strategic objectives and delivering embedded growth in the years ahead. ”

Our Mission, Our Vision

Mission

Securing Tomorrow, Today: The Intercede Promise

Intercede drives advanced cybersecurity solutions that protect the world's most sensitive digital landscapes. With over two decades of expertise in digital identity management and authentication, we empower organisations to operate with confidence in a highly and ever-increasing connected world.

Our mission is to transform how governments and enterprises protect their digital assets by delivering powerful, best in class, user-friendly digital identity solutions that scale seamlessly with their needs. We achieve this by:

- Creating innovative and intuitive cybersecurity software that solve real-world challenges for organisations and their users.
- Fostering collaborative partnerships which amplify innovation and drive mutual success.
- Cultivating a dynamic workplace where exceptional talent thrives and breakthrough ideas flourish.
- Generating sustainable value for our stakeholders while safeguarding global digital infrastructure.

A Secure Digital Identity for Governments and Enterprises, Everywhere

Vision

We envision a world where robust digital authentication is universal, accessible, and seamlessly integrated into every organisation's operation. Intercede will lead this transformation, breaking down barriers to advanced security adoption and establishing a new standard where strong digital identity protection is not just attainable, but expected.

We aim to ensure trust, integrity and reliability.

Headlines, Highlights and Operating Highlights

- Group revenues of £17.7 million
- Group focus on annual recurring revenue now at £10.6 million. Put 10.6 from KPIs plus comparative
- Net profit of £4.1 million
- Net cash generation from operating activities of £2.9 million, after share buybacks and repayments of R&D tax credits being a net impact of c£1.4 million
- Basic EPS of 6.9p
- New product launched, MyID SecureVault, with maiden sales in H2
- Continued investment in product and code, including internal IT infrastructure
- Clear strategic vision on M&A plans and broadening our geographic reach
- Strong and unleveraged financial position.

	FY 2025 £ million	FY 2024 £ million
Revenue	17.7	20.0
Gross profit	17.2	19.4
Profit before Tax	4.6	5.6
Net Profit	4.1	6.0
EPS - basic	6.9p	10.3p
EPS - diluted	6.5p	9.6p
Gross Margin	97.2%	97.0%
Net Margin	23.2%	30.0%
Cash and cash equivalents	18.7	17.2
Net cash from operating activities	2.9	9.6
Deferred revenue	8.8	8.6
Total Assets	28.7	25.7
Total Equity	17.0	13.2

Adjusted EBITDA	4.5	6.2
Less:		
Amortisation of intangibles	0.2	0.2
Depreciation of assets	0.2	0.1
Right of use depreciation	0.1	0.2

Acquisition costs -release of deferred consideration	-0.2	0.1
Employee Share/Unit incentive & option plan charges	0.2	0.2
Exceptional costs	0.1	0.1
Operating Profit	3.9	5.3

Highlights for the Year Ended 31 March 2025

Total Revenue:

For the year ended 31 March 2025, the Group generated revenues of £17.7 million, representing a decrease of approximately 11.5% compared to the prior year (2024: £20.0 million), and an 9.6% decline on a constant currency basis. As previously disclosed, 2024 included an exceptional perpetual licence sale of approximately £6 million that the Group signed in December 2023, which contributed materially to the FY2024 results (with revenues in FY2024 being record revenues for the Group). In the three-year period between 2022 and 2025 the Group has demonstrated a CAGR in revenues of c21.4%.

Key Contract Wins:

During the year, the Group secured several significant new contracts, including:

- A major licence order for MyID CMS, placed by a systems integrator on behalf of a new government end client in Asia (new logo), valued at approximately \$0.9 million, with associated multi-year support and maintenance services worth \$0.56 million. This contract establishes a strategic presence for the Group in the region.
- For the same end client, the Group secured its inaugural subscription licence order for MyID SecureVault, valued at approximately \$0.5 million over a two-year period.
- A subscription licence order for MyID MFA from a leading airline based in the Middle East (new logo), secured through a newly established partnership focused on airport security screening.
- A subscription licence order for MyID MFA from a prominent Kuwaiti bank (new logo), contracted via the Group's regional distribution channel.

A MyID CMS subscription licence order from an American, publicly traded, government-sponsored enterprise (new logo), secured through a managed services partner.

Contract Renewals:

The Group also successfully renewed a number of key support and maintenance as well as subscription contracts, including:

- A renewal from a large U.S. federal agency, valued in excess of \$1.4 million.
- A renewal from a second major U.S. federal agency, valued in excess of \$1.0 million.
- A renewal from another key U.S. federal agency, valued at approximately \$0.15 million.
- A major renewal from a significant educational institution in the Middle East for MyID MFA, including an enhanced subscription licence order for an additional 2,000 users, bringing the total deployment to 19,000 users. The combined annual value is approximately \$0.15 million.

- A support and maintenance renewal from a major U.S. aerospace and defence manufacturer, totalling approximately \$0.54 million.

Deployment Activity:

During the year, the Group added 15 new deployments across its MyID Solutions product lines.

Operations Overview

Intercede continues to uphold its commitment to excellence in quality, agility and timeliness, with cost-effective delivery. Our operations are underpinned by stringent quality assurance protocols, underpinned by ISO 9001 and 27001 and the disciplined application of key performance indicators (KPIs) throughout the estimation, development, and review processes. These practices ensure that all deliverables consistently meet our high standards. All development and testing is performed in the UK.

We employ an agile development methodology to support the evolution of our products, with an increasing number of components being developed and integrated using Azure DevOps. The MyID product suite adheres to a structured release schedule, with MyID CMS undergoing quarterly updates—comprising versions v12.11 through v12.14 within FY 2025. Additionally, MyID MFA/PSM has seen the successful release of four versions during the reporting period: v5.05.0, v5.07.0, v5.08.0, and v5.08.1.

In direct response to customer demand, we demonstrated our capacity for rapid innovation through the design, development, and launch of a new product, MyID SecureVault, within a three-month timeframe.

Over the past year, Intercede has successfully delivered more than 32 projects to a diverse client base across the United Kingdom, Europe, the Middle East, APAC, and the United States. These projects served both newly onboarded customers and long-standing partners across critical sectors including government, federal, defence, telecommunications, and finance.

Key project highlights include:

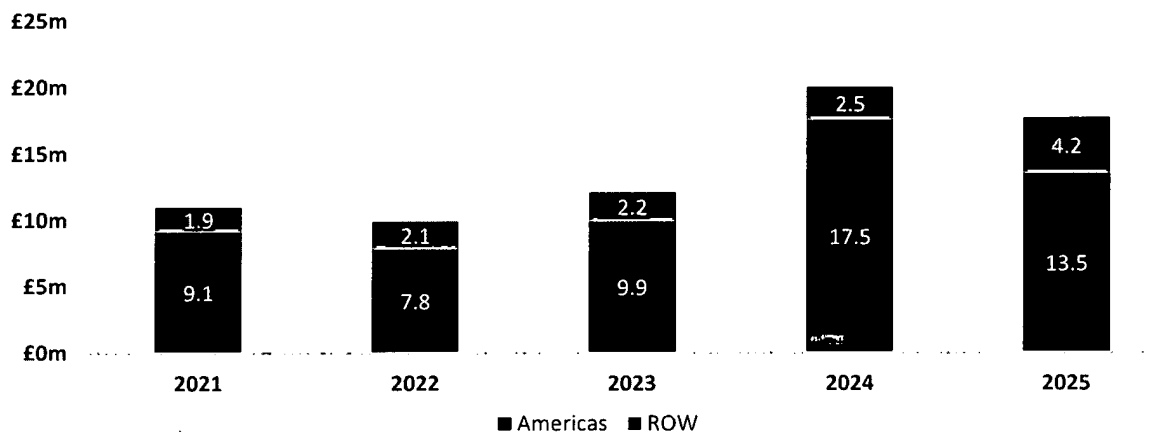
- The deployment of MyID CMS for a major U.S. federal agency, encompassing support for over 250 global locations.
- The implementation of MyID MFA for a critical government agency in the Middle East.
- The deployment of MyID MFA for a supervisory financial authority in the Middle East.
- The commencement of a MyID SecureVault implementation for a governmental client in the Asia-Pacific region.
- The Group continued to invest in strengthening its internal IT infrastructure and migration to cloud capabilities. This strategic transition enhances scalability, reliability, and performance.
- Intercede maintained its ISO 9001 and ISO 27001 certifications, successfully achieving this without any non-conformances. This reflects the organisation's ongoing commitment to quality management and information security best practices.
- Customer satisfaction remains a cornerstone of Intercede's operational priorities. In FY 2025, the Group achieved a Net Promoter Score (NPS) of +55 (2024: +50), underlining a continued strengthening of our customer and partner relationships. This improvement underscores our commitment to delivering exceptional value through high-quality software products, responsive account management and customer support, and professional services. We actively engage with our client base through executive service reviews and our Customer Advisory Board to gather feedback and continuously enhance service delivery and customer experience.

Intercede remains steadfast in its mission to deliver secure, reliable, and innovative digital identity solutions, ensuring the continued trust and satisfaction of our global clientele.



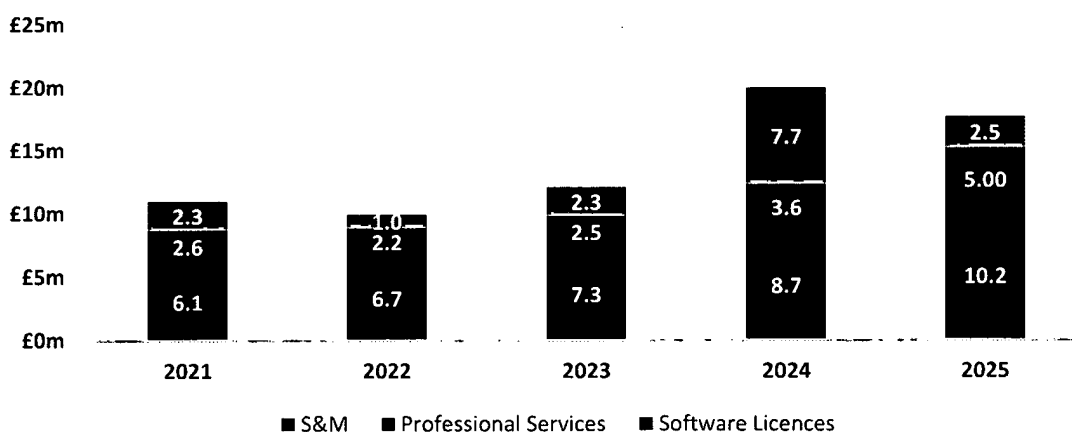
KPI's

Regional Revenue



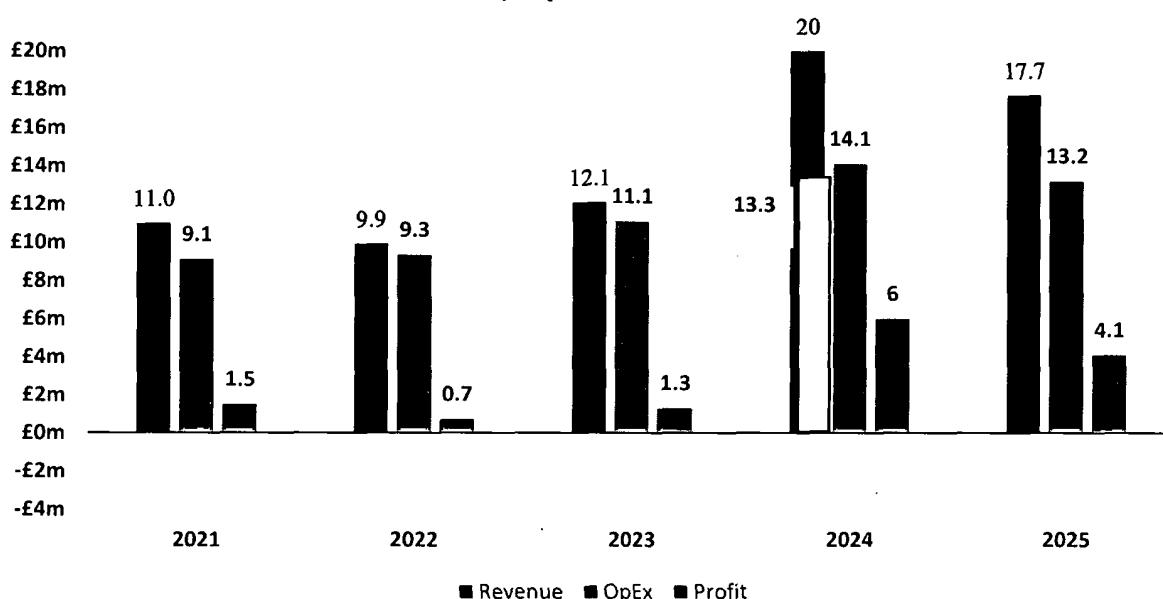
- The Americas continue to represent Intercede’s largest regional market, contributing 76.3% of total revenue (2024: 87.5%).
- Revenue from the Rest of the World (excluding the UK and Europe) increased year-on-year, reflecting the success of the Group’s market expansion strategy and the growing adoption of MyID Solutions.
- Total revenue for the year was £17.7 million, representing a year-on-year decrease of 11.5% (2024: £20.0 million). On a constant currency basis, the decline was 9.6%.
- The reduction was primarily driven by the anticipated fall in software licence revenue following an exceptional perpetual licence order recognised in FY2024.

Revenue Breakdown



- **Support & Maintenance (S&M):** Revenues continued to grow, supported by an expanding deployment base and a loyal, low-churn customer base. This recurring income stream has shown progressive growth over the past five years.
- **Software Licences:** Revenue decreased as expected, following the exceptional perpetual licence recognised in the prior financial year.
- **Professional Services:** Revenue increased significantly, driven by:
 - The delivery of a major proof of concept (POC).
 - Accelerated deployment by a federal client.
 - Higher customer demand to upgrade to the latest release of MyID CMS, highlighting the strength and appeal of new platform features.

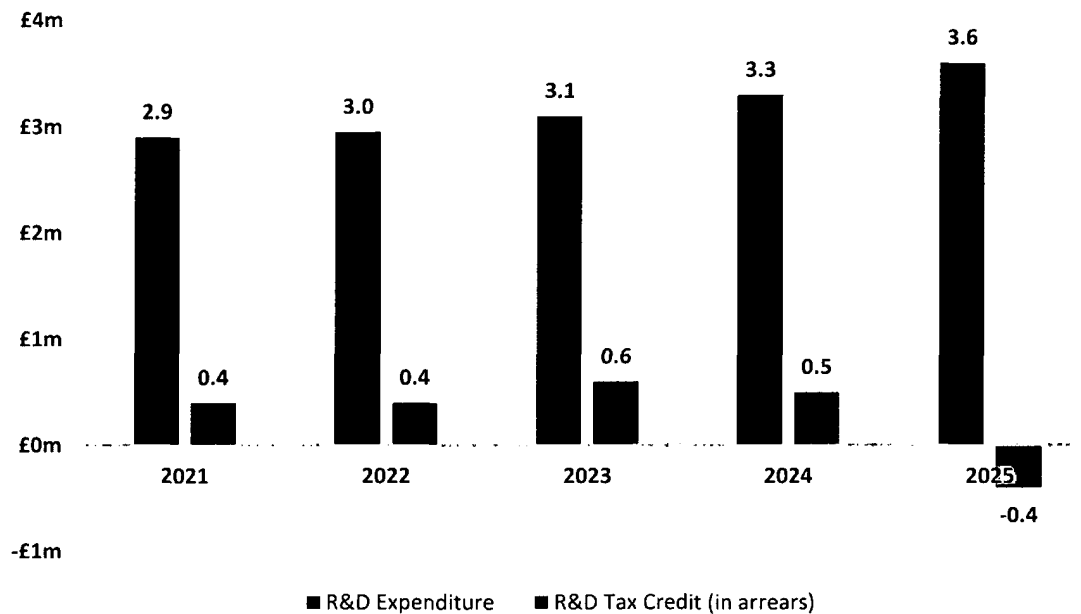
Revenue, OpEx & Profit



- The Group, on a like for like basis has continued to grow, after adjusting for the exceptional sale in 2023/24 (c/ref to the £13.3m adjusted normalised revenue forecast for 2024).
- Operating expenses for the year totalled £13.2 million (2024: £14.1 million), equivalent to 74.7% of revenue (2024: 70.7%).
- The increase in OpEx as a proportion of revenue was primarily due to:
 - Strategic investments in product innovation, particularly in the MyID portfolio, including the launch and development of MyID SecureVault.
 - Upgrades to internal IT infrastructure to support operational scalability
 - Growth in employee numbers and associated remuneration costs, including commission and performance-related pay.
- Staff costs remain the most significant component of operating expenses, representing 84.3% of the total (2024: 79.6%).
- Intercede remains committed to attracting and retaining top talent, reflected in regular salary reviews and performance-linked incentives.

- The average number of employees and contractors during the year was 109 (2024: 102)
- The total headcount as at 31 March 2025 was 113 (2024: 108), in line with strategic growth objectives.

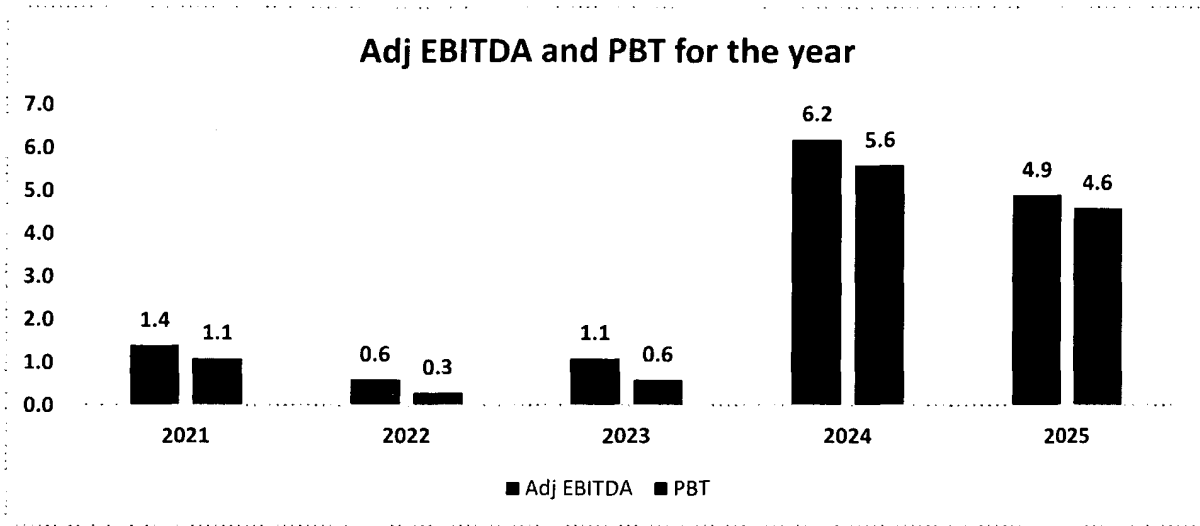
Research & Development (R&D)



The Group continues to prioritise investment in research and development to drive innovation and maintain the competitiveness of its MyID product suite.

- Total expenditure on R&D activities for the year amounted to £3.6 million (2024: £3.3 million), reflecting increased investment in product enhancement and new feature development.
- In accordance with IFRS recognition criteria, the Board has assessed that a significant proportion of internal R&D costs do not meet the threshold for capitalisation and are therefore expensed to the income statement.
- However, development expenditure of £0.3 million incurred specifically in relation to the subscription only and separable MyID SecureVault initiative has been capitalised during the year (2024: £nil), consistent with accounting policy and reflecting the commercial viability and technological feasibility of the product.
- Under new HMRC rules effective from 1 April 2024, the Group has accounted for an estimated receivable in respect of the R&D credit of gross £0.5 million (2024: £nil) within operating expenses and is not reflected in the above graph as receipt is still outstanding.

The Board remains committed to disciplined investment in R&D, with a focus on delivering secure, scalable, and innovative identity solutions that align with evolving customer and regulatory requirements.



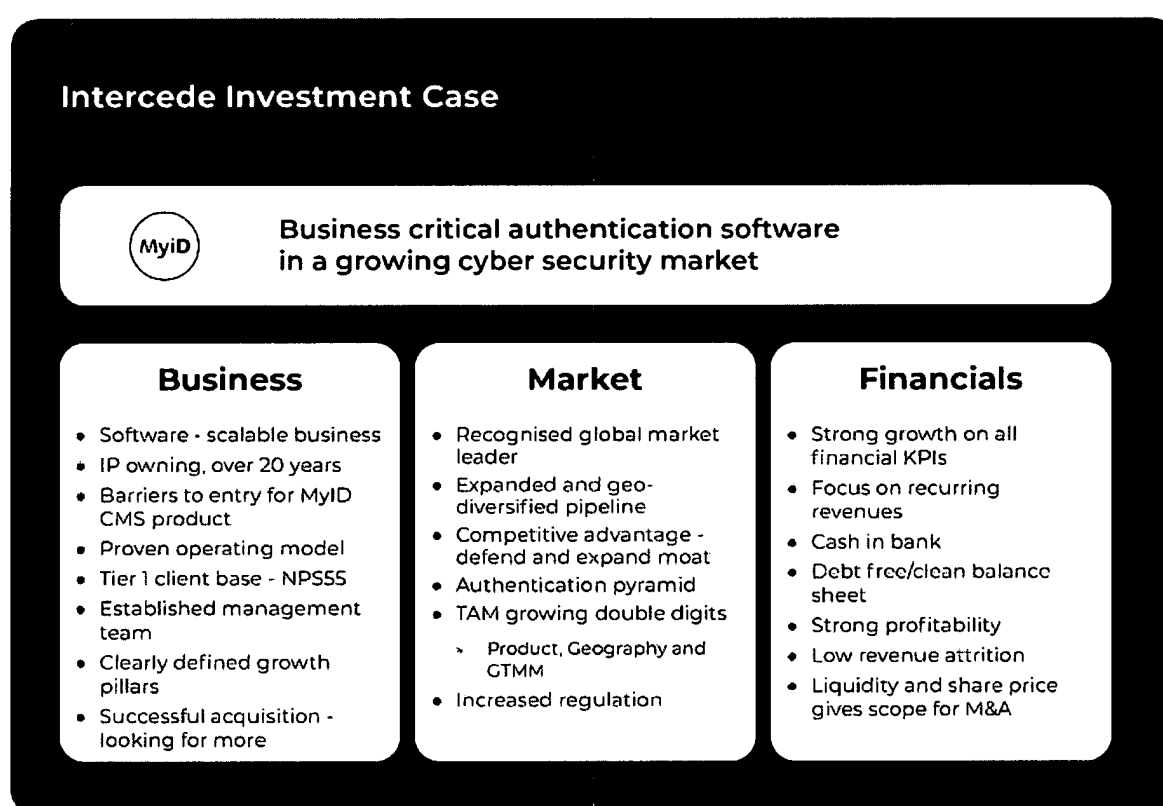
Adjusted EBITDA and profit before tax remain closely correlated, reflecting the Group’s accounting treatment of a significant proportion of R&D expenditure, which is expensed directly through the income statement. The adjustments made to derive Adjusted EBITDA are primarily non-cash or non-recurring in nature, ensuring this metric provides a meaningful representation of the Group’s underlying operating performance.

Strategic Report: How We Approach Growth

The Investment Case

Intercede provides business critical authentication software in a growing cyber security market and does this by protecting organisations against data breaches.

Intercede’s growth strategy is now based on a multi-sided authentication pyramid, built on strengthening recurring revenues, enhancing product offerings, expanding market presence, and making targeted value creating acquisitions. Our disciplined focus on operational excellence ensures we can scale effectively and sustainably, execute on our stated KPIs and deliver embedded growth over the coming years.



Market Trends and Opportunities

The Group is widely recognised as a global market leader in Credential Management Systems (CMS) through its flagship solution, *MyID CMS*. This leadership position is underpinned by a clear strategic focus on sustained innovation, targeted investment in intellectual capital, the recruitment of highly skilled professionals, and the introduction of flexible pricing models tailored to evolving customer requirements.

The critical nature of the Group’s offerings—addressing core security and digital identity needs—means that expenditure in this area is typically non-discretionary. This, combined with strong customer relationships and long-term solution adoption, has resulted in low customer attrition and a growing base of high-quality recurring revenues.

The Group has expanded its product capabilities further down the authentication pyramid. This has led to the integration of *MyID MFA* and *MyID PSM* into the broader offering, significantly increasing the Group’s total addressable market. The subsequent successful launch of *MyID SecureVault* represents another key milestone, in addressing client requirements through innovation and a commercial lens, in an agile manner.

As a result, the Group is well-positioned to capitalise on continued growth in demand for secure, scalable, and compliant digital identity solutions, reinforcing its role as a trusted partner in the global cybersecurity ecosystem.

Financial Strength

Following an exceptional 2024, the Group continues to deliver growth and profitability and enters the new financial year from a position of strength. With no debt, strong cash reserves of £18.7 million at year-end, and continued discipline in capital and working capital management, the Group has the financial flexibility to actively pursue and execute its organic growth strategy and continued investment in product innovation complemented with strategic M&A opportunities.

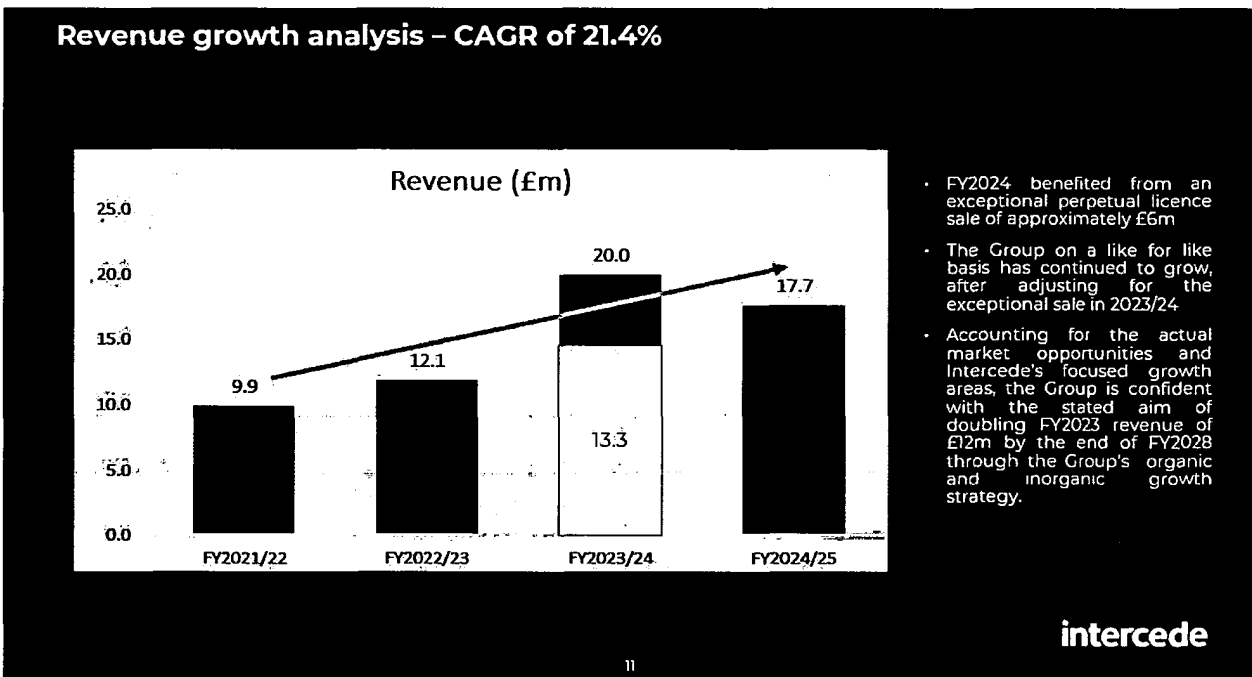
In alignment with its long-term growth strategy, the Group has set a clear objective to double its FY2022/23 revenue of £12 million by the end of FY2028. This target will be driven through the Group’s organic and M&A strategy underpinned by the Group’s robust operational and financial foundations.

Recurring Revenue Focus

The Group continues to prioritise the development of long-term, stable, and predictable revenue streams as a core element of its business model. We do this by:

- **Flexible Pricing Models** – Offering both subscription-based and perpetual licencing options enables the Group to meet the diverse and evolving needs of its customer base.
- **Subscription Growth** – The ongoing transition to subscription models, particularly for the *MyID CMS* and *subscription only MyID SecureVault, MFA and PSM*, is accelerating the growth of Annual Recurring Revenue (ARR).
- **Strong Customer Retention** – High retention rates reflect the mission-critical and non-discretionary nature of the Group’s solutions, especially *MyID CMS*, reinforcing revenue stability and long-term client relationships.

This strategic emphasis supports the Group’s ambition for long term growth and increased revenue visibility. This strategy has enabled the Group to deliver a AGR in revenues of c21.4% since FY 2022, normalised.



Organic Growth

Product Enhancement and Market Expansion

The Group remains committed to continuous innovation through ongoing investment in research and development, ensuring it maintains a strong competitive edge in a dynamic and evolving market. Key strategic initiatives include:

- **Integrated Platform Offering** – The ongoing integration of MyID MFA and PSM, and our flagship product MyID CMS into a cohesive unified platform.
- **Increased R&D Investment** – Continuous enhancement of the product suite through focused R&D ensures alignment with emerging customer requirements and regulatory standards, positioning the Group for ongoing market relevance and growth.

Operational Excellence

The Group's commitment to operational excellence is reflected across all core functions, ensuring the delivery of high-quality products and services.

Key operational pillars include:

Research & Development (R&D)

The Group continues to invest in agile product development and testing methodologies to accelerate road innovations and quarterly releases for its product suite. Product enhancements are built on core principles of security, scalability, and interoperability, enabling the delivery of robust solutions that meet evolving customer and industry demands.

Customer Support

Intercede's high-touch support model spans onboarding, training, and ongoing lifecycle services. A Net Promoter Score (NPS) of 55 underscores the quality and responsiveness of support and reflects strong customer satisfaction and loyalty.



Professional Services

Leveraging deep domain expertise, the Group's professional services team enables customers to realise full value from their investment. This includes rapid deployment, tailored configuration, and comprehensive integration support, ensuring seamless implementation in typically complex environments.

Sales and Marketing- a channel first approach

The Group employs a channel-first Go-To-Market Model (GTMM), with 96% of new business secured through trusted partners (2024: 94%). This scalable partner ecosystem is carefully aligned with Intercede's values and technical standards. In parallel, brand positioning and market reach have been significantly enhanced through collaborative marketing efforts and demand generation campaigns with key partners. A key part of the Group's growth strategy is to continue to deepen its relationships with its existing trusted channel partners whilst also seeking to expand its channel partner network to enhance the Group's geographic reach.

Inorganic Growth Strategy

The Group continues to pursue a disciplined and targeted mergers and acquisitions (M&A) strategy to accelerate growth and enhance strategic capabilities. Inorganic initiatives are designed to complement organic performance and deliver long-term value by:

- expanding the product portfolio – Acquiring complementary technologies to broaden and enhance the existing product suite.
- growing recurring revenues – Prioritising businesses with established Annual Recurring Revenue (ARR) models to strengthen revenue predictability and scalability.
- accessing specialised talent and IP – Bringing in expert teams and commercially proven technologies that enhance the Group's innovation pipeline and execution capacity.
- entering new markets – Leveraging acquisitions to establish a presence in new geographic regions and/or vertical sectors.
- increasing capabilities – Addressing technological or functional gaps more rapidly fulfilled than through organic development alone.
- diversifying the client and partner base – Expanding reach across key sectors such as healthcare, financial services, and government.

. The Group is not focused on a "buy and build" strategy. Instead, all M&A activity is guided by stringent evaluation criteria to ensure strategic alignment, financial accretion, and cultural compatibility, reinforcing the Group's long-term growth objectives. The Company is regularly evaluating acquisition opportunities but to date none have satisfied Intercede's disciplined M&A criteria and growth ambitions.

M&A Activity During the Year

As part of its proactive inorganic growth strategy, Intercede approached 29 potential acquisition targets during the year under review. Each target underwent a rigorous assessment by the Group's internal product and technology teams to ensure alignment with strategic objectives.

Target companies were selected based on their complementary fit with Intercede's existing product portfolio and their relevance within high-growth segments of the identity and access management (IAM) landscape. These segments included access control, Zero Trust Network Access (ZTNA), threat intelligence, cybersecurity mesh architecture, identity analytics, authorisation services, and credential management solutions.

From a geographic perspective, the companies were based across key strategic regions including Canada, the United States, Europe and India.

Of the 29 companies initially approached, 17 progressed to detailed discussions with the Intercede team. From these, 9 moved forward to pricing discussions, reflecting a strong pipeline of opportunities aligned with Intercede's disciplined M&A criteria and growth ambitions. No formal offers were made during the year, highlighting the high bar set by the Group, and maintaining ongoing discussions.

Our People: Enabling Performance and Growth

At Intercede, putting our colleagues first is a core principle that underpins the Group’s culture and long-term success. We are committed to creating an environment where our people can thrive, collaborate, and contribute meaningfully to the Group’s objectives.

By empowering our colleagues, we enable the creation of innovative products and solutions that fuel commercial success, supporting the sales team in driving growth and enabling professional services to deliver successful implementations for our customers and partners.

Over the past two years, the Group has actively advanced its succession planning efforts, successfully recruiting and integrating the next generation of talent. This strategic focus supports our ability to scale as we continue to invest across development, testing, presales, professional services, and customer support, broadening the Group’s operational bandwidth and delivery capacity.

We also recognise that diversity and inclusion are critical drivers of innovation and sustainable growth. By building a more diverse and representative workforce, we not only enhance creativity but also foster a more resilient and forward-looking organisation. Our commitment to equitable growth, development, and advancement ensures that we continue to attract, retain, and engage top-tier talent. Role promotions are typically made from within the Group ensuring that colleagues have ongoing career development. During the year, the CTO office was expanded following the internal promotion of a new CTO.

Focus

- 01**
Market Drivers
The regulatory bodies in the US and Europe are increasingly driving standards which are favourable to our current software offerings and associated road-map
- 02**
Continued expansion of product portfolio
Launch of MyID SecureVault creates new opportunities and markets for the Group
- 03**
Build and grow geo-diversified pipeline
Expansion and conversion of a diverse pipeline to solidify and embed the revenue
- 04**
Revenue, margin and profitability focus
Increasing recurring and repeat revenue, maintain margins and profitability
- 05**
Liquidity is strong
Efficient working capital allows the Group to continue its investment plans and enables value creation opportunity via acquisitions
- 06**
Unleveraged balance sheet
The Group is debt free and has the ability to leverage for future M&A deals

Continue delivering key objectives of growing by double digit both in revenue and before tax terms.

Execute on various opportunities in the pipeline which, when converted, have the ability to solidify and embed the growth ambitions of the Group in the coming years.

Intercede Group plc is:

- ✓ profitable
- ✓ cash-generative
- ✓ leader in the high-growth cybersecurity authentication market
- ✓ positioned to capitalise on accelerating demand for digital identity solutions

Product and Roadmap

Intercede MyID Solutions

Products

Stronger Authentication

Intercede protect our customers against data breach by enabling them to replace weak user credentials with stronger authentication simply, securely and at scale.

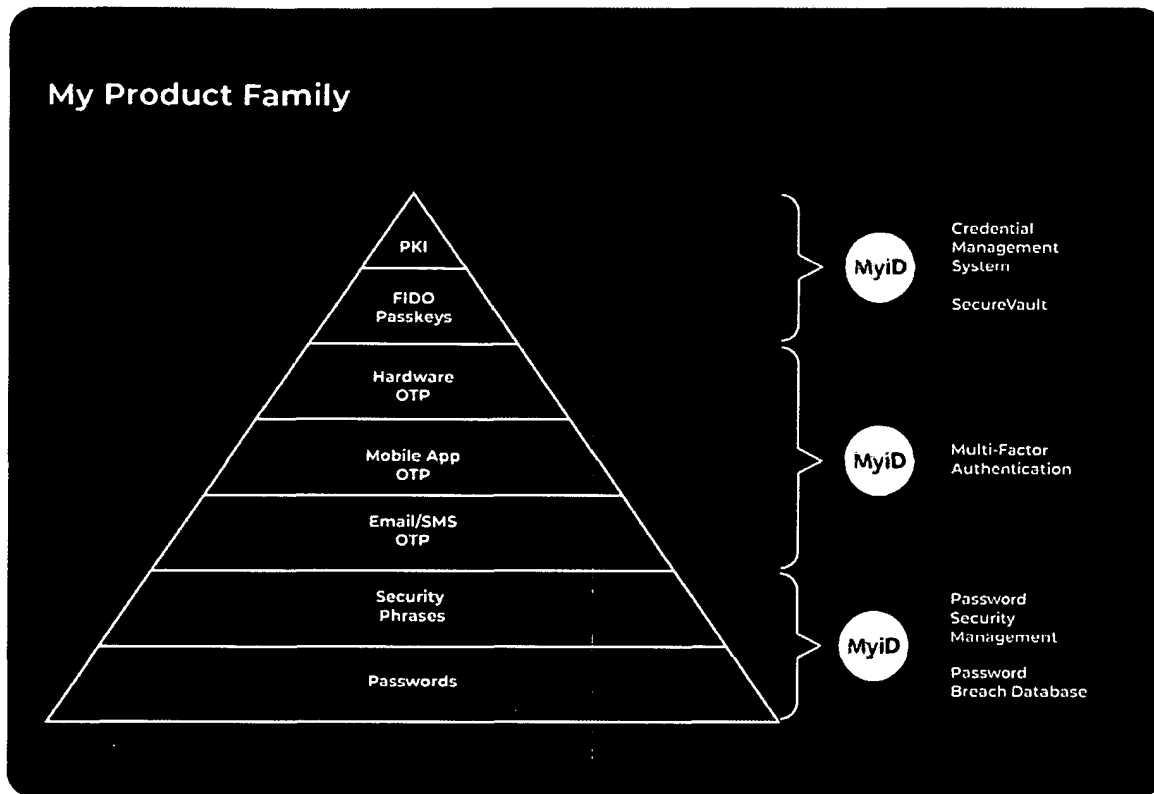
Despite the many advances in technology over the last few years, the number one cause of a data breach remains compromised user credentials. Put another way, 'hackers don't break in, they log in.' Intercede's solutions enable our customers to choose the level of authentication security that is appropriate for them, from high-assurance military and government through to smaller organisations, helping them wherever they are on their journey to better security.

The authentication pyramid (below) shows the relative strength of various authentication mechanisms, with the strength of authentication increasing as the pyramid is climbed.

Passwords and Security Phrases (longer passwords based on several disconnected words) are the weakest as they only comprise a single factor (if I know your password I can authenticate as you), are subject to phishing attacks, and are often reused online where they can be stolen and used by bad actors.

Multi-Factor Authentication, also known as strong authentication, comprises two or more factors from 'something I have' (e.g. a phone or smart card), 'something I know' (e.g. a PIN or password) and 'something I am' (e.g. a fingerprint or face match) and typically generates a one-time password (OTP) which is valid for a short time only. Using two factors significantly increases the level of security as it protects against password reuse and several automated attacks.

The highest level of security is based on cryptographic keys and includes both Public Key Infrastructure (PKI) and Faster Identity Online (FIDO) credentials/FIDO passkeys. These provide phishing-resistance, making it extremely difficult for a bad actor to steal and reuse a credential. They are recognised by the National Institute of Standards and Technology (NIST) as offering the highest level of authentication assurance.



The MyID Product Family

Intercede excel in high security solutions at the ‘top of the’ pyramid, delivering credential management systems that enable issuance of high-assurance PKI and FIDO credentials to security-demanding customers in government, aerospace & defence, healthcare and financial services. With a business-critical offering and non-discretionary nature of the expenditure, the Group has low attrition and growing recurring revenues.

Following the acquisition of Authlogics in October 2022, we successfully integrated the Multi-Factor Authentication (MFA) and Password Security Management (PSM) solutions into a rebranded MyID product family. Intercede is now a multi-product company that uniquely offers our customers a solution wherever they are on their security journey from passwords to PKI, enabling us to address a wider range of customers including small to medium businesses.

MyID PSM - Secure your passwords, with user-friendly policies to help users set good passwords, and continuous assessment against the world’s largest database of compromised credentials with over 10 billion entries.

MyID MFA - Authenticate to anything from anywhere, with modern authentication that is easy to use, deploy and manage.

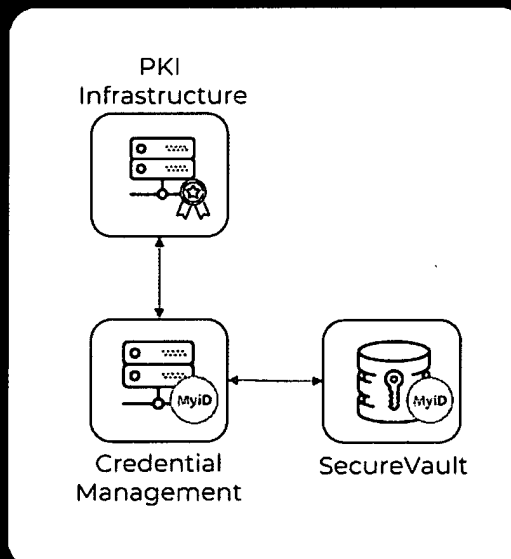
MyID CMS - Issue and manage high-assurance credentials simply, securely and at scale, compliant with security guidelines such as FIPS-201 and NIS2.

MyID SecureVault - Securely generate and protect private keys independent of the PKI provider. Integrated with the MyID CMS for key recovery and available to third-party solutions via API.

New Product Launch

MyID SecureVault

- Customer driven innovation
- PKI independent secure key generation and archive store
- Sold as a standalone product that MyID integrates with
- Subscription only pricing
- Potential future uses for additional secure secret storage



Market Drivers

Intercede offers solutions to a number of demands in the cybersecurity market which are driving organisations towards improved security:

- The number of, and sophistication of cyberattacks, is on the increase, be that they are state sponsored due to the current geopolitical climate, or criminally motivated (e.g. ransomware). Of particular note, is the increased use of Artificial Intelligence (AI) to generate phishing attacks which are virtually indistinguishable from genuine communications, highlighting the need for credentials that cannot fall prey to a phishing attack.
- The range of cybersecurity legislation continues to increase and is driving organisations towards improved cybersecurity solutions. Despite the recent changes in US administration, it should be noted that in the US, presidential executive orders from both the Trump and Biden administration have published guidelines on the use of phishing resistant authentication which have resulted in updated NIST standards. Especially noteworthy in Europe is NIS2*. The NIS2 Directive is EU-wide legislation on cybersecurity providing legal measures to boost the overall level of cybersecurity in the EU.
- Now law in multiple member states, NIS2 is just one of a range of legislative changes that increases market demand for cybersecurity. Another key driver in Europe is DORA** - a regulation introduced by the European Union to strengthen the digital resilience of financial entities. It entered into application on 17 Jan 2025 and ensures that banks, insurance companies, investment firms and other financial entities can withstand, respond to, and recover from ICT (Information and Communication Technology) disruptions, such as cyberattacks or system failures. DORA impacts the financial services sector and their supply chain.

- Due to the increased level of cyberattacks combined with the increasing level of cybersecurity legislation, spending in cybersecurity is continuing to increase and is seen as non-discretionary by an increased number of organisations.
- In US Federal government, there is a continued drive to move away from bespoke or 'GOTS' (government off-the-shelf) software towards COTS (commercial off-the-shelf) solutions. This will enable customers to benefit from vendor investments in roadmap and to keep up with the rapidly changing cybersecurity landscape including adopting modern technologies faster and cheaper.

*NIS2 : [The NIS2 Directive: A high common level of cybersecurity in the EU | Think Tank | European Parliament \(europa.eu\)](https://www.europarl.europa.eu/thinktank/en/document/EPRS_BRI%282021%29689333) - https://www.europarl.europa.eu/thinktank/en/document/EPRS_BRI%282021%29689333

** [DORA Digital Operational Resilience Act \(DORA\) - EIOPA](https://www.eiopa.europa.eu/digital-operational-resilience-act-dora_en) - https://www.eiopa.europa.eu/digital-operational-resilience-act-dora_en

Roadmap

Intercede continues to invest in its research and product development capabilities to maintain our market leading position in digital identity and credential management. Inputs into the product development roadmap can be split into three categories:

- Strategic - a combination of research and development activities, resulting in new features or modules in the product family to maintain or increase Intercede's competitive position.
- Customer Funded - on occasion a customer wishes to accelerate a particular feature on the product roadmap This work is funded by the customer with Intercede always retaining the intellectual property.
- Support and Maintenance - customers gain access to upgrades and product support. As a security product this is vital to our customers and Intercede invests in keeping the product family up to date with the latest security standards and support for third party systems and devices. This protects our S&M revenue which is either an annual contract or included within subscription pricing.

Examples over the current period include:

- Passkey management for Entra ID***. Intercede continue to work with Microsoft as a strategic technology partner. The latest integration enables the MyID CMS to manage and issue FIDO passkeys that can be used to authenticate to Microsoft Entra ID protected resources, enabling customers to benefit from high-assurance authentication and credential management that complies with legislation such as FIPS-201.
- Enhanced federation support for the MyID CMS product, enabling it to share identity information with 3rd party systems such as Microsoft Entra, Okta and Ping Identity, delivering seamless integration into the complex identity and access management solutions our larger customers operate.
- Enhancements to the MyID MFA product enabling it to be used by managed service providers to support multiple end customers from a single instance of the MFA solution. This capability enables Intercede to address the smaller customer market, via partners, that has to date been inaccessible to us.

*** [Intercede Collaborates with Microsoft and Yubico to Enhance Enterprise Security with Stronger Authentication - Intercede](https://www.intercede.com/intercede-collaborates-with-microsoft-and-yubico-to-enhance-enterprise-security-with-stronger-authentication/) - <https://www.intercede.com/intercede-collaborates-with-microsoft-and-yubico-to-enhance-enterprise-security-with-stronger-authentication/>

The product development roadmap process is tightly managed, taking input from multiple internal and external stakeholders, including the Client Advisory Boards, and results in quarterly product releases.

A key initiative of Intercede is to continue to increase the percentage of resources allocated to strategic roadmap development to ensure Intercede maintains and increases our competitive advantage.

In addition to regular product updates, Intercede conducts extensive research and development activities, which often result in product enhancements or new products in their own right. One such example is the recent launch of the new MyID SecureVault product.

At the heart of a PKI based security solution is a private key, where the key is used to decrypt information (e.g. an email), the key needs to be securely generated, stored and made available for recovery, e.g. to provision the key to a replacement phone so that encrypted emails can continue to be read on the new device.

These keys have historically been backed up (or 'archived') as part of the PKI infrastructure, with a key archive store being provided by the PKI vendor.

As our customers tend to move between PKI vendors overtime, and with higher frequency, this means having the keys managed within the PKI vendor infrastructure in effect 'locks' the customer into the PKI provider, making it very difficult to transfer keys securely from one vendor to another.

Working closely with a government customer in the Asia Pacific region, Intercede developed a new product – MyID SecureVault that enables customers to securely generate, store and recover private keys independent from the PKI vendor. This new solution gives customers control over their own keys and removes PKI vendor lock in, making moving between different PKIs significantly less cumbersome, faster, simpler and cheaper.

Strategic Product Direction

Intercede continues to invest in product development and focused strategic enhancements driven by a mix of customer and market demand.

- MyID CMS remains the market leading solution for high-assurance identity and credential management for PKI, with specific strengths around FIPS 201 (PIV) compliance. Intercede will invest to ensure the CMS maintains this leadership position for PKI based opportunities and enhances its leadership position as the types of credentials our customers use expands to include additional options such as Mobile ID and FIDO passkeys.
- Multi-Factor Authentication is a highly competitive market space; therefore, it is important Intercede continue to differentiate its mid-market offering; MyID MFA, which is being done in two strategic areas:
 - Making high assurance phishing-resistant credentials such as FIDO passkeys easy to deploy and manage.
 - Acting as a multi-tenant platform for managed service providers, enabling them to add stronger authentication to their service offering.
- At the heart of Intercede's Password Security Management solution is the world's largest actively managed database of known compromised passwords, with over 10 billion records. The strategic roadmap for Password Security is to develop a combined MFA, Enterprise Password Manager and Passkey Manager, enabling organisations to manage the transition between password and stronger credentials in a fully integrated solution.
- As a recent innovation, Intercede already has plans for the MyID SecureVault product to protect additional organisations secrets such as biometrics.

Market Opportunities

Breaking the total market size down into market opportunities available to Intercede, follows a three-step process:

- **Addressable Market**

Intercede's addressable market is any organisation globally that needs to secure and manage their user identities. Our key segments are US federal government (and related aerospace and defence suppliers) and enterprise/workforce identity, into which we provide password management, multi-factor authentication and credential management solutions.

- **Served Market**

Within the addressable market, Intercede has a strong footprint in the US and EMEA, and a growing footprint in the APAC region, particularly in the high-assurance government and defence market.

- **Actual Market**

Within the served markets Intercede remain focused on several growth areas:

- PKI and FIDO credential management in high assurance environments, particularly those that need to comply with specific legislation such as FIPS 201 or NIS2.
- Multi-Factor Authentication in the mid-size enterprise, particularly those affected by NIS2 regulations in Europe.
- Multi-Factor Authentication in small businesses, served by embedding Intercede technology into established managed service provider (MSP)/managed security service provider (MSSP) offerings.
- Password Security Management as a simple first step on a journey towards better authentication.

Accounting for the actual market opportunity and Intercede's focused growth areas, the Group is confident that the stated aim of doubling revenue its FY2023 revenue of £12m by the end of FY 2028 is achievable.

Summary

Intercede has expanded the product portfolio to uniquely cover the complete set of authentication options from passwords to PKI. We give our customers choice and help them wherever they are on their journey to stronger authentication and better security.

Intercede continue to invest in the CMS, MFA and PSM products in addition to new innovative solutions such as MyID SecureVault.

With the increased demand for high-assurance cybersecurity products, Intercede is well positioned to continue to capitalise on the growing need for digital identity in high assurance environments, and also to benefit from this credibility when positioning into the-mid market.

Case 1

Major International Services Company Transforms Authentication with MyID CMS

The Challenge

A large international services company providing secure support across multiple customer networks faced significant authentication challenges with their legacy system. The customer environments to which an engineer was allocated could change on a weekly basis, so the system needed to be secure, dynamic, audited and easy to use. Their previous solution could not meet these evolving security demands.

Key requirements included:

- Increased security with efficient multi-device management.
- Dynamic certificate management for engineers accessing different customer networks.
- Non-repudiated auditing of engineer access.
- Improved user experience and seamless integration.
- Minimal business disruption while utilising existing smart card and USB investments.

The Solution

Intercede's MyID Credential Management System (CMS) provided the comprehensive authentication solution needed. The system's uniquely configurable options addressed all technical and business requirements through automated certificate distribution and flexible credential management.

Key capabilities included:

- Engineers can manage and update smart cards independently using the browser based MyID Operator Client.
- Automated certificate distribution with lifecycle management and revocation.
- On-site and remote smart card updates, reducing operational delays.
- Seamless integration with existing hardware and flexibility for future expansion.

The Benefits

The implementation delivered immediate improvements:

- Enhanced security through robust certificate-based authentication.
- Streamlined certificate distribution and lifecycle management.
- Significantly improved user experience with direct certificate delivery to smart cards.
- Reduced administrative overhead and minimised human error.
- Greater operational flexibility with remote update capabilities.

The solution saved considerable time and resources while providing a scalable foundation for future growth and customer expansion.



Case 2

NHS Trust Transforms Password Security with Intercede's MyID PSM

The Challenge

A major NHS Trust providing specialist services across southern England faced significant password management challenges affecting their entire organisation. With thousands of passwords in use across the trust, ensuring regulatory compliance while maintaining adequate security strength proved increasingly difficult.

As the Operations Manager explained: "Manual password strength verification tools are time-consuming and don't provide fast enough response times. Even the most complex passwords lose their effectiveness if mismanaged or previously compromised." The trust needed a solution to address password vulnerabilities while streamlining management processes for both IT staff and end users.

The Solution

Following an initial audit that revealed passwords as a critical vulnerability area, the NHS Trust implemented Intercede's MyID Password Security Manager (PSM) across their entire Active Directory infrastructure.

MyID PSM deployment included:

- Coverage of all Active Directory accounts (service, user, and admin accounts).
- Automatic NIST SP800-63b password policy compliance checking.
- Real-time verification against the world's largest Password Breach Database with over 10 billion compromised credentials, updated with 3-5 million new entries daily.

When users create new passwords, MyID PSM automatically validates proposed credentials against both policy requirements and known breached credentials simultaneously.

The Benefits

The implementation delivered comprehensive password security improvements:

Enhanced Security:

- Automatic prevention of compromised password selection.
- NIST SP800-63b compliance across all accounts.
- Access to the world's largest breach database with over 10 billion credentials.

Operational Efficiency:

- User self-service Active Directory password reset via OTP.
- Simplified password policy reducing helpdesk calls.
- Streamlined password creation meeting organisational requirements.

Integration Flexibility:

- Web API integration with other directory services and in-house applications.
- Comprehensive coverage across the trust's IT infrastructure.

The solution eliminated manual password verification processes while ensuring only secure, uncompromised credentials are used throughout the organisation.

ESG

Environmental, Social & Governance (ESG) Performance Overview

Introduction

At Intercede, we recognise the critical importance of environmental stewardship, social responsibility, and effective governance in the sustainable success of our organisation. We are committed to integrating ESG principles into the heart of our operations, tailored to the scale of our business and guided by practical, measurable, and impactful actions.

Environmental Responsibility

Energy & Emissions

- All UK offices (Lutterworth Hall and Station Road) are powered by Zero Carbon Electricity, comprised of 10% renewables and 90% nuclear, with 0 g/kWh CO₂ emissions, significantly outperforming the UK average of 222 g/kWh.
- We actively contribute to the Climate Change Levy (CCL), further incentivising energy efficiency.

	British Gas Trading Ltd	UK Average	Zero Carbon Energy for Business	Renewable Energy for Business	All Other Products
Coal	4%	6%	0%	0%	6%
Natural Gas	17%	35%	0%	0%	28%
Nuclear	57%	13%	90%	0%	63%
Renewables	20%	43%	10%	100%	1%
Other Fuels	2%	3%	0%	0%	2%
CO ₂ Emissions	117 g/kWh	222 g/kWh	0 g/kWh	0 g/kWh	191 g/kWh
High Level Radioactive Waste	0.0034 g/kWh	0.0008 g/kWh	0.0054 g/kWh	0 g/kWh	0.0038 g/kWh
Zero Carbon %	77%	56%	100%	100%	64%

Carbon Offsetting

- In 2022, Intercede celebrated employee birthdays with the planting of 200 trees, offsetting approximately 1,796.65 kg of CO₂ in 2025. (2024: 977.55 kg of CO₂).
- Tree planting spanned the UK and North America in partnership with a certified provider.

Waste Reduction & Recycling

- Intercede maintains long-standing recycling programs, recently enhanced to include specialised plastic recycling, collecting approx. 1440L quarterly (2024: 960L, quarterly).
- Additional waste reduction efforts include:
 - Food composting.
 - Refurbishment or donation of office furniture and IT equipment.
 - Proper disposal of aircon units and lighting.

Sustainable Facilities

- Investment in sensor-sensitive LED lighting at Station Road to improve energy efficiency.
- Implementation of a salary sacrifice EV scheme, supported by 4 on-site chargers and additional facilities at Bracknell.
- Office relocation in Reston (April 2024) reduced floor space from 6,000 to 3,350 sq. Ft and delivered a lower emissions profile.

Electricity Consumption Comparison - Kwh

Station Road – Electricity Consumption Comparison (Kwh)

Month	2025	2024	2023
January	7,547	7,933	-
February	6,858	7,578	-
March	7,313	7,816	-
April	7,207	7,215	-
May		7,453	-
June	-	7,136	-
July	-	7,250	-
August	-	7,006	-
September	-	6,768	-
October	-	7,410	-
November	-	7,101	7,600
December	-	7,176	7,559
Total use	28,925	87,842	15,159

Lutterworth Hall – Electricity Consumption Comparison (Kwh)

Month	2025	2024	2023
January	7,868	8,501	-
February	6,506	7,901	-
March	7,567	8,093	-
April	6,884	7,634	-
May	-	7,342	-
June	-	6,743	-
July	-	6,821	-
August	-	6,674	-
September	-	7,306	-
October	-	7,369	-
November	-	7,044	7,647
December	-	7,521	7,845
Total use	28,825	88,949	15,492

Challenges & Opportunities FY 2025

- Anticipated rise in business travel and associated emissions.
- Modernisation of Lutterworth Hall (Grade II listed) to improve energy efficiency will continue within regulatory and financial constraints.

-

Social Responsibility

People & Culture

- We prioritise employee wellbeing, diversity and inclusion through our Employee Working Group and ED&I initiatives.
- Focus on creating a workplace that fosters trust, representation, and opportunity.
- Varied social activities for new starters and senior executive management team.
- Regular non-alcoholic game nights in selected offices.
- 4-day annual company kick off for all colleagues, including work and social events.

Hybrid Working

- Our hybrid model balances remote flexibility with in-office collaboration, crucial for innovation, relationship building, and talent development.
- This model is increasingly important in attracting and retaining talent.

Community Engagement

In FY 2025, we continued the Group's trend of raising and donating to local foodbanks. We donated 1,455 food items in December 2024 alone.

Cash raised through donations amounted to £4,125, of which £2,665 was donated to the Lutterworth & Local Villages Foodbank and £1,460 to Dementia UK.

Employee Development

- Ongoing interim and annual performance appraisals support goal setting, personal growth, and inform salary reviews.

Governance (Implied)

While governance is not detailed as a separate section, our ESG efforts reflect a culture of accountability, transparency, and responsible leadership, with active engagement across teams and alignment with broader sustainability standards.

Summary

Intercede's ESG strategy reflects a commitment to meaningful action, grounded in the realities of our business and its impact. We will continue to build on this foundation, identifying opportunities to further improve environmental performance, social equity, and ongoing personal and company growth.

Financial Review

Income Statement

Revenue and operating results

The Group's revenue from continuing operations decreased by 11.5% to £17.7 million (2024: £20.0 million) and gross profit decreased by 11.3% to £17.2 million (2024: £19.4 million). As previously announced, the comparative period in FY2024 benefited from an exceptional perpetual licence sale of approximately £6 million that the Group signed in December 2023. Gross margin was flat at 97.2%, a similar level to last year and reflects third-party product sold as part of licence sale in both years, £0.5 million (2024: £0.6 million).

The Group's operating profit was £3.9 million (2024: £5.3 million), after non-cash depreciation charge for property, plant and equipment in the year of £0.2 million (2024: £0.1 million), a right-of-use depreciation charge of £0.1 million (2024: £0.2 million) and amortisation costs of £0.2 million (2024: £0.2 million). Development expenditure of £0.3 million incurred specifically in relation to the subscription only and separable MyID SecureVault initiative was capitalised during the year (2024: £nil).

The Group released the remaining deferred consideration relating to Authlogics Ltd of £0.2 million credit (2024: £0.0 million credit) with an exceptional expense of £0.1 million relating to costs for moving IT infrastructure to the cloud (2024: £0.1 million). Operating expenses decreased by 6.4% to £13.2 million (2024: £14.1 million).

Tight cost control continues to be a focus for the Group in conjunction with considered project expenditure to support revenue growth. Meanwhile the Group continues to recognise the achievements of its staff with pay rises and performance-related rewards. Staff costs represent the highest area of expense representing 84.3% of total operating costs (2024: 79.6%). Intercede had 113 employees and contractors as at 31 March 2025 (2024: 108). The average number of employees and contractors during the period was 109 (2024: 102).

The statutory profit before tax for the year was £4.6 million (2024: £5.6 million) and profit for year was £4.1 million (2024: £6.0 million).

Taxation

The Group made a tax payment of £0.5 million during the year, which included a £0.4 million repayment to HMRC relating to a prior R&D claim (FY 2023), and a £0.1 million charge reflecting the estimated £0.5 million R&D tax credit and U.S. corporation tax payable for 2025 (2024: tax credit of £0.4 million). The Group has carried forward unused tax losses of £2.9 million (2024: £3.9 million).

Intercede makes an annual R&D tax relief claim and under new HMRC rules effective from 1 April 2024, the Group has accounted for an estimated receivable in respect of the R&D credit of gross £0.5 million (2024: £nil) within operating expenses. This reflects the anticipated benefit of qualifying R&D activities undertaken during the financial year. The Group continues to review its R&D capitalisation policy in accordance with accounting standards as the Group develops out its product portfolio.

Finance Income

Net finance income was £0.7 million (2024: £0.3 million) reflecting increased interest income due to a combination of higher cash balances and treasury management.

Earnings per share

Earnings per share from continuing operations in the year was 6.9 pence for basic and 6.5 pence for diluted (2024: 10.3p pence for basic and 9.6p diluted) and was based on the profit for the year of £4.1 million (2024: £6 million) with a basic weighted average number of shares in issue during the period of 58,493,958 (2024: 58,231,712 shares). For diluted the weighted average number of shares in issue during the year was 62,429,062 (2024: 62,429,062).

Dividend

The Board is not proposing a dividend (2024: £nil).

Financial Position

Assets

Non-current assets of £4.2 million comprise goodwill of £2.4 million (2024: £2.4 million), intangibles assets of £0.7 million (2024: £0.6 million), property, plant and equipment of £0.5 million (2024: £0.4 million) and IFRS 16 right of use assets of £0.6 million (2024: £0.7 million). The net movement in intangible assets reflects the recognition of an internally generated intangible in respect of the new MyID SecureVault software offering of £0.3 million (2024: £nil). Trade and other receivables increased by £1.5 million to £5.8 million (2024: £4.3 million) reflecting higher customer orders in the last quarter.

Liabilities

Current liabilities decreased by £0.6 million to £10.4 million (2024: £11.0 million) reflecting decreased trade payables at £2.2 million (2024: £2.7 million), with deferred revenue of £8.0 million (2024: £7.9 million). Non-Current liabilities decreased by £0.2 million to £1.3 million (2024: £1.5 million), which also reflects increased deferred revenue at the year-end of £0.8 million (2024: £0.7 million), the impact of increase lease liabilities of £0.5 million (2024: £0.6 million) and £nil deferred consideration following the release in the year (2024: £0.1 million).

Capital and Reserves

Total equity increased to £17.0 million (2024: £13.2 million), reflecting the profit for the year with a retained earnings position of £9.4 million for the year (2024: £5.7 million accumulated deficit). The Group regularly assesses its capital position and maintains a disciplined approach to the allocation of excess capital.

Liquidity and capital resources

The Group remains in a good financial position, with gross cash balances of £18.7 million as at 31 March 2025 compared to £17.2 million held at 31 March 2024. During the year there has been a cash outflow for investing activities of £0.9 million (2024: £0.4 million). The net cash inflow from operating activities was £2.9 million (2024: £9.6 million) reflecting good management of working capital movements thanks to tight management of debtors.

During the year, the Company purchased £0.5 million of its own shares and repaid a previous R&D tax credit of approximately £0.4 million. As the Group elected to utilise qualifying R&D expenditure for use against future taxable profits for FY 2024, in effect no inflow of an R&D tax credit, then on a like-for-like basis, the net impact on cash was an outflow of approximately £1.4 million.

As part of its ongoing financial risk management, the Group has refined its Treasury Policy to further enhance the security and diversification of its cash holdings. Cash balances are now distributed across a number of UK banking institutions, each with reputable credit ratings, in order to reduce counterparty risk and improve liquidity management.

The Group had no debt at the year-end (2024: £nil).

Outlook


FY 2025 was another strong and successful year for the Group. Intercede continued to execute against its strategic priorities, making targeted investments in our people, IT infrastructure, product development, and sales and marketing. These investments are integral to maintaining our current momentum and are designed to position the business for accelerated medium- and long-term growth.

As we enter FY 2026, we do so with a high level of confidence and visibility. The Group has a strong, geo-diversified pipeline, fully resourced internal initiatives, a clearly defined product roadmap, and a focused acquisition strategy. These elements provide a solid foundation for the year ahead.


Our priorities for FY 2026 are clear: to accelerate growth and deliver value through the disciplined execution of our strategic plans.

By order of the Board

Klaas van der Leest

Signed by:

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Nitil Patel

Signed by:

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S172

Engaging with our Key Stakeholders

Section 172 of the Companies Act 2006 requires Directors to consider the interests of stakeholders as part of their decision-making process.

This Statement should be read in accordance with the Strategic Report (pages 15 to 27) and the governance section. Examples of how the Board engages with stakeholders is explained throughout this Annual Report and below:

- Consider the likely consequences of decisions in the long term.
- The interests of the Group's employees.
- The need to foster the Group's business relationships with suppliers, customers, and others.
- The impact of the Group's operations on the community and environment.
- The desirability of the Group to maintain a reputation for high standards of business conduct.
- The need to act fairly between shareholders of the Company.

How are we applying the above?

- a) The Group has now embarked on Phase Two with the overarching themes of scalability and consistent revenue growth. This is being delivered through the Intercede Investment Case as described on page 15. This virtuous circle will enable the Group to achieve these stated themes.
- b) The Companywide Kick Off (CKO) was held in April 24 and we successfully recruited 15 new employees, increasing capabilities and succession planning. We continue to engage with our colleagues during the year via a comprehensive and detailed survey. Further, the Group is using technology to enhance the employee engagement in the Group via SharePoint, emPerform and online training modules.
- c) Recognising our impact on our local community and the environment with the aim of developing an ESG strategy. Concern for the environment and promoting greater sustainability are important considerations for the Group and how we conduct business; we aim to reduce the environmental impact of our activities.

The ESG committee has met four times this year and reports on pages 32 to 34. Social is a key deliverable for the Group and diverse employee recruitment is improving as per (b) above.

- d) In addition to lending full support to the maintenance of the Group's ISO 9001 & ISO 27001 status, as discussed below in the Risk Management Review section, the Group deploys an extensive policy and process environment with a dedicated principal technical consultant.
- e) We meet shareholders frequently via online and in person meetings. We listen and take on feedback including balancing financial growth strategies with returns on those investments. We have strengthened our governance and increased our Board diversity in the year.

The Board reviews key strategic decisions together. Below are a few examples of how this was approached, showing regard to s172:

- On acquisitions, the Board were given high level updates on the engagements the Executives had in the year, which would have led to further in-depth analysis had they proceeded.

- The Company continued to develop its strategic plan and the Board held a strategy session in March 2025, taking into consideration stakeholders.

The key to effective stakeholder engagement is adopting a continuous improvement approach, including:

- Reviewing stakeholder feedback regularly.
- Being flexible: Stakeholder needs and market conditions can change, so flexibility and adaptability are important.
- Communicating changes: Once adjustments are made, communicating the changes clearly to stakeholders, where applicable, to demonstrate responsiveness and accountability.

The Directors are conscious of the continued evolution of the governance landscape (see QCA Code 2023), and the need to consider the requirements of different stakeholder groups.

The Directors are fully aware of their duty to promote the success of the Group, for the benefit of all stakeholders in accordance with Section 172 of the Companies Act 2006.



Risks and Uncertainties

Understanding, recognising and addressing risks and uncertainties the Group faces

Principal Risks and Uncertainties

Like all businesses, Intercede operates in an environment subject to various risks and uncertainties. The nature and complexity of the services provided by the Group inherently involve technical challenges and commercial risk. Additionally, Intercede is exposed to external factors such as market volatility, geopolitical developments, and regulatory compliance issues, many of which are beyond the Group's direct control. The Group remains committed to the proactive identification, monitoring, and mitigation of these risks and uncertainties.

1. Sector and Market Risk

- **Risk:** Intercede operates in a competitive and complex technological environment, particularly in the US federal market for its PKI/CMS offerings. Delays in timing and awards can negatively impact the business. See Risk No 8.
- **Mitigation:** Continuous investment in R&D, an enhanced product roadmap, regular product updates, and strong client management help reduce this risk.
- **Impact: Medium (4 out of 9)**

2. Global Environment

- **Risk:** Global market conditions, including geopolitical issues (like the Ukraine and Israel & Gaza conflicts), inflation, and competitive pricing, can affect the Company's revenues.
- **Mitigation:** Long-term customer relationships, market diversification, and a focus on cybersecurity. Expansion into MyID MFA, MyID SecureVault and MyID CMS also help balance the risks.
- **Impact: Medium (6 out of 9)**

3. Business Continuity and IT Infrastructure

- **Risk:** The Company's business continuity and disaster recovery plans, along with its current IT infrastructure, are assessed as high risk.
- **Mitigation:** Migration of IT infrastructure to the cloud over the next 12-24 months for improved resilience and business continuity.
- **Impact: High (9 out of 9)**

4. Regulatory Environment

- **Risk:** Changes in regulations, intellectual property issues, and piracy could negatively impact Intercede's performance.
- **Mitigation:** The Company stays informed on regulatory changes and maintains strong collaboration with clients, suppliers, and partners. It also defends its intellectual property in key jurisdictions.
- **Impact: Medium (4 out of 9)**

5. People

- **Risk:** The Company's success is heavily reliant on the experience and expertise of its employees. Losing key personnel or struggling to recruit could affect results.
- **Mitigation:** Strong management structures, competitive remuneration packages, career progression opportunities, and staff engagement initiatives to retain and attract talent.
- **Impact: Medium (6 out of 9)**

6. M&A and Integration

- **Risk:** Mergers and acquisitions (M&A) carry significant risks and uncertainties that could be costly if not managed properly.
- **Mitigation:** A stringent assessment process, high-quality due diligence, and detailed integration plans are in place to minimise this risk.
- **Impact: Medium (4 out of 9)**

7. Cyber and Information Security

- **Risk:** The risk of failing to maintain the confidentiality, integrity, and availability of critical information and systems, which could result in data breaches or loss of intellectual property.
- **Mitigation:** Ongoing employee training and awareness campaigns, enhanced security with the cloud migration, and vigilance in maintaining cybersecurity standards.
- **Impact: Medium (6 out of 9)**

8. US Federal Delays and Impact of Department of Government Efficiency (DOGE)

- **Risk:** If US federal experiences delays, budget constraints, or restructuring, it could negatively affect government projects and contracts related to improving efficiency across federal agencies. This could create a bottleneck or delay in Intercede's ability to deliver solutions or secure new contracts within the US federal government. The current uncertainty heightens the risk.
- **Mitigation:** Intercede aims to mitigate this risk by ensuring it has a more geo-diversified client base and pipeline, allowing the Group to cope with delays or disruptions within DOGE or other federal departments. Developing agile responses, ensuring proactive communication with prime contractors and government stakeholders, and maintaining robust relationships with decision-makers will also enable the Group to adjust strategies accordingly.
- **Impact: Medium (6 out of 9)**

Board of Directors



Royston Hoggarth - Non-Executive Chairman

Royston Hoggarth is currently Chair of Intercede PLC, Cirrus Response Limited and Stellar Omada Limited. He is a non-Executive Director of Cellhire Limited an advisor to the NEC Corporation and NEC Software Services Limited. He is also Chair of England Hockey.

He has held a range of Executive and Board Director roles with Private Equity backed, bank backed and publicly listed companies including IBM, Logica PLC, Cable & Wireless PLC, BT PLC, Hays PLC, Bluefin Solutions Limited, Northgate PS Limited, Xchanging Limited, Arkessa Limited and Innovation Group Limited. He was also a Venture Partner at Wellington Partners.

He was appointed a Non-Executive Director of Intercede on 5 August 2002.



Jacques Tredoux - Non-Executive Director

Jacques Tredoux is the Chief Executive of Tredoux Capital Limited, a company authorised by the Financial Conduct Authority to provide corporate finance advisory services. Prior to establishing Tredoux Capital Limited, he was the Chief Executive Officer of the Credo Group (UK) Limited, a group of companies in London that provides wealth management services. Members of the Credo Group have provided corporate finance and fundraising assistance to the company since before its admission to AIM. Jacques qualified as a lawyer in 1988 in South Africa, and practiced at Edward Nathan & Friedland Inc and Clifford Chance.

He was appointed a Non-Executive Director of Intercede on 31 March 2006.



Tina Whitley - Non-Executive Director

Tina is the Chief Executive Officer of NEC Software Solutions UK and is responsible for the Group's overall strategic development and operation. She joined NEC in 2016 having previously been at the Capita Group for 7 years and was the MD of the SIMS, Higher Education and Libraries businesses on departure to NEC.

A proven and inspirational business leader with extensive experience across the Information Technology sector. She has directly overseen teams across all disciplines, including sales, marketing, procurement, operations, product management, technical services, HR and finance.

She is passionate about the customer experience, building excellent relationships and ensuring exemplary delivery. Developing people and building teams is key and she manages operations rigorously, identifying high performers, stretching their capabilities effectively improving the Group's overall performance. This approach has proven to be successful in both the UK and Internationally including multi-cultural environments across Europe, the Middle East, Africa and India. She was appointed a Non-Executive Director of Intercede on 1 July 2022



Daniel O'Brien - Non-Executive Officer

Dan O'Brien has over 30 years' experience in financial roles across successful listed, PE backed and privately owned international organisations. Most recently Dan was CFO, and then COO, at the media and events company Tarsus Group, and was a lead executive overseeing the take private acquisition by Charterhouse and the subsequent sale of the business to Informa plc for approximately \$1bn.

He has held senior finance roles in a range of multinational companies including COLT Telecoms, Eldos Plc, Huveaux Plc as Group Finance Director and Shine Group as Chief Financial Officer.

Dan currently sits on the advisory board of several organisations including Cull Bay Capital, Pendragon International Media and is a trustee of the charity School-Home Support.

Dan qualified as a chartered accountant at Deloitte in 1991 is a member of the Institute of Chartered Accountants in England and Wales. He was appointed a Non-Executive Director of Intercede on 20 October 2023.



John Linwood - Non Executive Director

With 40 years' experience as a senior leader in technology and 11 years as a Non-Executive Director, John brings a wealth of experience in both Executive and Board roles. John has successfully delivered large scale technology at a global level, led major digital transformation programs, innovation, technology and data services for some of the biggest names in the technology sector including Microsoft, Yahoo, BBC and UK Ministry of Defence. John is also an experienced Non-Executive Director with FTSE and AIM listed companies and a UK Government Agency as well as a founder of 3 successful technology start-ups. John's experience brings a high degree of technology, commercial and leadership ability operating at a global scale that has proven itself repeatedly throughout his career.

At Microsoft for 11 years, John led a large software and service engineering organisation responsible for developing and running Microsoft's online MSN platform around the world. As Senior Vice President at Yahoo for 5 years, John led a very large, global software and service engineering organisation based in 22 countries including Yahoo's software engineering centre in Bengaluru, India.

John was CTO at the BBC for 4½ years responsible for all IT, production and broadcast technology delivering game changing outcomes for the broadcaster. John also has extensive experience in delivering Machine Learning and Artificial Intelligence technology to drive advanced data analytics as CTO at Wood Mackenzie, a leading data analytics firm in the Energy and Mining sector and Earth-1 an earth observation satellite data analytics company.

John is on the Board of National Grid ESO, the UK's electricity system operator and Brooks Macdonald Group plc. a UK Wealth Management company with £17bn of assets under management.



Klaas van der Leest - Chief Executive Officer

Klaas van der Leest is an experienced executive with extensive sales, marketing, business development and general management experience in IT and IT services. He has significant international knowledge and experience as a result of various roles with remits across EMEA, Asia-Pac and North America.

Klaas has worked for a number of large and small, quoted and privately-owned organisations in market leading and turnaround situations including CA Technologies, Intelcom UK, Amulet Hotkey, Global Crossing, Attenda and Logica. He has proven expertise in the development and execution of national and international sales growth, 'go to market' initiatives and customer focused expansion strategies.

Klaas has a master's degree from the Cranfield School of Management. He also is a Chartered Marketer as well as a Fellow of the Chartered Institute of Marketing. He was appointed Chief Executive of Intercede on 10 April 2018.



Nitil Patel - Chief Financial Officer

Nitil has been a CFO and a plc board member since 2001. Recently he was the interim CFO at D4t4 Solutions plc (2021), which helps global enterprises derive value via Celebrus, the company's flagship first party product suite. From 2016 to 2020, he was the CFO at Dods Group plc (now renamed Merit Group plc), a leading technology company specialising in data, business intelligence and media delivering content to more than fifty countries across six continents.

Before Merit, Nitil was CFO of multi-media content creator Ten Alps plc (rebranded Zinc Media plc) from 2001 to 2016. During this time, Nitil managed three divisions of the group, driving growth both organically and through strategic acquisitions. He was a key member

of the team from the very start of Ten Alps in 1999 as Finance Director and was responsible for its listing on AIM in 2001.

Nitil is a fellow of the Institute of Chartered Accountants in England and Wales. He joined in April 2022.

Corporate Governance

Dear Shareholders,

On behalf of the Board, I am pleased to present the Corporate Governance Report for the year ended 31 March 2025.

The Board recognises the importance that shareholders place on sustainable growth and the delivery of long-term shareholder value. We are firmly of the view that a well-structured, effective, and dynamic governance framework is fundamental to achieving these objectives.

Throughout the year, the Group has continued to strengthen its governance practices, enhance transparency, and improve stakeholder engagement. Our approach remains aligned with recognised corporate governance standards, appropriately tailored to the Group's size, resources, and stage of development.

The Board is responsible for ensuring high standards of corporate governance, providing strategic oversight, and fostering a culture that supports long-term business success. We are acutely aware of our role in setting and upholding the Group's culture, values, and ethical standards, and we actively promote these principles both within the organisation and to external stakeholders. Further detail is provided in our Section 172 Statement on pages 38 to 39.

The Board meets regularly, supplemented by monthly conference calls, to maintain effective oversight and ensure timely decision-making. These interactions support the promotion of a healthy, inclusive, and performance-oriented corporate culture. Our governance framework is further reinforced by compliance with AIM Rule 26, which requires companies to disclose the corporate governance code adopted, how it has been applied, any areas of departure, and its appropriateness to the Group.

During the financial year 2026, the Board will formally adopt the **Quoted Companies Alliance Corporate Governance Code 2023** (the "QCA Code"). The Board considers the updated Code to be well suited to the Group, reflecting the principles of good governance in a manner proportionate to the Group's structure and operations. We are committed to applying the ten principles of the QCA Code and to providing transparent disclosure on how these are implemented in practice.

We remain focused on continuous improvement in our governance arrangements and will continue to assess and adapt our practices to reflect evolving standards and expectations.

Board's collective responsibility:

- ✓ Strategic vision
- ✓ Effective and suitable control of the Group
- ✓ Key investment decisions and direction

Corporate Governance Report

The business of Intercede Group plc is ultimately managed by the Board of Directors, which is responsible for the strategic direction and overall governance of the Group, ensuring that the business is run in the best interests of its shareholders in accordance with the Directors' fiduciary and statutory duties. The Board recognises its critical responsibilities in relation to

corporate governance, with particular emphasis on shaping the Group's culture to align with the objectives, strategy, and business model set forth in the Strategic Report (pages 15 to 27).

Intercede is committed to conducting its business ethically, fairly, and transparently, with full compliance with all applicable laws and regulations. Integrity serves as the foundation of all relationships, including those with employees, partners, customers, suppliers, and the wider community.

Adoption of Corporate Governance Codes

The Group intends to adopt the **Quoted Companies Alliance (QCA) Corporate Governance Code 2023**, a framework designed for small and mid-size quoted companies, in the financial year ending 2026, which will be fully aligned with the requirements of AIM Rule 26. A detailed statement of the Group's compliance with the 2018 Code can be found on the Company's website at <https://www.intercede.com/company/investor-relations/corporate-governance/>. The Board will continue to review the Group's adherence to the principles outlined in the new Code, ensuring that they remain suitable for the Group's evolving needs.

The Board of Directors

The Board is led by the Chairman, Mr. Royston Hoggarth, who is responsible for overseeing the Group's corporate governance arrangements and ensuring that all Board members are able to contribute fully to discussions and decision-making. The Chairman ensures transparency and open communication across all areas of Board activity.

The effectiveness of the Group's communication is regularly reviewed, with feedback solicited from institutional shareholders and other stakeholders. This feedback consistently indicates broad support for the Group's strategy and approach. Intercede places high importance on maintaining strong communication with both current and potential future shareholders, facilitated through an active investor relations programme. Primary communication with private investors is achieved via the Company's website, bi-annual presentations on the Investor Meet Company platform and through the distribution of the Annual and Interim Reports. Shareholders will receive at least 21 clear days' notice of the Annual General Meeting, where Directors are available to answer questions.

During the year, the Board has constructively challenged management, particularly with regard to the Group's strategy, proposals, operational performance, and key decisions. This proactive engagement is an integral part of the Board's oversight in safeguarding the Group's position and long-term prospects.

In line with the **QCA Code**, the Board maintains an appropriate balance between Executive and Non-Executive Directors. Recent changes to the Board have enhanced its independence and diversity, with the Board now comprising two Executive Directors and five Non-Executive Directors, three of whom are deemed independent. All Directors bring significant business expertise, and each submits themselves for re-election at least once every two years. Details of the Directors' skills and experience are provided in the Board of Directors section on pages 42 to 43.

Board Committees

The Board has established the following committees to ensure effective governance across key areas:

- **Audit Committee:** Chaired by Mr. Dan O'Brien, with members Ms. Tina Whitley and Mr. John Linwood. The Chairman, Mr. Royston Hoggarth and Executives are invited to attend as required.
- **Remuneration Committee:** Chaired by Ms. Tina Whitley, with Mr. John Linwood and Mr. Dan O'Brien as members. Mr. Royston Hoggarth is invited as required.
- **Nominations Committee:** Chaired by Mr. John Linwood, with members Mr. Royston Hoggarth, Mr. Jacques Tredoux, Mr. Klaas van der Leest, and Mr. Nitil Patel.

- **ESG Committee:** Chaired by Ms. Jo Reynolds, with members Ms. Claire Baum, Mr. Marcus Hennessey, Mr. Klaas van der Leest, and Mr. Nitil Patel. This Committee, which met three times during the year, does not include any Non-Executive Directors.

The Chair works closely with the independent directors to ensure that the Board conforms to the required Governance levels. Given there are new independent directors, the Chair has not objectively reviewed Board effectiveness,. This is something that will be considered in the new fiscal year. The increased revenues, coupled with efforts to streamline the cost base, have contributed to a significant turnaround from the previous losses.

	Board meetings		Audit Committee		Remuneration Committee		Nomination Committee	
	Possible	Attended	Possible	Attended	Possible	Attended	Possible	Attended
Executive Directors								
Klaas van der Leest	4	4	1	1	-	-	-	-
Nitil Patel	4	4	2	2	-	-	-	-
Non-Executive Directors								
Royston Hoggarth	4	4	1	1	-	-	-	-
Jacques Tredoux	4	3	-	-	-	-	-	-
Tina Whitley	4	4	1	1	2	2	-	-
John Linwood	4	4	2	2	2	2	-	-
Daniel O'Brien	4	3	2	2	2	2	-	-

Risk Management Review

The Board, supported by the Audit Committee, has ultimate responsibility for the Group’s risk management framework. Operational risk management is embedded within the Group’s business processes, which are documented in its Quality Management System (QMS) and periodically reviewed by external auditors.

The Board places great emphasis on maintaining the Group’s reputation for quality. In addition to supporting the Group’s ISO 9001 and ISO 27001 certifications, the Board also ensures the Group’s Risk Register is maintained and reviewed. Reputational risks are carefully considered in decision-making, underlining the Group’s commitment to safeguarding the confidentiality, integrity, and availability of its data and that of its customers and business partners.

Key operational risks are regularly reviewed by the Board, and risk is a standing agenda item. Senior managers are required to identify and report risks on an ongoing basis, and the Group's Risk Register, along with mitigants, controls, and corrective actions, is continuously monitored. Key risks to the Group are outlined in the Strategic Report (pages 15 to 27).

Group Organisation

The Board meets regularly to oversee the Group's strategy, acquisition and divestment policies, major capital expenditures, and financing decisions. It also monitors key business risks and evaluates the strategic direction of the Group. The day-to-day operations are delegated to the Executive Directors, led by the Chief Executive Officer.

The Executive Directors, together with the Executive Management Team (EMT), ensure that the Group's strategies are effectively implemented. The EMT comprises the Executive Directors, the Chief Operating Officer, the Chief Product Officer, and the Chief Technology Officer. The Board benefits from clear channels of communication, ensuring that information flows effectively from operating units to the EMT and the Board, and vice versa.

The **Operating Management Team (OMT)** is responsible for executing and implementing the Group's strategies at the operational level, providing further support to the Group's leadership.

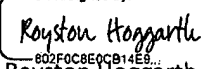
Financial Reporting

The Board has overall responsibility for the Group's internal financial control systems and regularly reviews their effectiveness. The Group's system of internal control is designed to manage, rather than eliminate, the risk of failure to achieve business objectives, providing reasonable but not absolute assurance against financial misstatement or loss.

The Group's performance is reported monthly, with comparisons to both the most recent forecasts and the previous year, ensuring that the Board remains informed of any significant deviations.

Going Concern

The Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. As outlined in Note 1 of the financial statements, this expectation is based on a review of forecasts for the years ending 31 March 2026 and 31 March 2027. These forecasts demonstrate that the Group is expected to have sufficient cash resources to meet its liabilities as they fall due for at least the next 12 months. For this reason, the Directors continue to adopt the going concern basis in preparing the financial statements.

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Royston Hoggarth
Chairman

23 June 2025



AUDIT COMMITTEE REPORT

The Audit Committee is responsible for monitoring and reviewing key areas of financial reporting and risk management to ensure the integrity and transparency of the Group's financial processes. During the year, the Audit Committee discharged its responsibilities by focusing on the following areas:

- The risk and control environment within the Group.
- The integrity of the Group's financial statements.
- Announcements relating to the Group's financial performance.
- Whether the Group has adhered to appropriate accounting standards and made sound estimates and judgments, in consultation with the external auditors.
- The clarity and transparency of disclosure in the Group's Annual Report and the audited Consolidated Financial Statements.
- The delegation of power from the Board to agree fees for the external auditors.
- The independence and objectivity of the external auditors.

For the financial year ended 31 March 2025, the Audit Committee held two meetings. Several of the matters addressed by the Audit Committee, particularly those related to risk and controls, were also reviewed at quarterly Board meetings.

Significant Issues Considered During FY 2025

The Audit Committee gave particular attention to the following key areas in relation to the FY 2025 financial statements and how these issues were addressed:

1. External Audit

The Committee closely monitored the relationship with the Group's external auditor, **Cooper Parry Group Limited** ("Cooper Parry"), to ensure that independence and objectivity were maintained throughout the audit process. This was the third year that Cooper Parry had provided audit services to the Group, and the Committee is committed to fostering a strong and effective working relationship with the firm in the years ahead. The Committee will continue to review and challenge the audit work to ensure the highest standards of audit quality and independence are upheld.

2. Risk Management and Internal Control

The Committee is tasked with advising the Board on the Group's exposure to risk and reviewing the internal controls in place to mitigate those risks. The principal risks and uncertainties facing the business, including key operational, financial, and strategic risks, are outlined in the Strategic Report (pages x to x). The Committee continues to focus on enhancing the Group's internal control environment, particularly as the business expands and considers the integration of potential acquisitions. This includes an ongoing emphasis on automating key processes and introducing new technology to strengthen internal controls and improve communication across the Group.

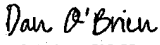
3. Going Concern Assessment

As part of its review of the going concern assumption, the Board assessed forecasts for the financial years ending 31 March 2026 and 31 March 2027. Based on these forecasts, the Board concluded that the Group has sufficient cash resources to continue in operational existence for the foreseeable future.

The Audit Committee noted that the Group continues to monitor cash balances on a weekly basis to ensure adequate working capital for both day-to-day operations and corporate development funding needs. Furthermore, the Committee highlighted that annual recurring revenues from Support & Maintenance, along with repeatable revenues from Professional Services, now cover the Group's annual fixed costs. This strong financial foundation provides the Group with a solid basis for profitability, even in less favourable economic conditions. The complete conversion and redemption of all convertible loan notes in the previous financial year has further strengthened the Group's balance sheet, leaving it debt-free.

Looking Forward

The Audit Committee remains focused on overseeing the continued evolution of the Group's internal control framework, particularly in light of ongoing developments within the business. The Committee will continue to work closely with the external auditors, management, and the Board to ensure the highest standards of financial reporting and governance.

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Dan O'Brien

Chair

Audit Committee

23 June 2025

REPORT OF THE REMUNERATION COMMITTEE

As an AIM-listed company, the Group is not obliged to provide a Report of the Remuneration Committee. However, the Company has voluntarily included a number of disclosures related to the remuneration of its Directors. While these disclosures are not subject to audit, they provide important context regarding the activities of the Remuneration Committee and the remuneration structure for the Company's Directors.

Composition and Role of the Remuneration Committee

The Remuneration Committee is composed entirely of Non-Executive Directors, none of whom have any personal interest in the matters to be decided. The Chairman and Chief Executive can be invited to attend meetings but are not present during discussion of their own remuneration. The primary responsibility of the Remuneration Committee is to establish and monitor the remuneration policy for the Company's Executive Directors and to ensure that the structure is aligned with the Group's strategic objectives.

Remuneration Policy

The remuneration packages for Executive Directors are designed to incentivise them to achieve the Group's financial and strategic objectives. The policy ensures that Executive Directors are paid a salary that is competitive within the market for similar roles, taking into consideration the size of the Group and the industry in which it operates. The key components of the Executive Directors' remuneration are:

- Base Salary.
- Annual Bonus Plan.
- Pension Contributions.
- Share Options.
- Long-Term Incentive Plans (LTIPs).

Further details of the remuneration paid and payable for the year ended 31 March 2025 are provided in Note 4 to the Consolidated Financial Statements.

Recruitment

The **Nominations Committee** is responsible for leading the recruitment process for new Board members, including making recommendations to the Board regarding appointments.

Service Contracts

The Executive Directors have service contracts that are terminable by either party with a notice period of six or twelve months. Non-Executive Directors have service contracts that are terminable with one month's notice, except for Mr. Royston Hoggarth, whose service contract requires three months' notice from either party.

Loss of Office Payments

In the event of early termination, all Directors' contracts provide for compensation up to a maximum of basic salary plus benefits for the notice period.

Pension Arrangements

The Group makes contributions to money purchase pension schemes on behalf of both Executive Directors.

Share Options and Growth Share Schemes

The Group's share option plans are designed to align the interests of Executive Directors with those of long-term shareholders. The Remuneration Committee has the discretion to grant share options to Executive Directors and other staff, subject to the applicable scheme rules and the achievement of specified performance conditions. The share option plans are governed by rules and limits approved by shareholders at relevant annual general meetings, and any exercise of options is subject to the satisfaction of these performance conditions.

Share Incentive Plan (SIP)

In the year ended 31 March 2014, the Group introduced a Share Incentive Plan for all UK employees. A similar plan was introduced for US employees in the year ended 31 March 2015. Full details of the plan are provided in Note 16 of the Consolidated Financial Statements.

Consultation with Shareholders

The Remuneration Committee is committed to maintaining an open and transparent dialogue with shareholders. The Committee seeks the views of significant shareholders when major changes are being considered for the Company's remuneration arrangements, particularly in relation to Long-Term Incentive Plans (LTIPs). The Committee takes these shareholder views into account when formulating and implementing the Group's remuneration policy.

Chairman and Non-Executive Director Fees

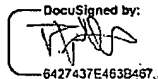
The Group places great importance on attracting and retaining high-quality Chairperson and Non-Executive Directors who can assist in executing the Group's strategy in the best interests of shareholders. A basic fee is established for normal duties, taking into account the time commitment, responsibilities, and any committee positions held by each Non-Executive Director, and is aligned with market norms for similar roles.

Non-Executive Directors are not entitled to pensions, incentives, bonuses, or similar payments, other than reimbursement for reasonable out-of-pocket expenses incurred while carrying out business activities on behalf of the Company. Compensation for loss of office is not provided to Non-Executive Directors, and their fees are paid monthly or quarterly.

Share Price Performance

As of 31 March 2025, the market price of the Company's shares stood at £1.435p (mid-market price). During the year ended 31 March 2025, the share price fluctuated between a low of £1.035p and a high of £2.12p.

Tina Whitley
Chair
Remuneration Committee
23 June 2025

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Directors' Report

For the year ended 31 March 2025

The Directors present their Annual Report and the audited financial statements of the Group and the Company for the year ended 31 March 2025.

Principal Activities

Intercede is the leading cybersecurity software company specialising in digital identities, and its innovative solutions enable organisations to protect themselves against the number one cause of data breach: compromised user credentials.

The Company

The Company is a holding company which was set up to facilitate the admission of the Group onto the AIM (IGP) section of the London Stock Exchange.

Review of Operations and Future Developments

The review of operations and future developments is omitted from the Directors' Report as it is included in the Strategic Report on pages 15 to 27.

Results and Dividends

The audited accounts for the year ended 31 March 2025 are set out on pages 67 to 90. The Group's profit for the year was £4.1 million (2024: £6.0 million). The Directors do not recommend the payment of a dividend (2024: £nil).

Directors and their Interests

Details of the present Directors, all who served throughout the year, are provided on pages 42 and 43. In accordance with the Company's Articles of Association, Royston Hoggarth, Jacques Tredoux and Klaas van der Leest will offer themselves for re-election, at the forthcoming Annual General Meeting.

The interests of the Directors serving at the end of their year, and their immediate families, in the shares of the Company are set out below:

	Ordinary Shares	
	31 March 2025	31 March 2024
R Hoggarth*	695,654	695,654
J Tredoux **	16,437,860	16,437,860
K van der Leest ***	1,054,182	898,200
T Whitley****	64,912	40,135
J Linwood	-	-
D O'Brien	53,644	53,644
N Patel ***	45,660	38,642

*R Hoggarth holds 545,214 and his wife holds 148,440 shares.

**J Tredoux is interested in 1,463,216 shares which are registered in the name of Pershing Nominees Limited which is a nominee of Angus Investment Holdings Limited ("Angus"). Angus is controlled by The Woodcock Trust. As of 31 March 2024,

Jacques Tredoux was also interested in 14,974,644 shares indirectly held by The Azalia Trust. Jacques Tredoux and/or his wife and children are members of the class of discretionary beneficiaries of The Woodcock Trust and The Azalia Trust.

***K van der Leest and N Patel hold 34,332 and 20,926 shares via the SIP employee scheme, respectively.

****T Whitley holds her shares via her husband.

None of the Directors had any material interest in any other contract or arrangement made by the Company during the year with the exception of those referred to in note 17 of the Consolidated Financial Statements.

Director Share Options tbc

Klaas van der Leest

Plan	Date of Grant	No. of Shares	Exercise Price	Dates Exercisable
EMI	10 October 2022	500,000	38.0p	10 October 2025 to 9 October 2032

Nitil Patel

Plan	Date of Grant	No. of Shares	Exercise Price	Dates Exercisable
EMI	10 October 2022	500,000	38.0p	10 October 2025 to 9 October 2032

Growth Share Scheme

Director	Date of Grant	Growth awarded	Shares	Maximum Ordinary Shares available under the Growth Share Scheme
Klaas van der Leest	10 October 2022	300		1,785,705

Full details of the Growth Share Scheme can be found in note 16 of the Consolidated Financial Statements.

Directors' Indemnity

As permitted by the Articles of Association, the Directors have the benefit of an indemnity which is a qualifying third-party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force. The Company also maintains insurance cover for the Directors and key personnel against liabilities which may be incurred by them while carrying out their duties.

Substantial Shareholders

As at 17 May 2025, the following had notified the Company of disclosable interests in 3% or more of the Company's issued share capital:

Shareholder	Ordinary Shares (No.)	Issued Share Capital (%)
The Azalia Trust	14,974,644	25.6
Charles Stanley	3,466,623	5.9
Herald Investment Management	3,290,184	5.6
Hargreaves Lansdown, stockbrokers (EO)	3,178,748	5.4
Brookwood Limited	3,147,436	5.4
Anjar International	3,146,740	5.4
Interactive Investor (EO)	2,447,657	4.2
Canaccord Genuity Wealth Management	2,223,730	3.8
JPMorgan Asset Management	2,030,530	3.5
Premier Miton Investors	1,925,880	3.3

The Intercede Share Incentive Plan shareholding ("SIP") has been set up for UK employees (including Directors). In accordance with AIM Rule 26, as 17 May 2025 the percentage of the Company's issued share capital that is not in public hands is 34.5%. This constitutes treasury shares, shares held by the trustees of Intercede's SIP, shares held by the Directors and their immediate families, and any shareholdings greater than 10%.

Research and Development Expenditure

The Group continues to invest in an ongoing programme of research and development. The total cost of development during the year ended 31 March 2025 was £3.6 million (2024: £3.3 million) of which 92% has been written off as incurred. As we expanded the MyID Solutions with the launch of a separate, subscription, stand alone product, MyID SecureVault, £0.3 million of the development cost was capitalised in the year (2024: £nil). This is consistent with accounting policy and reflects the commercial viability and technological feasibility of the product.

Intellectual Property (IP)

The Group's revenues are primarily derived from licencing its proprietary MyID product. Intercede Limited owns the copyright for this product. The Group relies on trademark laws and the law of passing off, or its equivalent in non-UK countries, to protect the trademarks which it uses. Intercede Limited is the proprietor or applicant of certain trademarks in important markets. The Group also endeavours to protect its intellectual property through the filing of patent applications where appropriate.

Since the acquisition of Authlogics, the Group has added to its portfolio of IP via Secure Registration and ID Verification capabilities to Password Security Management and One-Time Password functionality. Authlogics generates income through subscription of its offering based on annual or multi-year contracts.

The Group has now rebranded all solutions under the MyID brand and integrated the development and testing operations.

Employees

The Group operates an equal opportunities employment policy. Employees are kept informed of the performance and objectives of the Group through a combination of regular formal and informal meetings. It is the Group's policy to provide,

where possible, employment opportunities for disabled people and to care for people who become disabled whilst in the Group's employment.

Environment, Social and Governance (ESG)

The Group's policy regarding the environment is to ensure that we understand and effectively manage the actual and potential environmental impact of our activities. Our operations are conducted such that we comply with all legal requirements relating to the environment in all areas where we carry out our business. During the year covered by this report, the Group has not incurred any fines or penalties or been investigated for any breach of environmental regulations.

A ESG committee report is on pages 32 to 34.

Share Option Schemes

The Company operates share option schemes which are open to employees. The three current schemes are the Intercede Employee Share Options 'SIP' Scheme, the Intercede EMI Share Options Scheme, and the Intercede Long Term Incentive Plan. Details of the share options are laid out within note 16 to the accounts.

System of Risk Management and Internal Control

In accordance with the Companies Act s414 c(11) information in relation to the business and risks is shown in the Strategic Report. The Board is responsible for maintaining a risk management and internal control system and for managing principal risks faced by the Group. Such a system is designed to manage rather than eliminate business risks and can only provide reasonable and not absolute assurance against material mistreatment or loss.

Supplier Payment Policy

It is Group policy to pay amounts due from suppliers according to the agreed terms of payment upon receipt of a valid invoice and being accurate. The Group does not follow a code on standard payment practice. At 31 March 2025 the Company had 7 days (2024: 7 days) of outstanding liabilities to creditors.

Treasury Policy

The Group's operations are now funded by cash reserves. A new policy was adopted in the year, maintaining strict management and control of cashflows, reducing risk of institution concentration and utilising a market rate of interest on its balances. Maintaining good bank relationships is key for the Group and it does so across a range of suppliers, thereby reducing risk concentration.

The Group also has exposure to foreign currency rate fluctuations and assess hedging contracts to enable stability in income with a given fixed rate. To date the Group has not entered into any hedging contracts.

Financial Instruments

The Group's financial risk management objectives and policies are discussed within note 14 to the accounts.

Political and Charitable Contributions

The Group made no political contributions during the year (2024: £nil), and charitable donations of £4,125 (2024: £2,255).

Share Capital

Details of changes to the Company's share capital during the period, including the issue and repurchase of shares, are provided in note 12 to the Consolidated Financial Statements.

Directors' Confirmations

In the case of each director in office at the date the Directors' Report is approved:

- so far as the Director is aware, there is no relevant audit information of which the Group and Company's auditor is unaware.
- they have taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Group and Company's auditor is aware of that information.


Annual General Meeting

The 25th Annual General Meeting of the Company will be held on 25 September 2025.

Independent Auditor

A resolution to re-appoint Cooper Parry Group Limited as the Company's auditor will be proposed at the forthcoming Annual General Meeting.

By order of the Board

Signed by:

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Nitil Patel

Company Secretary

23 June 2025



Directors' Responsibilities

The directors are responsible for preparing the annual report and 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 the directors have elected to prepare the Group financial statements in accordance with UK adopted international accounting standards, and the Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the Company and of the profit or loss of the Group for that period. The directors are also required to prepare the financial statements in accordance with the rules of the London Stock Exchange for companies trading securities on the Alternative Investment Market (AIM).

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

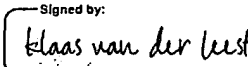
- select suitable accounting policies and then apply them consistently.
- make judgements and accounting estimates that are reasonable and prudent.
- state whether the Group financial statements have been prepared in accordance with UK adopted international accounting standards, and the Company financial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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and the Company and enable them to ensure that the financial statements comply with the requirements of the Companies Act 2006. They are also responsible for safeguarding the assets of the Group and the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Website Publication

The directors are responsible for ensuring the annual report and the financial statements are made available on a website. Financial statements are published on the Company's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Company's website is the responsibility of the directors. The directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

By order of the Board
Klaas van der Leest

Signed by:

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23 June 2025

Independent auditor's report to the members of Intercede Group plc

Opinion

We have audited the financial statements of Intercede Group plc (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2025 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Company Balance Sheets, the Consolidated and Company Statements of Changes in Equity, the Consolidated and Company Statements of Cash Flows and the related notes to the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in the preparation of the group financial statements is applicable law and UK adopted international accounting standards. The financial reporting framework that has been applied in the preparation of the parent company financial statements is applicable law and United Kingdom Accounting Standards including Financial Reporting Standard 101 'Reduced Disclosure Framework' (United Kingdom Generally Accepted Accounting Practice).

In our opinion:

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as of 31 March 2025 and of the group's profit for the year then ended;
- the group financial statements have been properly prepared in accordance with UK adopted international accounting standards;
- the parent company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Our approach to the audit

We adopted a risk-based audit approach. We gained a detailed understanding of the group's business, the environment it operates in and the risks it faces.

The key elements of our audit approach were as follows:

In order to assess the risks identified, the engagement team have identified financial statement level risks and considered the risk of material misstatement at the assertion level of the group financial statements to determine the planned audit responses based on a measure of materiality.

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

In order to address the audit risks described in the Key audit matters section which were identified during our planning process, we performed a full-scope audit of the financial statements of the parent company, Intercede Group plc, and the two UK trading entities, Intercede Limited and Authlogics Ltd. The operations that were subject to full-scope audit procedures made up 100% of consolidated revenues and 99% of consolidated profit after tax. Tailored audit procedures were performed over specific balances within remaining components of the group, focusing our audit approach on the applicable risks within the entity and the consideration of the risk of material misstatement of these risks for the group financial statements.

Key audit matters

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

Risk Description	Our response to the risk
<p>Revenue recognition: As detailed in note 1 to the financial statements, Significant Accounting Policies, the Group’s revenue is generated from a number of streams, as follows:</p> <ul style="list-style-type: none"> • Software licenses (goods); • Software as a service; • Professional services; and • Support and maintenance <p>Given the material nature of revenue and the variety of methods it is generated through, the appropriateness of revenue recognition and management’s application of the Group’s revenue recognition accounting policies represents a key risk area of significant judgement in the financial statements.</p>	<p>We have assessed accounting policies for consistency and appropriateness under the financial reporting framework and to ensure that they lead to the recognition of revenue when performance obligations are fulfilled. In addition, we reviewed for consistency of application as well as the basis of any recognition estimates.</p> <p>We have obtained an understanding of processes through which the businesses initiate, record, process and report revenue transactions.</p> <p>We performed walkthroughs of the processes as set out by management, to ensure controls appropriate to the size and nature of operations are designed and implemented correctly throughout the transaction cycle.</p> <p>We tested a sample of transactions from each revenue stream to confirm that revenue has been recognised in accordance with the accounting policies and performance obligations for recognition have been met. These have been vouched to invoices, signed contracts, sales quotes and purchase orders and nominal posting.</p> <p>A complete listing of journals posted to revenue nominal codes has been obtained. We have tested manual adjustments to supporting evidence on a sample basis.</p> <p>We performed cut-off procedures to test transactions around the year end and verified a</p>

	sample of revenue to originating documentation to provide evidence that transactions were recorded in the correct year.
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Our application of materiality

We apply the concept of materiality in planning and performing our audit, in determining the nature, timing and extent of our audit procedures, in evaluating the effect of any identified misstatements, and in forming our audit opinion.

The materiality for the group financial statements as a whole was set at £177,000. This has been determined with reference to the benchmark of the group's revenue which we consider to be an appropriate measure for a group of companies such as these. Materiality represents 1% of group revenue. Performance materiality has been set at 85% of group materiality.

The materiality for the parent company financial statements as a whole was set at £159,000 and performance materiality represents 80% of materiality. This has been determined with reference to the benchmark of the parent company's net assets, which we consider to be an appropriate measure for a holding company with investments in trading subsidiaries. Materiality has been capped to 90% of group materiality.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Our evaluation of the directors' assessment of the entity's ability to continue to adopt the going concern basis of accounting included:

- Reviewing management's cash flow forecasts for a period of at least 12 months from the date of approval of these financial statements;
- Challenging management on key assumptions included in their forecast scenarios;
- Considering the potential impact of various scenarios on the forecasts;
- Reviewing results post year end to the date of approval of these financial statements and assessing them against original budgets;
- Reviewing management's forecasting accuracy by comparing the prior year budgets to actual results; and
- Reviewing management's disclosures in the financial statements.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's ability to continue as a going concern for a period of at least twelve months from 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 other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other

information included in the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 59, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either

intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

Our assessment focused on key laws and regulations the group has to comply with and areas of the financial statements we assessed as being more susceptible to misstatement. These key laws and regulations included but were not limited to compliance with the Companies Act 2006, UK adopted international accounting standards, United Kingdom Generally Accepted Accounting Practice (UK GAAP) and relevant tax legislation.

We are not responsible for preventing irregularities. Our approach to detecting irregularities included, but was not limited to, the following:

- obtaining an understanding of the legal and regulatory framework applicable to the entity and how the entity is complying with that framework;
- obtaining an understanding of the entity's policies and procedures and how the entity has complied with these, through discussions and sample testing of controls;
- obtaining an understanding of the entity's risk assessment process, including the risk of fraud;
- designing our audit procedures to respond to our risk assessment;
- performing audit testing over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, and evaluating the business rationale of significant transactions outside the normal course of business; and
- reviewing accounting estimates for bias, particularly over the valuation of non-current assets.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

Use of our report

This report is made solely to the parent company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the parent 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 parent company and the parent company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Melanie Hopwell (Senior Statutory Auditor)
For and on behalf of Cooper Parry Group Limited
Statutory Auditor

DocuSigned by:
Cooper Parry Group Limited
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Sky View
Argosy Road
East Midlands Airport
Castle Donington
Derby
DE74 2SA
Date: 23 June 2025

Consolidated Statement of Comprehensive Income

For the year ended 31 March 2025

	Notes	2025	2024
		£'000	£'000
Continuing operations			
Revenue	2	17,714	19,963
Cost of sales		(526)	(560)
Gross profit		<u>17,188</u>	<u>19,403</u>
Operating expenses		(13,246)	(14,138)
Operating profit	3	<u>3,942</u>	<u>5,265</u>
Finance income	5	739	393
Finance costs	5	(88)	(63)
Profit before tax		<u>4,593</u>	<u>5,595</u>
Taxation	6	(538)	428
Profit for the year		<u>4,055</u>	<u>6,023</u>
Total comprehensive income attributable to owners of the parent company		<u>4,055</u>	<u>6,023</u>
Earnings per share (pence)			
	7		
- basic		6.9p	10.3p
- diluted		<u>6.5p</u>	<u>9.6p</u>

The accompanying notes on pages 71 to 90 are an integral part of these financial statements.

Consolidated Balance Sheet

As at 31 March 2025

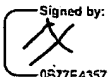
Registered number: 04101977

	Note	2025 £'000	2024 £'000
Non-current assets			
Goodwill arising on acquisition	8	2,442	2,442
Other intangible assets	8	685	611
Property, plant and equipment	9(a)	541	399
Right-of-use assets	9(b)	574	709
		<u>4,242</u>	<u>4,161</u>
Current assets			
Trade and other receivables	11	5,779	4,307
Cash and cash equivalents		18,672	17,226
		<u>24,451</u>	<u>21,533</u>
Total assets		<u>28,693</u>	<u>25,694</u>
Equity			
Share capital	12	588	584
Share premium		5,552	5,430
Merger reserve		1,508	1,508
Retained earnings		9,385	5,656
Total equity		<u>17,033</u>	<u>13,178</u>
Non-current liabilities			
Lease liabilities	9(b)	495	631
Contingent consideration		-	160
Deferred revenue		760	667
		<u>1,255</u>	<u>1,458</u>
Current liabilities			
Lease liabilities	9(b)	124	173
Contingent consideration		-	282
Trade and other payables	13	2,211	2,686
Deferred revenue		8,070	7,917
		<u>10,405</u>	<u>11,058</u>
Total liabilities		<u>11,660</u>	<u>12,516</u>
Total equity and liabilities		<u>28,693</u>	<u>25,694</u>

The financial statements on pages 67 to 90 were authorised for issue by the Board of Directors on 23 June 2024 and were signed on its behalf by:

K van der Leest  Signed by: **Director**
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N Patel

 Signed by: **Director**
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The accompanying notes on pages 71 to 90 are an integral part of these financial statements.

Consolidated Statement of Changes in Equity

For the year ended 31 March 2025

	Share capital £'000	Share premium £'000	Merger Reserve £'000	Retained Earnings £'000	Total equity £'000
At 1 April 2023	584	5,430	1,508	(492)	7,030
Purchase of own shares for SIP (for employees)	-	-	-	(54)	(54)
Employee share option plan charge (note 16)	-	-	-	134	134
Employee share incentive plan charge (note 16)	-	-	-	45	45
Profit for the year and total comprehensive income	-	-	-	6,023	6,023
At 31 March 2024	584	5,430	1,508	5,656	13,178
Issue of new shares (note 12)	4	122	-	-	126
Purchase of own shares for SIP (for employees)	-	-	-	(70)	(70)
Purchase of treasury shares	-	-	-	(422)	(422)
Employee share option plan charge (note 16)	-	-	-	110	110
Employee share incentive plan charge (note 16)	-	-	-	56	56
Profit for the year and total comprehensive income	-	-	-	4,055	4,055
At 31 March 2025	588	5,552	1,508	9,385	17,033

All amounts included in the table above are attributable to owners of the parent company.

Share capital: Nominal value of shares issued.

Share premium: Amount subscribed for share capital in excess of the nominal value.

Merger reserve: Created on the issue of shares on acquisition of its subsidiary accounted for in line with merger accounting principles.

Retained Earnings: All other net losses / net profits not recognised elsewhere.

The accompanying notes on pages 71 to 90 are an integral part of these financial statements.

Consolidated Cash Flow Statement

For the year ended 31 March 2025

	Note	2025 £'000	2024 £'000
Cash flows from operating activities			
Profit for the year		4,055	6,023
Taxation		538	(428)
Finance income		(739)	(393)
Finance costs		88	63
Depreciation & loss on disposal of property, plant & equipment		175	84
Depreciation of right-of-use assets		135	196
Amortisation		183	174
Exchange gains on foreign currency lease liabilities		(21)	(24)
Employee share option plan charge		110	134
Employee share incentive plan charge		56	45
Employee unit incentive plan charge		9	13
Employee unit incentive plan payment		(11)	(14)
(Increase) / decrease in trade and other receivables		(1,539)	1,218
(Decrease) / increase in trade and other payables		(643)	721
Increase in deferred revenue		246	1,046
Cash generated from operations		2,642	8,858
Finance income		749	403
Finance costs on leases		(79)	(60)
Tax (paid) / received		(435)	428
Net cash generated from operating activities		2,877	9,629
Investing activities			
Purchases of property, plant and equipment		(317)	(358)
Purchase of business (payment of contingent consideration)		(282)	-
Cost of creating Internally generated intangible		(257)	-
Cash used in investing activities		(856)	(358)
Financing activities			
Purchase of own shares		(492)	(54)
Proceeds from issue of ordinary share capital		126	-
Principal element of lease payments		(163)	(279)
Cash used in financing activities		(529)	(333)
Net increase in cash and cash equivalents		1,492	8,938
Cash and cash equivalents at the beginning of the year		17,226	8,334
Exchange losses on cash and cash equivalents		(46)	(46)
Cash and cash equivalents at the end of the year		18,672	17,226

The total cash outflow for leases is £242,000 (2024: £339,000).

The accompanying notes on pages 71 to 90 are an integral part of these financial statements.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

1 Accounting policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all of the years presented, unless otherwise stated.

General Information

Intercede Group plc ('the Company') and its subsidiaries (together 'the Group') is a leading independent developer and supplier of identity and credential management software. The Company is a public limited company limited by shares, which is listed on the AIM section of the London Stock Exchange and is incorporated and domiciled in England. The address of its registered office is Lutterworth Hall, St. Mary's Road, Lutterworth, Leicestershire, LE17 4PS. The registered number of the company is 04101977.

Basis of preparation

The consolidated financial statements of Intercede Group plc are drawn up to 31 March each year and have been prepared in accordance with UK adopted international accounting standards ("IFRS") and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS. As detailed in the Directors' Report, the Directors continue to adopt the going concern basis in preparing the financial statements.

The Company has elected to prepare its entity financial statements in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101) and these are separately presented on pages 91 to 96.

Going concern assessment

Reported profit in each of the last five years has been underpinned by increasing recurring revenues and a continued high level of cash balances. The Directors have reviewed forecasts for the years ended 31 March 2026 and 31 March 2027 and concluded that the Group is expected to have sufficient cash to enable it to meet its liabilities, as and when they fall due, for a period of at least 12 months from the date of signing these financial statements. Accordingly, they believe it is appropriate to prepare the financial statements on a going concern basis under the historical cost convention.

Critical accounting estimates and judgements

The preparation of financial statements in accordance with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based upon historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying values of assets and liabilities that are not readily available from other sources. Actual results may differ from these estimates. The accounting estimates that have the most risk of causing a material adjustment to the amounts recognised in the financial statements are the judgements and estimates relating to:

Judgements:

- Research & Development (R&D) costs – In general, the Group's R&D activities are closely interrelated and it is not until the technical feasibility of a product can be determined with reasonable certainty that development costs are considered for capitalisation. In addition, intangible assets are not recognised unless it is reasonably certain that the resultant products will generate future economic benefits in excess of the amounts capitalised. During the year £257,000 of development expenditure has been capitalised (2024: £nil).

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

1 Accounting policies (continued)

- The Group is a beneficiary of the UK Government's efforts to encourage innovation by allowing 20% (86% for year ended 31 March 2024) of qualifying R&D to be offset against taxable profits. Intercede makes an R&D Claim as part of its annual tax return and recognises an estimated receivable due from the UK government in the year in which the cost are incurred.
- Carrying value of goodwill – The Group determines whether goodwill is impaired on an annual basis. This requires an estimation of the value in use of the cash-generating units to which the goodwill is allocated. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the cash generating units and also to choose a suitable discount rate in order to calculate the present value of those cash flows. Further details are given in note 8.

Estimates:

- A deferred tax asset has not been recognised against the backdrop of substantial R&D investment leading to a number of years of historic taxable losses and unused tax losses brought forward. To get to the point where the Group is in a position to justify recognition of a deferred tax asset in respect of these unused trading losses, it is necessary to demonstrate evidence of consistent, year-on-year taxable profits and that a taxable profit in any one year is sustainable.

Basis of consolidation

The Group financial statements include the results of the Company and its subsidiary undertakings. The results of subsidiaries acquired or disposed of during the year are included/excluded from the date of acquisition or disposal respectively.

The financial statements of the Company and its subsidiary undertakings are prepared for the same reporting year as the Group, using consistent accounting policies and in accordance with local Generally Accepted Accounting Principles. All intercompany balances and transactions, including unrealised profits arising from inter-group transactions, have been eliminated in full.

Foreign currencies

The consolidated financial statements are presented in pounds sterling, which is the Group's functional and presentational currency, rounded to the nearest thousand.

Transactions in foreign currencies by individual entities are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the statement of comprehensive income.

Revenue recognition

Revenue, which excludes sales between Group companies and trade discounts, represents the invoiced value of goods and services net of value added tax to end users, partners and resellers. Where services are provided via resellers and partners, the satisfaction of the performance obligations are determined by reference to the end users, with the transaction price being the amount which is directly under the control of the Group. The Group's revenue recognition policies are detailed below:

Software licence sales (goods) – Revenue is recognised at a point in time once the customer has access to the licence. This is on the basis that the customer cannot return the licence or ask for it to be transferred to another party and the Group is under no obligation to provide a refund.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

1 Accounting policies (continued)

Software as a service (SAAS) sales – This revenue stream has separate performance obligations in respect of the licence element and the support and maintenance element. The recognition of licence revenue is at a point in time, for which the enforceable contract term is typically twelve months, whereas support and maintenance revenue is recognised evenly over the time during which the service is provided.

Software as a service (SAAS) subscriptions – Revenue for the provision of authentication and data protection services to customers, is recognised evenly over the time during which the subscription is provided.

Professional services – Revenue is recognised over time as costs are incurred.

Support and maintenance services – Fees are invoiced at the beginning of the period to which they relate and are initially recorded as deferred revenue. Revenue is then recognised evenly over the time during which the service is provided.

Segmental reporting

A geographical segment is engaged in providing products or services within a particular economic environment and may be subject to risks and returns that are different from those of segments operating in other economic environments. A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments.

All of the Group's revenue, operating profits and net assets originate from operations in the UK. The Directors consider that the activities of the Group across all areas of revenue constitute a single business segment. This conclusion is consistent with the nature of information that is presented to the Board of Directors of the Company, which is considered to be the Chief Operating Decision Maker (CODM) for the purposes of IFRS 8.

Research and development costs

Expenditure incurred on research and product development and testing is charged to the statement of comprehensive income in the period in which it is incurred, unless the development expenditure meets the criteria for capitalisation. Where the development expenditure meets the criteria for capitalisation, development costs are capitalised and amortised over the period of expected future sales of the related projects with impairment reviews being carried out at least annually. The asset is carried at cost less any accumulated amortisation and impairment losses.

Business combinations

Acquisitions of subsidiaries and businesses are accounted for using the purchase method. The consideration for each acquisition is measured at the aggregate of the fair value (at the date of exchange) of assets given, liabilities incurred or assumed, equity instruments issued and cash paid by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in the statement of comprehensive income as incurred.

Where a business combination is achieved in stages, the Group's previously held interests in the acquired entity are re-measured to fair value at the acquisition date.

The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under IFRS 3 "Business Combinations" are recognised at their fair value at the acquisition date.

Goodwill

Goodwill represents the difference between the cost of the acquisition and the fair value of the net identifiable assets acquired. Goodwill has an indefinite expected useful life and is not amortised but is tested annually for impairment.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

1 Accounting policies (continued)

Goodwill is recognised as an intangible asset in the consolidated balance sheet. Goodwill therefore includes non-identified intangible assets including business processes, buyer-specific synergies, know-how and workforce-related industry-specific knowledge and technical skills. Negative goodwill arising on acquisitions would be recognised directly in the consolidated income statement. On closure or disposal of an acquired business, goodwill would be taken into account in determining the profit or loss on closure or disposal.

Intangible assets internally generated & acquired as part of a business combination

Intangible assets are identifiable non-monetary assets without physical substance and are recognised to the extent that it is probable that the expected future economic benefits attributable to the asset will flow to the Group and that its cost can be measured reliably. Intangible assets are subsequently held at cost less accumulated amortisation and impairment losses. Where intangible assets have finite lives, their cost is amortised on a straight-line basis over those lives. The assets' residual values and useful lives are reviewed at each reporting date and adjusted if appropriate. The carrying values of intangible assets are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. For acquisitions, the Group recognises intangible assets separately from goodwill provided they are separable or arise from contractual or other legal rights and their fair value can be measured reliably.

Property, plant and equipment

Property, plant and equipment is stated at historical cost less accumulated depreciation and any impairment losses. Historical cost includes all expenditure that is directly attributable to the acquisition of the assets. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when the costs provide enhancement, it is probable that future economic benefits associated from the item will flow to the Group and the cost of the enhancement can be measured reliably. All other repair and maintenance costs are charged to the statement of comprehensive income during the financial year in which they are incurred.

Depreciation is provided to write off the cost less the estimated residual value of property (excluding freehold land), plant and equipment over their estimated useful economic lives by equal annual instalments using the following rates:

Leasehold improvements	Remaining period of the lease
Fixtures and fittings	15% per annum
Computer and office equipment	25% per annum

Impairment of tangible and intangible assets

The carrying amount of the Group's assets is reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amount is estimated.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount is reduced to its recoverable amount with the impairment loss recognised as an operating expense immediately.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income immediately.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

1 Accounting policies (continued)

Leased assets

At the inception of a contract the Group assesses whether the contract is, or contains, a lease. A lease is present where the contract conveys, over a period of time, the right to control the use of an identified asset in exchange for consideration. Where a lease is identified the Group recognises a right-of-use asset and a corresponding lease liability, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets.

The lease liability is initially measured at the present value of the future lease payments discounted at the interest rate implicit in the lease or, if that cannot be readily determined, at the Group's incremental borrowing rate at that point in time. The lease liability is re-measured for modifications to lease payments due to changes in an index or rate or where the lease contract is modified and is not accounted for as a separate lease. When the lease liability is re-measured an equivalent adjustment is made to the right-of-use asset. Where the lease liability is denominated in a foreign currency it is retranslated at the balance sheet date and gains or losses are included in the statement of comprehensive income.

A right-of-use asset comprises the initial measurement of the corresponding lease liability and is subsequently measured at cost less accumulated depreciation. Right-of-use assets are depreciated over the shorter of the lease term and the estimated useful economic life.

Trade and other receivables

Trade and other receivables are initially recognised at amortised cost. The amortised cost of trade receivables is calculated as original invoice amount adjusted over time for foreign exchange adjustments and any loss allowance. The Group measures loss allowances for Expected Credit Losses (ECL) on trade receivables using the simplified approach and the loss allowance is measured at the estimate of the lifetime expected credit losses. When determining whether the credit risk of a trade receivable has increased significantly since initial recognition, and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Group's historical experience.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand and short-term deposits. The Group does not have bank overdraft facilities.

Trade and other payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities, and discounted accordingly.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, unless the effect is immaterial.

Pension costs

The Group operates a defined contribution pension scheme via an independent provider. Contributions are charged to the statement of comprehensive income as incurred.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

1 Accounting policies (continued)

Share-based payments

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date on which they are granted. Estimating fair values requires determination of the most appropriate valuation model for a grant of equity instruments, which is dependent on the terms of the grant. This also requires determining the most appropriate inputs to the valuation model including the expected life of the option, volatility and dividend yield and making assumptions about them. The assumptions and models used are disclosed in note 16.

Where share options are awarded to employees, the fair value of share-based compensation at the date of grant for equity-settled plans granted to employees after 7 November 2002 is charged to the statement of comprehensive income over the expected vesting period with a corresponding amount recognised as an increase in equity. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each balance sheet date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether the market vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition. Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to the statement of comprehensive income over the remaining vesting period.

The Group operates a Unit Incentive Plan to provide similar benefits for all US employees. The plan provides phantom shares or units, equivalent in value to shares in the Company, and the plan is cash-settled. The fair value is assessed at each period end based on the market value of the shares at this time and is charged to the statement of comprehensive income over the remaining vesting period.

Taxation

The tax expense or credit represents the sum of current and deferred tax. UK corporation tax is provided at amounts expected to be paid (or recovered) and the current tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax is recognised using the balance sheet liability method for all temporary differences, unless specifically exempt, at the tax rates that have been enacted or substantively enacted at the balance sheet date.

A deferred tax asset represents the amount of income taxes recoverable in future periods in respect of deductible temporary differences, the carry forward of unused tax losses and the carry forward of unused tax credits. Deferred tax assets are only recognised to the extent that it is more likely than not that taxable profits will be available against which deductible temporary differences can be utilised.

Adoption of new accounting standards

The Group has applied the following standards and amendments for the first time for the annual reporting period commencing on 1 April 2024: Amendments to IAS 1 - Classification of Liabilities as Current or Non-current, Amendments to IAS 7 and IFRS 7 - Supplier Finance Arrangements and Amendments to IFRS 16 Leases - Lease Liability in a Sale and Leaseback. None of the amendments had a material impact on the Group's financial statements for the year ended 31 March 2025.

At the balance sheet date there are a number of new standards and amendments to existing standards in issue but not effective. The Group intends to adopt these standards when they become effective, none of which are expected to have a material impact on the Group.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

2. Revenue

All of the Group's revenue, operating profits and net assets originate from operations in the UK. The Directors consider that the activities of the Group constitute a single business segment.

The split of revenue by geographical location of the end customer can be analysed as follows:

	2025 £'000	2024 £'000
UK	416	388
Rest of Europe	1,054	1,172
Americas	13,521	17,492
Rest of World	2,723	911
	<u>17,714</u>	<u>19,963</u>

Analysis of revenue is as follows:

	2025 £'000	2024 £'000
Software licences	2,505	7,672
Professional services	5,012	3,568
Support and maintenance	10,197	8,723
	<u>17,714</u>	<u>19,963</u>

Two end customers made up more than 10% of the Group's revenue, contributing £7,017,000 (2024: two end customers contributing £9,192,000). Revenue of £8,070,000 (2024: £7,096,000) has been recognised that was included in the deferred revenue liability balances at the beginning of the year. The Group's deferred revenue liabilities typically arise from support and maintenance services for which revenue is recognised evenly over the maintenance period. Where the contract term is longer than 12 months it is shown in non-current liabilities totalling £760,000 (2024: £667,000). The maturity of non-current deferred revenue liabilities is £566,000 due within 1-2 years (2024: £446,000) and £194,000 due within 2-5 years (2024: £221,000).

3. Operating profit

Operating profit is stated after charging / (crediting):

	2025 £'000	2024 £'000
Staff costs (note 4)	10,620	11,259
Foreign exchange (gain) / loss	(90)	167
Depreciation & loss on disposal of property, plant and equipment	175	84
Depreciation of right-of-use buildings	135	196
Amortisation	183	174
R&D credit in respect of eligible costs	(540)	-

Included in the staff costs above is research and development expenditure totalling £3,565,000 (2024: £3,311,000).

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

3. Operating profit (continued)

The analysis of auditor's remuneration is as follows:

	2025 £'000	2024 £'000
Fees payable for the audit of the parent company and consolidated accounts	69	62
Fees payable for the audit of the Company's subsidiaries	18	18
	<u>87</u>	<u>80</u>

4. Staff costs

The average monthly number of employees and contractors of the Group (including Executive Directors) was:

	2025 Number	2024 Number
Technical	84	75
Sales and marketing	13	14
Administration	12	13
	<u>109</u>	<u>102</u>

Their aggregate remuneration comprised:

	2025 £'000	2024 £'000
Wages and salaries	9,671	9,637
Social security costs	1,179	1,092
Other pension costs	398	343
Employee share option plan charge (note 16)	110	134
Employee share and unit incentive plan charge / (credit)	59	53
R&D credit in respect of eligible costs	(540)	-
Less staff costs capitalised as internally generated intangibles	(257)	-
	<u>10,620</u>	<u>11,259</u>

Pension contributions totalling £66,000 (2024: £54,000) are included within year end trade and other payables.

Directors' remuneration

The aggregate remuneration of the Directors was as follows:

	2025 £'000	2024 £'000
Emoluments	1,171	1,363
Social security costs	145	173
Company contributions to defined contribution pension scheme	11	14
Directors' share option plan charge	103	103
Directors' share and unit incentive plan charge	4	3
	<u>1,434</u>	<u>1,656</u>

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

4. Staff costs (continued)

Directors' emoluments

	Salary and fees 2025 £'000	Bonus 2025 £'000	Benefits in kind 2025 £'000	Pension contributions 2025 £'000	Total 2025 £'000	Total 2024 £'000
Executive Directors:						
K van der Leest	270	421	1	6	698	851
N Patel	186	141	1	6	334	383
Non-Executive Directors:						
C Pol (resigned 25.09.23)	-	-	-	-	-	13
R Hoggarth	30	-	-	-	30	29
R Chandhok (resigned 21.06.23)	-	-	-	-	-	7
T Whitley	30	-	-	-	30	29
J Linwood (appointed 20.06.23)	30	-	-	-	30	24
D O'Brien (appointed 20.10.23)	30	-	-	-	30	13
	<u>576</u>	<u>562</u>	<u>2</u>	<u>12</u>	<u>1,152</u>	<u>1,349</u>
Fees paid to related parties	<u>30</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>30</u>	<u>28</u>

Fees paid to related parties comprise amounts paid to Tredoux Capital Limited under an arrangement to provide the Group with the services of J Tredoux as a Non-Executive Director. J Tredoux is a Director of Tredoux Capital Limited.

Details of the Directors' share options are set out in the Directors' Report on pages 53 to 57.

5. Finance income and costs

	2025 £'000	2024 £'000
Finance income		
Interest income on short term bank deposits	<u>739</u>	<u>393</u>
Finance costs		
Unwinding discount applied to contingent consideration	(9)	(3)
Interest in respect of lease liabilities	<u>(79)</u>	<u>(60)</u>
	<u>(88)</u>	<u>(63)</u>

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

6. Taxation

The tax credit comprises:	2025 £'000	2024 £'000
Current year – UK corporation tax	(103)	-
Current year – US corporation tax	(7)	(39)
Research and development tax (repayments) / credits relating to prior years	<u>(428)</u>	<u>467</u>
Taxation	<u>(538)</u>	<u>428</u>

The difference between the tax (charge) / credit shown above and the amount calculated by applying the standard rate of UK corporation tax to the profit before tax is as follows:

	2025 £'000	2024 £'000
Profit before tax	<u>4,593</u>	<u>5,595</u>
Tax calculated at UK corporation tax rate of 25% (2024: 25%)	(1,148)	(1,399)
Enhanced research and development tax deduction	-	623
R&D tax credit to be utilised against future tax charges	(103)	-
Research and development tax (repayment) / credit relating to prior years	(428)	467
Total fixed asset differences	-	35
Expenses not deductible for tax purposes	(38)	(85)
Effect of share schemes	126	-
Other adjustments to accounting profit	10	-
Foreign exchange & tax rate differences	38	10
Losses brought forward utilised	<u>1,005</u>	<u>777</u>
Tax (charge) / credit for the year	<u>(538)</u>	<u>428</u>

The Group has unused tax losses of £2,879,000 (2024: £3,916,000) and unrecognised deferred tax assets of £720,000 (2024: £979,000) calculated at the corporation tax rate of 25% (2024: 25%), being the enacted rate at which the deferred tax assets would unwind, were they to be recognised. Intercede makes an R&D Claim as part of its annual tax return and recognises an estimated receivable due from the UK government in the year in which the cost are incurred..

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

7. Earnings per share

The calculations of earnings per ordinary share are based on the profit for the financial year and the weighted average number of ordinary shares in issue during each year.

	2025 £'000	2024 £'000
Profit for the year	<u>4,055</u>	<u>6,023</u>
	Number	Number
Weighted average number of shares – basic	58,493,958	58,231,712
– diluted	<u>62,429,062</u>	<u>62,429,062</u>
	Pence	Pence
Earnings per share – basic	6.9p	10.3p
– diluted	<u>6.5p</u>	<u>9.6p</u>

The weighted average number of shares used in the calculation of basic and diluted earnings per share for each year were calculated as follows:

	2025 Number	2024 Number
Issued ordinary shares at start of year	58,363,357	58,363,357
Effect of treasury shares	(216,509)	(131,645)
Effect of issue of ordinary share capital	347,110	-
Weighted average number of shares – basic	<u>58,493,958</u>	<u>58,231,712</u>
Add back effect of treasury shares	216,509	131,645
Effect of share options in issue	<u>3,718,595</u>	<u>4,065,705</u>
Weighted average number of shares – diluted	<u>62,429,062</u>	<u>62,429,062</u>

Please see note 12 for details of issues of ordinary share capital.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

8. Intangible assets

	Internally generated intangible assets £'000	Acquired intangible assets £'000	Goodwill £'000	Total £'000
Cost				
At 1 April 2023	-	868	2,442	3,310
At 1 April 2024	-	868	2,442	3,310
Additions – Internal development	257	-	-	257
At 31 March 2025	257	868	2,442	3,567
Amortisation				
At 1 April 2023	-	83	-	83
Charge for the year	-	174	-	174
At 1 April 2024	-	257	-	257
Charge for the year	9	174	-	183
At 31 March 2025	9	431	-	440
Carrying amount				
At 31 March 2025	248	437	2,442	3,127
At 31 March 2024	-	611	2,442	3,053

Acquired intangible assets are made up of the separately identified intangibles acquired with the purchase of Authlogics Ltd in October 2022.

Impairment testing for goodwill

The Group identifies cash-generating units (CGUs) at the operating company level, as this represents the lowest level at which cash inflows are largely independent of other cash inflows. Goodwill acquired in a business combination is allocated, at acquisition, to the groups of CGUs that are expected to benefit from that business combination.

Goodwill all relates to the acquisition of Authlogics Ltd in October 2022. The CGUs of Authlogics Ltd and the rest of Intercede plc are both expected to benefit from this acquisition and the cash flows are grouped for the purpose of the impairment review.

The Goodwill value has been tested for impairment by comparing it against the “value in use” in perpetuity of the CGU group. The value in use calculation was based on projected cash flows, derived from the latest forecasts prepared by management and budgets approved by the Board, discounted at a group discount rate of 11.6% to calculate their net present value.

Key assumptions used in “value in use” calculations

The calculation of “value in use” is most sensitive to the CGU specific operating and growth assumptions, that are reflected in management forecasts for the five years to March 2030. The revenue growth rates used in the

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

8. Intangibles (continued)

cash flow forecast are based on management's expectations of the future opportunities for the Intercede MyID platform and the ability to upsell additional authentication functionality to existing Intercede and Authlogics customers on a global basis. The forecasts include the costs associated with bringing various authentication functionality under a single MyID platform, which is directly linked to the forecast sales growth. Given the stage of development of the business, the forecasts assume growth in revenue based on targeted total growth of 63% over the 5 year forecast period. Long-term growth rates into perpetuity, to calculate the terminal value, are capped at 4% for revenue and 3% for costs. The value in use calculation shows sufficient headroom of cash flow above the net assets value of the Group when the following sensitivity analysis is performed: either up to a 16% increase in the discount rate or a decrease in the terminal revenue growth rate up to 0.1% or a reduction in the targeted growth rate up to 20% during the 5 year forecast period. In all sensitivity analysis scenarios all other variable remain the same.

9(a). Property, plant and equipment

	Leasehold improvements £'000	Fixtures and fittings £'000	Computer and Office equipment £'000	Total £'000
Cost				
At 1 April 2023	70	98	867	1,035
Additions	-	141	217	358
Disposals	-	(38)	(41)	(79)
At 1 April 2024	70	201	1,043	1,314
Additions	-	69	248	317
Disposals	-	-	(17)	(17)
At 31 March 2025	70	270	1,274	1,614
Accumulated depreciation				
At 1 April 2023	70	97	743	910
Charge for the year	-	4	80	84
On disposals	-	(38)	(41)	(79)
At 1 April 2024	70	63	782	915
Charge for the year	-	29	144	173
On disposals	-	-	(15)	(15)
At 31 March 2025	70	92	911	1,073
Net book amount				
At 31 March 2025	-	178	363	541
At 31 March 2024	-	138	261	399

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

9(b). Leases

All leases that are not classed as short-term or low value are recognised as a right-of-use asset and a corresponding lease liability, which is explained in detail in the Leased assets policy.

The Consolidated Balance Sheet shows the following amounts in relation to leases:

	2025 £'000	2024 £'000
Right-of-use assets		
Buildings	574	709
	<u>574</u>	<u>709</u>
Lease liabilities		
Current	124	173
Non-current	495	631
	<u>619</u>	<u>804</u>

The maturity of lease liabilities is as follows:

	2025 £'000	2024 £'000
Due within one year	124	173
Due between one and two years	87	128
Due between two and five years	298	286
Due over five years	110	217
	<u>619</u>	<u>804</u>

The depreciation charged on right-of-use asset and the interest expense in respect of lease liabilities is disclosed in notes 3 and 5 respectively. There were no Right-of-use asset (buildings) additions during the year (2024: £667,000). The total cash outflow for leases is disclosed within the Consolidated Cash Flow Statement.

10. Subsidiaries

The Company's subsidiaries, all of which have been consolidated in the Group's financial statements at 31 March 2025, are as follows:

	Country of incorporation	Class of shares	% held	Principal activity
Intercede Limited	England and Wales	Ordinary	100	Software developer
Intercede 2000 Limited	England and Wales	Ordinary	100	Dormant
Intercede MyID Inc.	USA	Common	100	Service provider
Intercede National Security Services LLC	USA	Common	100	Dormant
Authlogics Ltd	England and Wales	Ordinary	100	Software developer

Intercede Limited, Intercede 2000 Limited and Authlogics Limited are registered at Lutterworth Hall, St. Mary's Rd, Leicestershire, LE17 4PS, UK. Intercede MyID Inc. and Intercede National Security Services LLC are both registered at 1900 Reston Metro Plaza, Suite 925, Reston, Virginia, 20190, USA.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

11. Trade and other receivables

	2025	2024
	£'000	£'000
Trade receivables	4,755	3,974
Prepayments and accrued income	445	223
Other debtors	579	110
	<u>5,779</u>	<u>4,307</u>

The amount written off as irrecoverable during the year was £nil (2024: £nil). The Group's customer base is predominantly made up of large corporates or government departments and there is virtually no history of trade receivables being uncollected. A credit loss allowance is only recognised in the very rare cases when recoverability is deemed to be improbable and was £nil during the year (2024: £nil).

Included within trade receivables are receivables with a gross carrying amount of £98,000 (2024: £138,000) which are past due. The level of trade receivables over 60 days old was £17,000 (2024: £15,000). The average age of the Group's trade receivables is 48 days (2024: 46 days).

12. Share capital

	2025	2024
	£'000	£'000
<i>Authorised</i>		
481,861,616 ordinary shares of 1p each (2024: 481,861,616)	<u>4,819</u>	<u>4,819</u>
<i>Issued and fully paid</i>		
58,830,857 ordinary shares of 1p each (2024: 58,363,357)	<u>588</u>	<u>584</u>

The increase in issued and fully paid ordinary shares of 1p each represents the issue of 467,500 shares for a total consideration of £126,000 to facilitate the exercise of options by a Director in June 2024 and senior management in July 2024 (2024: no issue of ordinary shares during the year). As at 31 March 2025, the Company had 373,906 ordinary shares held in treasury (2024: 131,645).

13. Trade and other payables

	2025	2024
	£'000	£'000
Trade payables	68	75
Taxation and social security	197	185
Accruals	1,946	2,426
	<u>2,211</u>	<u>2,686</u>

Included within accruals is £22,000 (2024: £24,000) relating to the Employee Unit Incentive Plan (note 16).

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

14. Financial instruments

The numerical disclosures in this note deal with financial assets and financial liabilities. There is no material difference between the fair value and the book values disclosed. Short term trade receivables and payables have been excluded from the disclosures, with the exception of the currency disclosures.

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, and to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

The Group sets the amount of capital in proportion to risk. The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, purchase existing shares, issue new shares, or sell assets to reduce debt.

The Group's financial instruments have historically comprised convertible loan notes, cash and cash equivalents, and various items such as trade receivables and payables which arise directly from its operations. The main purpose of these financial instruments has been to fund the Group's operations. It is, and has been throughout the year under review, the Group's policy that no trading in financial instruments shall be undertaken. The Group has no derivative financial instruments.

The main risks arising from the Group's financial instruments are interest rate risk, liquidity risk, credit risk and foreign currency risk. The Board has reviewed these risks on an ongoing basis throughout the year. The policy for their management is summarised below:

Interest rate risk

The Group has financed its operations to date through a variety of sources of external finance primarily including equity and convertible loan notes (none in the current or prior year), which have historically borne interest at fixed rates and denominated in sterling. The last tranche of convertible loan notes were issued in 2017 and successfully retired when a call notice was issued in February 2021, following which twelve out of thirteen noteholders elected to convert into new ordinary shares. Since then no new convertible loan notes have been issued.

Liquidity risk

The Group's policy has been to ensure continuity of funding throughout the year through continued review of cash flow forecasts.

Credit risk

The Group's business model is to licence its technology and sell its products via partners who are typically major IT security industry players. Furthermore, at this stage in the development of the market for identity and credential management software, end user customers tend to be large corporates or government departments. As such, the inherent credit risk is relatively low.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

14. Financial instruments (continued)

Foreign currency risk

A number of suppliers invoice the Group in US dollars and Euros. The Group has also entered into a number of agreements to licence its technology and sell its products via other international organisations. This results in invoices being raised in currencies such as US dollars and Euros. The Group's current policy is not to hedge these exposures. The exchange differences are recognised in the statement of comprehensive income in the year in which they arise (note 3).

Interest rate profile

The Group has cash deposits of £18,672,000 (2024: £17,226,000) at the year end. This includes US dollar deposits of £1,176,000 (2024: £1,876,000) and Euro deposits of £100,000 (2024: £28,000). Interest rates on cash deposits are based on SONIA.

Maturity of financial liabilities

The Group has no external borrowings. The maturity of the Group's lease liabilities is disclosed in note 9(b). The only other financial liabilities are short term trade and other payables as outlined within note 13.

Borrowing facilities

The Group has no undrawn committed borrowing facilities (2024: £nil).

Currency exposures

The table below shows the Group's currency exposures; in other words, those transactional exposures that give rise to the net currency gains and losses recognised in the statement of comprehensive income. Such exposures comprise the monetary assets and monetary liabilities of the Group that are not denominated in the operating (or "functional") currency of the Group (sterling). These exposures were as follows:

	Net foreign currency monetary assets		
	US dollar £'000	Euro £'000	Total £'000
At 31 March 2025	5,864	137	6,001
At 31 March 2024	5,500	79	5,579

15. Financial commitments

a) Capital commitments

The Group had no capital commitments at the year end (2024: £nil).

b) Short-term and low-value leases

The Group had no annual commitments under short-term and low-value leases at the year end (2024: £nil).

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

16. Share based payments

The Directors' Report on pages 53 to 57 provides details of the status of share options granted since a Share Option Plan was introduced for senior executives on 22 July 2011. Details relating to the options that remain outstanding as at 31 March 2025 are outlined below.

Options were granted on 19 October 2018, 24 October 2018, 27 March 2019, 22 August 2019 and 10 October 2022 with a contractual life of 10 years. The fair value of the options granted was determined using a Monte Carlo valuation model and includes share price targets, as disclosed in the Directors' Report.

The Growth Share Scheme

Launched in October 2022, the Growth Share Scheme allocated new shares (the "Growth Shares") in a subsidiary company, Intercede Limited, which were purchased at nominal cost and awarded to the CEO as disclosed in the Directors' Report. The Growth Share Scheme will commence partial vesting if, in the 30-day period following the release of Group's results for the year ended 31 March 2025 (the "Vesting Period"), the average closing mid-market price of an Ordinary Share equals or exceeds 121 pence per Ordinary Share. The Growth Shares do not carry any voting rights nor entitlement to any dividend.

Performance criteria and vesting criteria

The number of Growth Shares exchangeable into Ordinary Shares depends on the average price of an Ordinary Share during the Vesting Period. A 30-day averaging period will be used to measure the price of an Ordinary Share achieved to ensure that performance will not be unduly impacted by short-term volatility. The value of the Growth Shares is calculated by applying a 5% premium to the base share price of 66 pence ("Base Price").

- At 121 pence (an 83% per cent. increase from the Base Price) per Ordinary Share or below, no value is delivered to participants;
- At 173 pence (a 162% per cent. increase from the Base Price) per Ordinary Share, the Growth Share Scheme will be awarded in full; and
- Between 121 pence per Ordinary Share and 173 pence per Ordinary Share, the Growth Share Scheme award increases on a sliding scale up to the maximum award.

For the Growth Share Scheme to vest in full, the share price of the Company will need to increase by approximately 162% from the Base Price, representing an increase in market capitalisation of approximately £101m.

Participants have 60 days following the Vesting Period to exchange the Growth Shares into Ordinary Shares. Any Growth Shares outstanding on the long stop date (being 60 days after the Company's results for the year ended 31 March 2025 are announced) will automatically be converted to deferred shares. Deferred shares have no rights and no entitlement to capital in the Company.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

16. Share based payments (continued)

The fair value of options and Growth Shares granted and the assumptions used in the calculations were as follows:

Grant date	27 March 2019			10 October 2022	
		Options		Options	Growth Shares
Share price at grant date (pence)	17.0	17.0	17.0	38.0	66.0
Exercise price (pence)	17.0	17.0	17.0	38.0	66.0
Number of employees granted options	1	1	1	5	1
Number of shares originally under option	75,000	37,500	37,500	1,700,000	1,785,705
Expected vesting period (years)	3	3	3	3	3
Expected option life (years)	7	7	7	7	3
Expected volatility (%)	61.00	66.77	66.77	57.77	57.77
Risk free rate (%)	0.70	0.76	0.76	2.25	2.25
Expected dividends expressed as a dividend yield (%)	3.00	3.00	3.00	0.00	0.00
Fair value per option (pence)	7.0	63.0	60.0	7.9	4.8

The expected volatility is based on three year historical volatility. The risk free rate of return is the yield on zero-coupon UK government bonds of a term consistent with the assumed option life.

The total charge for the year relating to employee share options was £110,000 (2024: £50,000). Share options outstanding at the year end have a weighted average contractual life of 3.9 years (2024: 4.9 years).

In February 2014, HM Revenue & Customs approved an equity-settled Share Incentive Plan (SIP) for all UK employees (including the Executive Directors), which includes Free Share, Partnership Share and Matching Share elements.

No Free Share awards were made during the year ended 31 March 2025. Partnership shares could be subscribed for by employees via salary deductions, either on a monthly or lump sum basis, to a cumulative value of up to £1,800. Matching Shares were given to employees on the basis of one Matching Share for each Partnership Share.

Free Share and Matching Share awards to date have generally been met by the transfer of ordinary shares held in treasury and from continued on market purchases either by the Company or Link Market Services Trustees

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

16. Share based payments (continued)

Limited as Trustee of the SIP. To the extent that ordinary shares are not available in treasury or in the volume required through the market, the Company has issued new ordinary shares to meet these awards.

The total charge for the year relating to the employee share incentive plan was £56,000 (2024: £45,000).

In October 2014, the Company introduced a unit incentive plan to provide similar benefits for all US employees. The plan provides phantom shares or units, equivalent in value to shares in the company, and the plan is cash-settled.

The total charge for the year relating to the employee unit incentive plan was £9,000 (2024: £13,000) as outlined in the table below:

	2025 £'000	2024 £'000
At 1 April	24	25
Additional charge	9	13
Paid during the year	(11)	(14)
At 31 March	<u>22</u>	<u>24</u>

17. Related party transactions

During the year ended 31 March 2025, J Tredoux served as a Non-Executive Director. J Tredoux is also a director of Tredoux Capital Limited. Fees charged by Tredoux Capital Limited to the Group in respect of his services as a Non-Executive Director and balances outstanding at the year ends were as follows:

	2025 £'000	2024 £'000
Consultancy fees charged	<u>30</u>	<u>28</u>
Balance outstanding at the year end	<u>-</u>	<u>-</u>

Company Balance Sheet

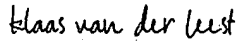
As at 31 March 2025

	Notes	2025 £'000	2024 £'000
Non-current assets			
Investments	3	<u>6,376</u>	<u>6,213</u>
Current assets			
Trade and other receivables	4	<u>4,626</u>	<u>4,828</u>
Total assets		<u>11,002</u>	<u>11,041</u>
Equity			
Share capital	5	588	584
Share premium		5,552	5,430
Retained earnings		<u>4,840</u>	<u>5,003</u>
Total equity		<u>10,980</u>	<u>11,017</u>
Current liabilities			
Trade and other payables	6	<u>22</u>	<u>24</u>
Total liabilities		<u>22</u>	<u>24</u>
Total equity and liabilities		<u>11,002</u>	<u>11,041</u>


The Company has taken advantage of the exemption under Section 408 of the Companies Act 2006 from presenting its own profit and loss account. The amount of profit dealt with in the Company financial statements was £163,000 (2024: £41,000).

The financial statements on pages 91 to 96 were authorised for issue by the Board of Directors on 23 June 2025 and were signed on its behalf by:

K van der Leest Director

Signed by:

 8B742F849B444FE...

N Patel Director

Signed by:

 0B77E435723B4A3...

The accompanying notes on pages 93 to 96 are an integral part of these financial statements.

Intercede Group plc: Registered No. 04101977

Company Statement of Changes in Equity

For the year ended 31 March 2025

	Share capital £'000	Share premium £'000	Retained earnings £'000	Total Equity £'000
As at 1 April 2023	584	5,430	4,837	10,851
Purchase of own shares	-	-	(54)	(54)
Employee share option and share incentive plan charges	-	-	179	179
Profit for the year and total comprehensive income	-	-	41	41
As at 31 March 2024	584	5,430	5,003	11,017
Issue of new shares (note 5)	4	122	-	126
Purchase of own shares for SIP (for employees)	-	-	(70)	(70)
Purchase of treasury shares	-	-	(422)	(422)
Employee share option and share incentive plan charges	-	-	166	166
Profit for the year and total comprehensive income	-	-	163	163
As at 31 March 2025	588	5,552	4,840	10,980

Note: see page 69 for a description of the reserves appearing in the column headings of the table above.

The accompanying notes on pages 93 to 96 are an integral part of these financial statements.

Consolidated Cash Flow Statement

For the year ended 31 March 2025

1 Accounting policies

The Company is a holding company which was set up to facilitate the admission of the Group onto the AIM section of the London Stock Exchange. It does not trade and it has no employees or staff costs and is therefore not required to display a staff costs note. The Directors of the Company were paid by Intercede Ltd for their services to the Group, see note 4 for further details.

Basis of Preparation

The financial statements have been prepared on the going concern basis in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' (FRS 101) and the Companies Act 2006. The Company has taken advantage of Section 408 of the Companies Act 2006 not to present its own statement of comprehensive income.

The Company has taken advantage of the following disclosure exemptions under FRS 101:

- (a) the requirements of IAS 7 'Statement of cash flows';
- (b) the requirements of IFRS 7 'Financial Instruments: Disclosures';
- (c) the requirements of paragraphs 45(b) and 46-52 of IFRS 2 'Share Based Payment';
- (d) the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements';
- (e) the requirements of paragraphs 30 and 31 of IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors';
- (f) the requirements of paragraphs 91-99 of IFRS 13 'Fair Value Measurement'; and
- (g) the requirements of paragraphs 17-19 of IAS 24 'Related Party Disclosures'.

As outlined in note 1 to the consolidated financial statements, the Directors consider that the going concern assumption is appropriate and therefore the Company's financial statements have been prepared on a going concern basis under the historical cost convention.

A summary of the principal accounting policies, which have been applied consistently, is set out below.

Critical accounting estimates and judgements

The preparation of financial statements in accordance with FRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based upon historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying values of assets and liabilities that are not readily available from other sources. Actual results may differ from these estimates.

The accounting estimate that has the most risk of causing a material adjustment to the amounts recognised in the financial statements is the judgement relating to amounts owed by subsidiary undertakings. The Company makes an estimate of the recoverable value of amounts owed by subsidiary undertakings. When assessing impairment of amounts owed by subsidiary undertakings, management considers factors including the ability to repay the amount owed on demand through the availability of cash at hand discounted to the year end date.

Investments

Investments held as fixed assets are stated at cost less provision for impairment in value.

Notes to the Company Financial Statements

For the year ended 31 March 2025

1 Accounting policies (continued)

Amounts owed by subsidiary undertakings

The Company has amounts receivable from other Group companies which are measured at amortised cost less impairment losses. The Directors assess periodically whether there has been a significant increase in credit risk. Where there has been a significant increase in credit risk, lifetime expected credit losses are calculated by considering, on a discounted basis, the cash shortfalls that would be incurred over the remaining lives of the assets.

Taxation

The tax expense represents the sum of current and deferred tax. UK corporation tax is provided at amounts expected to be paid (or recovered) and the current tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax is recognised using the balance sheet liability method for all temporary differences, unless specifically exempt, at the tax rates that have been enacted or substantively enacted at the balance sheet date.

A deferred tax asset represents the amount of income taxes recoverable in future periods in respect of deductible temporary differences, the carry forward of unused tax losses and the carry forward of unused tax credits. Deferred tax assets are only recognised to the extent that it is more likely than not that taxable profits will be available against which deductible temporary differences can be utilised.

Share-based payments

The equity-settled share option programme allows employees to acquire shares of the Company. The fair value of options granted is recognised as an employee expense with a corresponding increase in equity. The fair value is measured at grant date and spread over the period during which the employees become unconditionally entitled to the options. The fair value of all the options granted are measured using the most appropriate valuation model for a grant of equity instruments, which is dependent on the terms of the grant. The amount recognised as an expense is adjusted to reflect the actual number of share options that vest except where forfeiture is due only to share prices not achieving the threshold for vesting.

Share options made available to employees of the Company's subsidiaries are treated as increases in equity over the vesting period of the award, with a corresponding increase in the Company's investment in subsidiary undertaking based on an estimate of the number of shares that will eventually vest.

Adoption of new accounting standards

The Company has applied the following standards and amendments for the first time for the annual reporting period commencing on 1 April 2023: IFRS 17 Insurance Contracts, along with amendments to existing standards including IAS 1 (disclosure of accounting policies), IAS 8 (definition of accounting estimates), IAS 12 (assets & liabilities arising from a single transaction and international tax reform Pillar Two Model rules). None of the amendments had a material impact on the Company's financial statements for the year ended 31 March 2025.

At the balance sheet date there are a number of new standards and amendments to existing standards in issue but not effective. The Company intends to adopt these standards when they become effective, none of which are expected to have a material impact on the Company.

Notes to the Company Financial Statements

For the year ended 31 March 2025

2 Auditor's remuneration

Fees payable to the Company's auditors for the audit of the parent company are £2,000 (2024: £2,000).

3 Investments

	2025	2024
	£'000	£'000
At 1 April	6,213	6,034
Additions	163	179
At 31 March	<u>6,376</u>	<u>6,213</u>

Additions in the year of £163,000 (2024: £179,000) reflect the employees of the Company's subsidiaries share option, incentive and unit plan charges net of any credits or payments relating to the unit plan. Investments have been assessed in full and it has not been necessary to recognise any impairment. Hence, they are all stated at cost.

The Company's subsidiaries at 31 March 2025 and their registered offices are set out in note 10 of the consolidated financial statements.

4 Trade and other receivables

	2025	2024
	£'000	£'000
Amounts owed by subsidiary undertakings	<u>4,626</u>	<u>4,828</u>

Amounts owed by subsidiary undertakings are unsecured, interest free and have no fixed date of repayment and are repayable on demand. No impairment was identified in respect of this as at the year end.

5 Share capital

	2025	2024
	£'000	£'000
<i>Authorised</i>		
481,861,616 ordinary shares of 1p each (2024: 481,861,616)	<u>4,819</u>	<u>4,819</u>
<i>Allotted and fully paid</i>		
58,830,857 ordinary shares of 1p each (2024: 58,363,357)	<u>588</u>	<u>584</u>

The increase in issued and fully paid ordinary shares of 1p each represents the issue of 467,500 shares for a total consideration of £126,000 to facilitate the exercise of options by a Director in June 2024 and senior management in July 2024. (2024: no issue of ordinary shares during the year). As at 31 March 2025, the Company had 373,906 ordinary shares held in treasury (2024: 131,645).

Notes to the Company Financial Statements

For the year ended 31 March 2025

6 Trade and other payables

	2025 £'000	2024 £'000
Accruals	22	24

7 Financial commitments

a) Capital commitments

The Company had no capital commitments at the year end (2024: £nil).

b) Short-term and low-value leases

The Company had no annual commitments under short-term and low-value leases at the year end (2024: £Nil).

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Nominated adviser and broker

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EC1A 7BL

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NG1 2EN

Auditor

Cooper Parry Group Limited
Statutory Auditor
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DE74 2SA

Registrars

Computershare Investor Services PLC
The Pavilions
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Bristol
BS99 6ZZ

Solicitors

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LS1 4DL