

Broadening our opportunity

**strengthening
our lead**

Broadening our opportunity strengthening our lead

2025 was a year of outstanding financial and operational performance.

The momentum and excitement generated by 2024's launch of Alfa Systems 6, together with eight new customer wins, carried positively into 2025 and throughout the year.

Operational performance was excellent, with our Delivery teams successfully supporting new implementations while maintaining exceptional service for existing customers. Following the major product launch we moved quickly to the next phase of innovation, committing substantial further investment in key areas such as Originations, Fleet and Commercial Finance. These enhancements not only expand our ability to deliver value to current customers and markets, but also open up opportunities in new ones.

35 years after Alfa was founded, our passion for innovation and our commitment to our customers' growth remain as strong as ever – driven by an experienced, motivated and truly impressive Alfa team.



Awards

We're proud to have received several industry awards in 2025 recognising our innovation, growth, and impact.

→ [page 27](#)



Strategy in action

Our strategy comes to life through the actions, initiatives, and results that drive our business forward.

→ [pages 13-17](#)



35 year timeline

Discover the story behind our journey and the milestones that brought us here as we marked our 35th birthday.

→ [page 2](#)

Strategic report

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Additional information

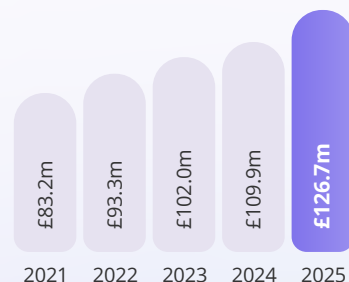
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➔ [Alfa ESG: alfasystems.com/en-eu/about/sustainability](https://alfasystems.com/en-eu/about/sustainability)



Key highlights

Revenue

+17%¹**£126.7m**

1. At constant currencies. See "Definitions" on page 18 for further information.

Subscription revenue growth

+16%

2024: +18%

NRR³**109%**

2024: 103%

3. Net Revenue Retention. Over the 12 months to 31 December 2025. See "Definitions" on page 18 for further information.

Total contract value²

+3%

£227.5m

2024: £221.3m

2. Total Contract Value. See "Definitions" on page 18 for further information.

EBITDA margin

34.3%

2024: 33.7%

Operating profit

+17%

£40.1m

Operating profit margin

31.6%

2024: 31.2%

Operating free cash flow conversion⁴**97%**

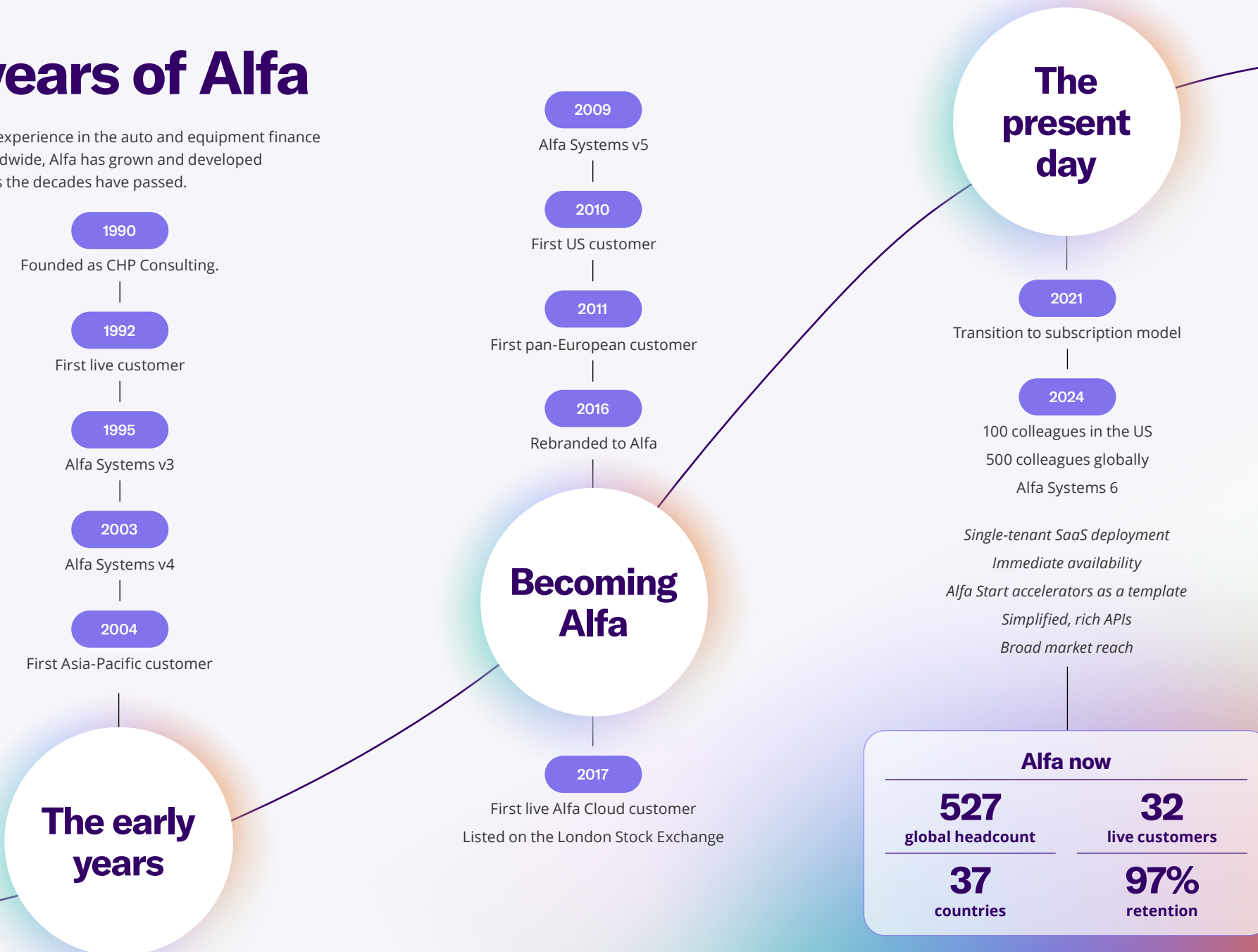
2024: 89%

4. Operating free cash flow conversion. See "Definitions" on page 18 for further information.

Our story

35 years of Alfa

With 35 years' experience in the auto and equipment finance industries worldwide, Alfa has grown and developed considerably as the decades have passed.



1990
Founded as CHP Consulting.

1992
First live customer

1995
Alfa Systems v3

2003
Alfa Systems v4

2004
First Asia-Pacific customer

2009
Alfa Systems v5

2010
First US customer

2011
First pan-European customer

2016
Rebranded to Alfa

2017
First live Alfa Cloud customer
Listed on the London Stock Exchange

The present day

2021
Transition to subscription model

2024
100 colleagues in the US
500 colleagues globally
Alfa Systems 6

Single-tenant SaaS deployment
Immediate availability
Alfa Start accelerators as a template
Simplified, rich APIs
Broad market reach

Alfa now	
527 global headcount	32 live customers
37 countries	97% retention

About Alfa

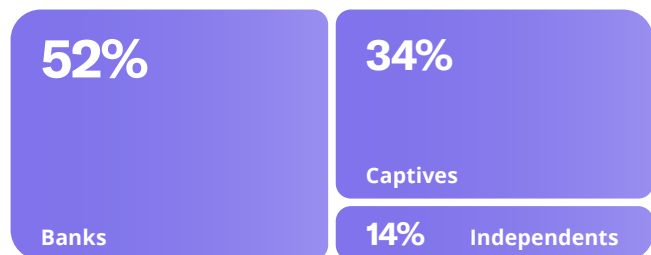
Powering future-ready asset finance

Alfa Systems' class-leading SaaS platform is at the heart of the world's most progressive asset finance operations across global markets.

A single platform supports finance operations globally.

Alfa's business model combines powerful software, deep expertise and proven delivery to support today's markets while enabling future growth. Core functions serve today's Serviceable Addressable Market across wholesale, originations, servicing and collections, while also supporting fleet and US auto originations. Great people, strong culture and innovation enable expansion into Target Addressable Markets through continued investment and partnership.

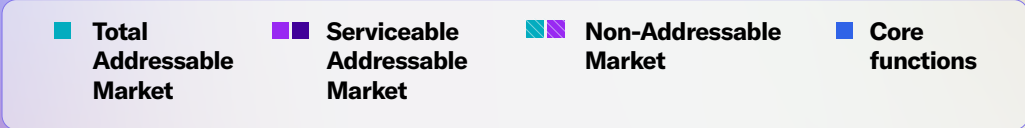
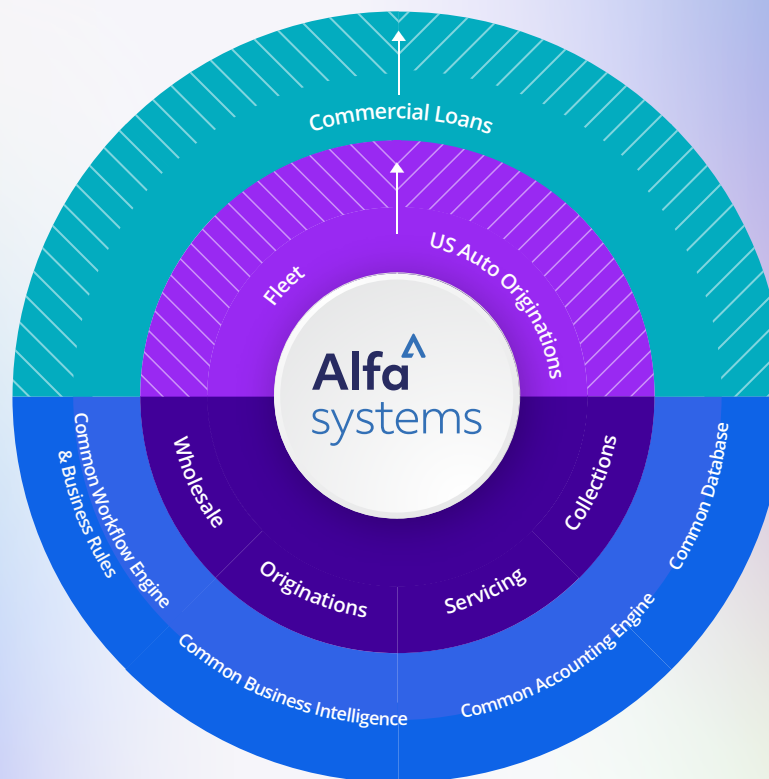
Customer type



Customers' markets



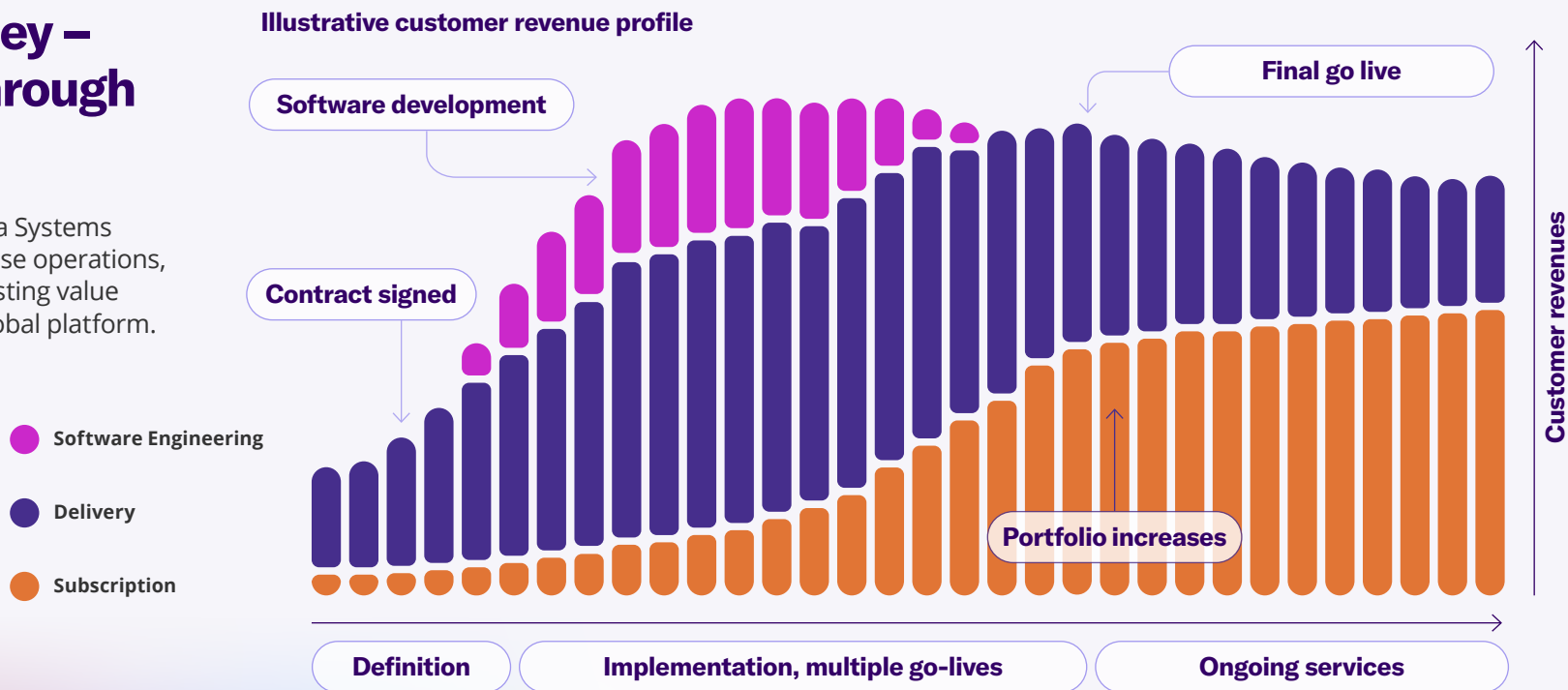
Our model: how we create value



Business model in action

Customer journey – Performance through partnership

From definition to delivery, Alfa Systems enables customers to modernise operations, accelerate growth and build lasting value through a single, intelligent, global platform.



Definition and partnership

Delivery work can start under Letters of Engagement and before full contracts are signed. This could be for paid for Project Readiness Assessments or Definition work.

Small subscription revenues may be generated from test environments.

Implementation and early go-lives

As the project gets fully underway client and Alfa teams increase in size so delivery revenues increase.

The client may identify some changes to the software they would like and so Software Engineering revenues are generated.

Assuming a Minimum Viable Product approach small portfolios may go-live so subscription revenues tick up.

Expansion and multiple go-lives

Building on the successful pilot, Alfa supports multi-country roll outs for the client.

The system scales effortlessly to handle increased volumes, supported by our modular pillars.

Go-live completion and optimisation

All initial development is complete before final go-live so software engineering revenues drop to zero.

Delivery teams continue supporting post go-live.

Contracts have now reached the full run rate and so subscription levels now at ongoing levels.

Ongoing partnership

Delivery revenues continue, supporting the client with regular upgrades, new module implementations, portfolio migrations, supporting corporate activity (eg M&A).

Subscription revenues rise with CPI and also with increased volumes and incremental module sales

Investment case

A strong investment

Our differentiated model combines market opportunity, exceptional technology, delivery excellence and a culture that attracts and retains outstanding people.

Revenue	Operating profit
£127m	£40m
+15%	+17%

Op. Profit margin	Dividends paid
32%	£26m
+0%	+18%

Employee engagement
83%
+1%

Our CTO on technology

A deep dive into Alfa's technology with CTO Andrew Flegg and CEO Andrew Denton. alfasystems.com/news-and-insights/2025_cto_tech



A platform shaped by experience

Alfa Systems is the result of decades of focused development alongside the world's leading asset and automotive finance providers, empowering users to tailor processes to their business.

A proven, living asset

Our IP is not static; it grows in capability and value with every implementation. Insights gained from 35+ years of delivery inform each new release, creating a virtuous cycle of improvement.

Product – Our exceptional IP

Continuous innovation

We reinvest consistently in the product – £37.7 million in 2025 alone – to ensure Alfa Systems remains the benchmark for capability, efficiency and performance.

Technically outstanding

Alfa Systems is a cloud-native, secure SaaS and integrates seamlessly into customers' digital ecosystems. The platform is extensible and modular, meaning it can evolve without disruption as new functionality is required.



Returns – delivering value

- Recurring revenues from subscriptions now represent 34% of total, with continued strong growth.
- Operating profit margin of 32% and consistent cash conversion (97%) underline financial strength.
- Robust balance sheet supports regular dividends and investment in future growth.

Markets – enduring opportunity

- Operates in a massive diversified global market with large, established customers and growing digital demand.
- High barriers to entry: complex, regulated industries and mission-critical software with few credible competitors.
- Growth supported by push and pull factors – regulatory change, sustainability pressures, digital transformation, and customer expectations for cloud-based flexibility.
- Proven across 37 countries, with both large and niche players operating successfully on a single system.

CEO review

Delivery excellence and growing our addressable markets

“Over the years we have made deliberate and considered technical architecture decisions so that we have a pure cloud-native product that is robust at volume, yet flexible enough to continue to benefit from integrating or interfacing with the latest technologies, including AI. This is not only driving improvements and innovation for our customers it is allowing us to increase our addressable markets and expand our competitive advantage.”



Business review

Strong strategic progress

Alfa is an enterprise software and delivery company. Our strategy for creating long-term, sustainable business value is to:

- Strengthen – grow our differentiation of market leading people, product and delivery
- Scale – increase our capacity for developing and delivering Alfa Systems and extend our reach
- Sell – enable profitable growth by focusing on Alfa Cloud, Subscription revenues and incremental sales in our chosen markets
- Simplify – enable more concurrent implementations, more efficiently by simplifying our product, delivery and processes and utilising Alfa Start

In 2025 we continued to make significant strategic progress, at the same time as delivering strong results.

- Subscription growth – our strong sequential growth in Subscription revenues has continued
- Product development – continued progress particularly in the areas of US Auto Originations, Commercial Finance and Fleet, increasing the Target and Serviceable Addressable Markets
- Delivering Alfa Systems 6 (“AS6”) – we have shown the frictionless upgrade nature of AS6 for our customers, with 20 of them now live
- Incremental sales – we have streamlined the process of module launches thereby enabling growth in incremental sales

CEO review continued

In 2025 we continued to increase our functional lead over our competition with further releases of Alfa Systems 6 and developing new modules to cover US Auto Originations, Fleet and Commercial Finance.

We have continued to grow the Company and have increased our access to talent pools by establishing a smart hub in Poland, while maintaining the extremely strong Alfa culture.

Our diversification across end markets and customers means that our top five customers now account for a third of our revenues, five years ago they were nearly two-thirds of our business.

Our delivery excellence remains a key differentiator for us, and this has continued in 2025 with 35 delivery events in the year.

Our customer retention is extremely high. Since the cloud-native version of Alfa Systems was launched in 2010, no customer has ever moved off an implemented modern version of Alfa onto a rival system.

AI and Alfa – Focused, Practical and Value creating

Alfa views AI as an enabler of greater efficiency and customer value rather than a disruptor of its business model. Our approach is deliberately pragmatic and grounded in real use cases that enhance productivity, delivery efficiency and product capability.

We focus our AI strategy on four areas:

1. AI literacy across the organisation, ensuring our people can responsibly and effectively leverage new tools.
2. Internal efficiencies, using AI to streamline processes, reduce manual effort and improve operational scalability, including in software development.
3. Delivery acceleration, applying AI to reduce implementation costs and timelines for customers.
4. Product enhancements, embedding AI where it solves specific customer challenges and improves automation, insight and decision support.

Alfa's business model and product architecture provide a strong foundation for long term AI resilience and Alfa is well placed to benefit from advances in AI technology:

- Deep functional domain capability makes replication of Alfa Systems by generic AI models impractical.
- Contract volume based pricing, rather than per user models, ensure AI driven headcount reductions at customers will not impact Alfa's revenues.
- Advances in the use of generic AI automation tooling will be predicated on and governed by our enterprise software:
 - Alfa provides a vast, well-structured data framework that is based on a deep understanding of the complex enterprise context in which we operate. Our deeply embedded, enterprise-wide software provides encoded institutional knowledge and system of record. Alfa Systems serves

- customers' line of business in an extremely complex market.
- Our regulated customer base requires embedded, deterministic workflow and ledger transactions with clear audit trails and predictable interactions within a complex landscape. This does not favour ungoverned AI outputs acting alone. In this context standardisation, compliance, reliability, reversibility, integration, speed, authority models, security and specific industry practice matter much more than generic automation.
- Enterprise software implementation projects within highly complex and regulated environments are necessarily huge business change exercises. We see AI increasing implementation efficiency, but not eliminating the process. At Alfa we have an unrivalled track record of delivery of these projects in intricate and interconnected contexts and where competitors consistently struggle. This is a key aspect of our differentiation.
- Alfa's market-leading technology stack and architecture, alongside an expansive and culturally embedded innovation agenda ensure that Alfa Systems is well positioned to maximise the potential of AI technology as it evolves.

Strong growth driven by fast growing Subscription revenues

Financial performance was strong with continued growth in revenue and profit. Revenue was up 15% to £126.7m (2024: £109.9m) at actual exchange rates or up 17% at constant currency rates.

Subscription revenues continued to grow strongly, up 16% year on year, driven by growth from existing customers along with new customers. In 2025 we started to see strong growth in Subscription revenues from customers won in 2024.

Delivery revenues were up 15% to £63.5m (2024: £55.0m), with growth in 2025 accelerating from 2024 as the implementation of new projects we won in Q4 2024 ramped up.

Software Engineering revenue growth overall was up 13% versus 2024 finishing the year at £19.6m (2024: £17.4m), but with a very different phasing than last year. This year revenue was stronger in H1 than H2, due to stronger demand for customer-led development, which was the opposite of 2024. Software Engineering revenues are dependent on the stage of implementation work and the maturity of the product in the markets it is being implemented into.

We delivered strong growth in operating profit, increasing 17% to £40.1m (2024: £34.3m) on the back of the 15% growth in revenues at a gross margin of 63.7% (2024: 64.5%). Slower growth in SG&A resulted in an improved operating margin of 31.6% (2024: 31.2%). Cash conversion in the year was 97% (2024: 89%) at the upper end of our expected range of 90% -100%. We finished the period with cash of £26.4m (31 Dec 2024: £20.5m) and no borrowings.

Excellent level of TCV supporting future growth

Our definition of a "win" and consequently the stage at which projects are included in TCV is only once full contract packs are signed.

CEO review continued

Sometimes contract packs are signed before we start work with a new customer, sometimes they are negotiated as implementation is underway and in extremis they may only be signed shortly before go-live. Customer preference can therefore impact the number of wins in any one year and therefore impact the level of TCv.

During 2025 we signed contract packs with one customer, but we were working with – and being paid by – five out of the ten customers in the late-stage pipeline. Overall TCv of £227.5m was up 3% versus last year (2024: £221.3m) with particularly strong growth in our Subscription TCv. Demand for chargeable Software Engineering development can vary depending on the mix of business we are implementing at any point in time. In FY26 we expect a greater proportion of implementations to follow a simpler deployment pattern with less bespoke requirements, which reduces chargeable development but typically accelerates time to full Subscription run rate.

Our top five customer concentration has significantly reduced to 33% of our revenues in 2025, compared with 61% in 2019. Our largest customer represented 9% of our revenues in 2025. The stickiness of our customers on our modern software is demonstrated by NRR of 109% (2024: 103%) and the fact that since we went live in 2010 with version 5 of our software we have only lost two customers after go-live, one was bought by another Alfa customer and the other exited asset finance.

Delivery and Software Engineering agility

2025 was a busy year for Delivery with 35 go-live events. At the end of 2025 we had 20 customers on Alfa Systems 6. We continue to focus on simplifying and increasing the speed of our implementations so that we can deliver more concurrent implementations and Alfa Cloud is a key factor in facilitating smooth go-lives. To service this growing customer base and to ensure that we have a model that can scale with this growth we have opened a smart hub in Poland. While the initial focus for recruitment here is to support the growth in Cloud operations, we may also use it to find additional talent for Software Engineering and Delivery.

The progress we have made with our simplification objective now enables us to have one team support multiple customers. We have established Central Delivery Teams in the UK and USA and these have grown in importance as part of our overall support to clients. For example, in EMEA we have nearly doubled the number of people in the team, they now support 13 clients and delivered eight of the upgrades in the year. This has halved the average age of client versions, providing a better service to the clients and at the same time making it easier for us to maintain.

A key lever in simplifying our implementations is Alfa Start both as a complete package but also as an accelerator for more complex implementations. In 2025 we continued to invest across UK Equipment, US Auto, US

Equipment and APAC Start. In 2026 we will also invest into Euro Start with an initial focus on Germany as we see this as a market of growing strategic importance for us.

Investment in product

We continue to invest to maintain and increase our technology leadership in the market. We invested £37.7m into the further development of our software in 2025 (2024: £37.1m). Our investment was focused on US Auto Originations, Fleet and Commercial Finance. These will increase both the proportion of our market that we can access as well as the size of our total addressable market. We made good progress and benefited from working closely with customers in all three areas, which is our preferred way of making investments, as it ensures that we create software that is a great fit for the market as a whole.

Fleet and US Auto Originations functionality allows us to immediately access an additional part of our existing Target Addressable Market in asset finance, increasing the Serviceable Addressable Market.

The Commercial Finance market is something we have been developing for a while and investment in this area will continue into next year and beyond. Our initial focus is to work with customers in the asset finance market who have Commercial Finance offerings and we have seen keen interest in exploring our new syndications functionality. In the longer term, this will open up a brand new addressable market of stand-alone Commercial Finance customers, meaningfully increasing our Target Addressable Market.

We will continue to invest in all three areas in 2026 along with improving our Point of Sale and Portal capability along with investing in Architecture to simplify the process for expanding the use of AI by Alfa Systems customers to truly embed AI as part of our SaaS solution.

Headcount growth, supported by strong retention

To deliver the growth in the business we continued to recruit both graduates and experienced hires in 2025, with the biggest increase in the US, where average headcount was up 20% compared with 2024. Headcount in the UK has increased 38% over the last two years. The success in focusing on maintaining our culture across the business can be seen from continued high retention rates of 97% (2024: 96%). The combination of our recruitment and high retention has resulted in headcount at the end of the year being up 5% at 527 (2024: 502) with average headcount in the period of 516 (2024: 485) up 6% on last year.

Capital return

We remain a highly cash-generative business, with cash conversion of 97% in 2025 (2024: 89%). We expect cash conversion to average 90 – 100% over time. We are committed to investing in our product and people to ensure that we continue to offer market leading solutions and excellent delivery and service to our customers.

Our mechanism for returning capital is the payment of a regular, ordinary final dividend and we have a policy to grow this progressively. We will also consider special dividends when we have excess capital.

CEO review continued

Notwithstanding the return of £26.0m excess cash to shareholders during the year through ordinary and special dividends, an increase of £3.9m on 2024, we ended the year with cash increasing by £5.9m to £26.4m. As such, the Board has today proposed an ordinary dividend of 1.5 pence per share, up 7%, with an ex-dividend date of 28 May 2026, a record date of 29 May 2026 and a payment date of 26 June 2026. The ordinary dividend would amount to a total payment of c.£4.4m. In addition, the Board has decided to declare a special dividend of 3.1 pence per share, up 29% on the special dividend declared this time last year, with an ex-dividend date of 30 April 2026, a record date of 1 May 2026 and a payment date of 29 May 2026. The special dividend would amount to a total payment of c.£9.2m.

Stable market conditions

We have seen over the last few years that despite a difficult and at times volatile macro-economic environment the asset finance market and demand for software within it has remained robust.

With regards to winning future customers, we benefit by not being dependent on any one particular market. Alfa Systems is operational in 37 countries; in automotive finance, equipment finance and wholesale and loan finance; for OEMs, banks and independents and across all asset classes. This breadth and diversity has helped insulate us from any underlying economic uncertainty in any individual market.

The market itself is relatively robust and our software once installed with customers is even more resilient to changes as it is mission critical

for our customers' businesses – in effect being heart and lungs software which cannot be easily replaced.

Strong pipeline

At the end of the year our late-stage pipeline remains strong with 10 prospects, up from eight at the start of 2025. We are the preferred supplier with eight of these and have started working under letters of engagement with five. The pipeline includes a good balance across all regions with four in EMEA (including UK), with three each in the Americas and AsiaPac. There is also a good spread across Auto and Equipment and between OEM and banks.

2025 continued the trend of macro uncertainty but our pipeline remained strong and we continue to see good levels of activity in the early-stage pipeline, showing that the buying dynamics of the market remain largely unchanged.

We remain confident in both the demand for our best-in-class software and our ability to win work in the market.

Sustainability

We remain committed to our sustainability activities and this was recognised by winning the Corporate Social Award at the Asset Finance Connect Summer Awards and our inclusion in the FTSE4Good Index. We have provided work experience for a social mobility charity, social talks and events and fund-raising activities which were driven by the energy and enthusiasm of our Alfa Communities.

We also have invested in improving the accessibility of Alfa Systems, particularly for those using screen readers. This involved automated testing but also a lot of manual testing and judgement to gauge how understandable the screens are. Great progress has been made in 2025 but there is more work to be done to ensure all parts of the system are at the level we want.

Outlook

We continue to maintain a very healthy sales pipeline and are encouraged by the activity in the earlier stages of the pipeline. For 2026 we

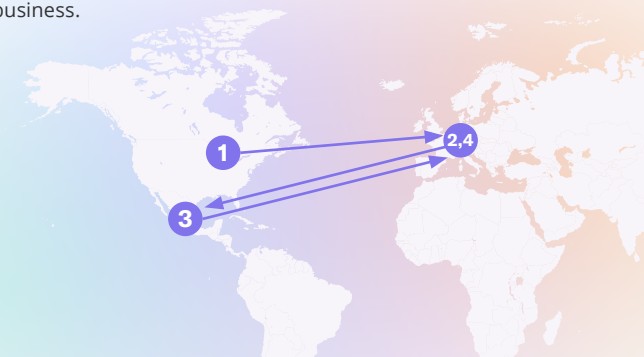
expect strong Subscription revenue growth and good Delivery revenue growth. Over recent years we have been very successful in growing our US business so that it now accounts for 45% of our revenues, which at current exchange rates creates a headwind for growth in our reported results. Overall, despite the impact of currency headwinds and wider macro uncertainty, we expect to see good revenue growth in 2026 and beyond.

Andrew Denton
Chief Executive Officer

11 March 2026

Customer Journey Case Study: Mercedes-Benz

- 1 Mercedes-Benz began its Alfa Systems journey in North America in 2014, supporting its truck finance operations across the United States and Canada, before adding car finance in 2016.
- 2 In 2022, Alfa Systems was implemented in Germany to support new leasing business, establishing a modern platform and scalable blueprint.
- 3 Building on the strong partnership, product performance and delivery success for North American operations, Alfa Systems was then implemented for Mercedes-Benz Mexico in 2023, to support new car finance business.
- 4 Leveraging the proven German blueprint for new banking business, Alfa Systems enabled migration and consolidation of legacy systems onto a single platform.



Market overview

The asset finance market remains resilient across various macroeconomic environments. In contrast, the asset finance software market is more sensitive to specific industry push and pull factors.

What pushes customers to change systems?

Push factors

Software not fit for purpose with high cost of ownership



Regulatory and cyber-security requirements

Complying with regulatory changes and maintaining robust cyber defences is non-negotiable, forcing companies off legacy systems.



Increased ownership cost

Maintaining systems running on old equipment becomes increasingly expensive, forcing companies to seek ways to minimise their OpEx and CapEx costs.



Poorly integrated point solutions

Years of building around legacy systems create complex architectures, prone to errors and increasingly difficult to maintain.



Inefficient workflows and low automation

'Swivel-chair' entry across multiple systems with inefficient workflow drives up OpEx costs and is increasingly difficult to scale.

What pulls customers to choose Alfa Systems?

Pull factors

Software as a business enabler and driver of innovation



Expedite digitalisation

Customers expect modern systems with user-friendly interfaces and prompt response times.



Growth in AI and ML adoption

To maximise the benefits of new technologies, systems need to be well-architected with intuitive design.



Business agility and flexibility

Modern businesses require flexibility and agility to launch new products and compete effectively.



Exposure to green technologies

Sustainable technologies drive the need for new revenue streams whilst accounting for their own carbon footprint.

Addressable software market

\$3.4bn¹

1. A Deloitte view of the asset finance software industry, 2022.

Market overview *continued*

Existing Alfa markets

Addressable Market Expansion

Adjacent Market Expansion

Market



United States

Automotive

- One of the largest auto finance markets
- Large auto finance players with high volumes and scale
- In addition to asset finance servicing, originations is a substantial market

Equipment

- Private credit entering this attractive market and partnering or acquiring older equipment finance
- Diversification into more complex financial product structures related to commercial finance



Europe

Automotive

- Larger, international players dominate the market and require multi-country and multi-jurisdictional features
- Asset lifecycle and support for new sustainable business (e.g. fleet) models needed

Equipment

- Some larger, cross-border finance providers but more, smaller, local players within single countries
- Ability to quickly adapt new pricing models is key
- Support for sustainability features is important



Australia, NZ & RoW

- The rest of the world, excluding Asia, makes up less than 4% of world asset finance volumes, with Australia and New Zealand making up the majority of this market



Originations

- Finance companies willing to invest in Originations platforms to make use of new technology to increase automation and speed of response
- Alfa currently supports end-to-end originations at scale globally in diverse clients in Auto and Equipment
- Alfa working alongside key customers in Auto and Equipment finance to enhance offering of key, flexible functionality in target markets with biggest opportunities



Commercial Finance

- Multiple trillion USD market
- Expanding into adjacent market with some of the same players who invest in asset finance who could be used as a soft route into the market
- Modernisation of the commercial finance market is driven by the need for automation and increased efficiency of processes as private credit players increase competition
- The variability and complexity associated with commercial loans and finance make Alfa Systems the ideal fit

Alfa clients

- 5 of the USA's top 10 auto lenders
- 2 of the USA's top 3 equipment lessors

- 3 of the UK's top 5 equipment lessors

- 2 of Australia's top 5 asset finance lenders
- In live production in South Africa with consumer and commercial finance portfolios

- Strong interest in originations from existing clients and prospects, with some clients already using the product

- Some of Alfa's largest equipment finance clients invest in wider commercial finance products, allowing us to learn and expand within this client base

Alfa position

- Alfa is the de facto go-to company in US Auto and UK Equipment, with very strong presences in other markets
- We use one system across all markets and are unique in having capability across all markets
- We have different competitors in each market
- Alfa provides exceptional high-volume asset support ensuring stability, scalability and robust performance

- Multi-country and multi-jurisdictional capabilities make Alfa Systems ideal for international asset finance players, converting complex processes into efficient, configurable workflows

- Alfa has launched originations product, which covers direct and indirect lending, from quoting to funding

- Alfa has invested in commercial finance revolving credit facilities and syndications functionality

Alfa Systems 6

Expansion of product and into new markets

Founded on six pillars, 2024's iteration of the Alfa Systems software platform delivers important changes in performance and function, helping finance providers tackle the significant challenges they face, and seize the lucrative opportunities that lie waiting.



Efficiency

- Fully optimised user experience via Compose, Alfa's redesigned UX framework.
- Personalised screen design and improved navigation for faster decision-making and reduced processing time.
- Streamlines operational workflows across originations, servicing and collections.



Total capability

- End-to-end functionality across the full asset finance lifecycle – originations, servicing, collections and accounting.
- Supports all asset types and finance products (retail, commercial, fleet, wholesale).
- Embedded accounting engine providing financial coherence across processes.



Sustainability

- Functionality to model new ESG-linked business structures, such as usage-based finance and sustainability-linked assets.
- Tools to help customers meet net-zero and regulatory reporting requirements.
- Flexible data architecture enabling disclosure and analytics on sustainability metrics.



Scalability

- Cloud-native, always-on SaaS platform enabling global, multi-entity operations on a single system.
- Handles multiple jurisdictions, currencies and accounting standards simultaneously.
- Built for continuous availability and large volume processing without performance degradation.



Intelligent automation

- Advanced workflow automation driven by AI and rules-based decisioning.
- Includes AskThea, an AI assistant supporting customer service and operational queries.
- Enables faster approvals, data validation and exception handling.



Collaborative ecosystem

- Open, extensible architecture with modern APIs for seamless integration with third party tools.
- Supports connectivity to data, analytics and payment platforms through Alfa's partner network.

Strategy in action

Everything we do supports our growth and strategy

Our strategy for creating long-term, sustainable business value is:



Strengthen

Grow our differentiation of market-leading People, Product and Delivery by:

- Investing in our **smart, diverse team**;
- Investing in our **product**; and
- Investing in our **delivery** methodology and tooling.

➔ [Read more on page 14](#)



Sell

Enable profitable growth by focusing on:

- Alfa Systems on **Alfa Cloud**;
- **Subscription** revenue;
- **Incremental sales**;
- Commitment to our chosen **target markets**.

➔ [Read more on page 15](#)



Scale

Increase our capacity for developing and delivering Alfa Systems, and extend our reach, by:

- Developing our **smart, diverse team**;
- Leveraging **global talent** sources to enhance our competitive position;
- Growing our **partner ecosystem**;
- Expanding our addressable market;
- Enabling **partner led delivery** of Alfa Start.

➔ [Read more on page 16](#)



Simplify

Enable more concurrent Alfa Systems implementations, more efficiently, by:

- Simplifying our **product**;
- Simplifying our **implementations**;
- Simplifying our **processes** across our organisation;
- Expanding our **Alfa Start** offering.

➔ [Read more on page 17](#)

Strategy

Strengthen



Grow our differentiation of market-leading **People, Product and Delivery**, by:

- Investing in our **smart, diverse team**;
- Investing in our **product**;
- Investing in our **delivery** methodology and tooling.

of live customers, over time¹

2023 **27**

2024 **30**

2025 **32**

Investment in product*

£38m

2024: £37m

1. Not including customers on v4 Alfa Systems.

2025 highlights

People

This year we strengthened and expanded our diverse global team supporting the recruitment of 51 new hires. We introduced Continuous Conversations, transforming our pay and promotion approach to deliver more meaningful, ongoing feedback and clearer career development pathways for all. We achieved the Investors in People re-certification at gold status and reinforced our culture through a global focus on Innovation, Inclusion and Collaboration. We also launched senior leadership development to grow capability across all regions.

Product

During this year we have focused on increasing the resilience of the Alfa Systems software to encourage clients to upgrade and gain access to new functionality. By supporting broader product ranges and processes, this is key to increased client satisfaction. This also allows Alfa to benefit from economies of scale, as more customers move to the same version of the software.

Delivery

Building on last year we have further strengthened our Delivery capabilities by launching our new Alfa Recon tool to support large portfolio migrations. We have also enhanced our Portfolio Load solution to facilitate portfolio acquisitions and low-volume migrations in further markets.

Our Alfa Start capabilities have expanded significantly with the release of our EU and Australian Start products, while we continue to invest significantly in our UK Equipment and US Auto Start offerings. This has been supported by increased recruitment and investment in our Delivery workforce.

* This investment is calculated based on the total time spent by people in our Product Engineering team working on Alfa Systems product either for specific customer developments, which are largely chargeable, or internal investment and enhancement of the product. It does not include time spent on implementing or maintaining and supporting systems for customers. It includes salary costs and a full overhead allocation, and includes amounts shown as R&D expense and costs that have been capitalised.

Plans

People

Next year we will launch a comprehensive listening strategy to deepen cultural alignment, strengthen two-way trust, and ensure employee feedback directly informs our approach to culture, leadership development and the wider Alfa experience for colleagues.

Product

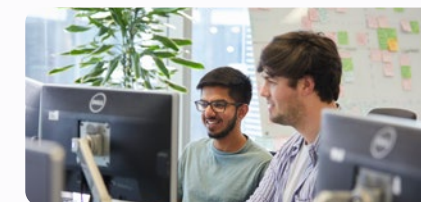
In 2026 we will be investing in further increased performance and efficiency of the Alfa Systems platform. This will allow operational savings for Alfa and our customers running Alfa Systems.

Delivery

We intend to enhance our configuration management options to further streamline our implementations for our customers, as well as continuing to invest in our award winning out-of-the-box solutions.

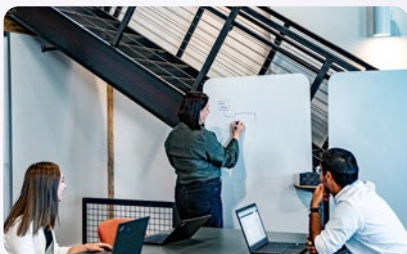
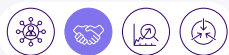
AskThea

Providing access to Alfa's rich product documentation, this GenAI tool now has over 300 monthly active users (MAU). They use it to understand how to configure, operate and integrate with Alfa Systems to achieve their business outcomes, accelerating delivery.



Strategy continued

Sell



Enable profitable growth by focusing on:

- Alfa Systems on **Alfa Cloud**;
- **Subscription** revenue;
- **Incremental sales**;
- Commitment to our chosen **target markets**.

Subscription revenue share

2023 **31%**

2024 **34%**

2025 **34%**

2025 highlights

Marketing

2025's global campaign was spearheaded by *The SaaS Chronicles*, a branching-path story about digital transformation in book and interactive form, and the centrepiece of a successful events programme. There were new campaigns for fleet finance, syndication and Alfa Start for European and Australasian markets, as well as extended media coverage for Alfa Cloud's data resilience concept, Data Guardian. Additional campaigns supported commercial finance, equipment finance and originations in US auto. All were enhanced by extensive thought leadership and podcast content.

New modules

Over 2025 we have developed and launched four new modules to meet our objective of selling into adjacent markets and providing quality optional add-ons for current clients.

The Syndication product module was launched in the autumn and has received interest via a range of markets and use cases, as increased capital requirements require clients to offset more risk.

The Master Agreement product module was launched in November as part of the initiative to sell into the Commercial and Fleet markets. This has been built primarily for auto fleets but has inbuilt flexibility to allow further use cases in commercial finance and bulk equipment.

Subscription

Ensuring that our customers can upgrade regularly to the latest version of Alfa Systems and benefit continually from our ongoing investment in the platform is vital. We strive to make this process as smooth as possible operationally, and to support our customers in delivering regular upgrades. As part of this initiative, we have been developing a new subscription-based service, providing customers with Alfa expertise to support their upgrade activities when needed, with costs being spread on a subscription basis.

Plans

The continued evolution of the Alfa Systems product, alongside the release of new modules in 2025, brings further opportunities for our customers to adopt more of the latest features through incremental module sales. Additionally, we will look to capitalise on our investment in tangential markets, such as commercial finance and automotive fleet, delivering a strong go-to-market strategy.

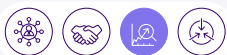
Alfa Compose

We've continued to invest in Compose, adding three newly supported screen entities and growing the library of available screen components by over a third. Finally, we've entered a new era of field-level composability, introducing functionality to enable our customers to build their own, fully bespoke library cards.



Strategy continued

Scale



Increase our capacity for developing and delivering Alfa Systems, and extend our reach, by:

- Developing our **smart, diverse team**;
- Leveraging **global talent** sources to enhance our competitive position;
- Growing our **partner ecosystem**;
- Expanding our **addressable market**;
- Enabling **partner-led delivery** of Alfa Start.

Global headcount

2023 **475**

2024 **502**

2025 **527**

Ongoing partner-assisted projects

12

2024: 8

2025 highlights

Market expansion

In 2025, we made strong progress in developing Minimum Demoable Products across fleet, commercial finance and US auto originations, using demos mid-year to gather client feedback and iterate on development scope. Building on this, we have subsequently developed Minimum Sellable Products for these three key initiatives, working closely with clients in each case to mitigate risk while expanding into adjacent markets to grow our Total Addressable Market in support of our 2030 objectives.

Recruitment

We successfully scaled recruitment to support the launch of our new Polish Smarthub, hiring our first colleagues in Poland and expanding our global footprint. Our recruitment efforts aligned closely with our cultural priorities, helping us grow a diverse team. We ensure new joiners experience structured modular onboarding and meaningful feedback from the start. Leadership development initiatives also improved readiness across teams, supporting sustainable growth as we continue to scale internationally.

Partnering

In 2025 we increased our partner utilisation across both EMEA and North America, and submitted two joint bids with Systems Integrations (SI) partners. To support the training needs of smaller or newer SI partners, we initiated partner training courses for mixed SI groups. In addition, we launched a new SI partner portal platform providing the latest information on the Alfa Systems product, our delivery methodology, upcoming training opportunities and product news.

Plans

Market expansion

In 2026 we will continue to invest in key initiatives to facilitate sales into the new, adjacent markets. This will focus on feedback from clients and prospects to enhance saleability of the product.

Recruitment

In the coming year, we will build on our global recruitment foundation by strengthening talent pipelines, continuously improving candidate experience and aligning hiring strategies with our cultural priorities and long-term growth plans.

Partnering

We intend to launch a tiered SI partner programme with formal accreditation, establish a technology partner ecosystem programme and roll out additional partner training modules. We also plan to commence our first Partner-Led Delivery and will actively evaluate potential new partners to further strengthen our partner ecosystem and expand market coverage.

Commercial Finance

In 2025 Alfa launched into the Commercial Finance market in EMEA and the UK. Building upon Alfa's powerful workflow and servicing platform, we marketed our syndication functionality and automation to drive efficiencies. We made our first incremental sales and are developing a Go To Market strategy for further progress in 2026.

Strategy continued

Simplify



Enable more concurrent Alfa Systems implementations, more efficiently, by:

- Simplifying our **product**;
- Simplifying our **implementations**;
- Simplifying our **processes** across our **organisation**;
- Expanding our **Alfa Start** offering.

Clients on long-term support branches

2023 **16**

2024 **21**

2025 **27**

Alfa Start implementations can reach live production in as little as 22 weeks

22

2024: 22

2025 highlights

Alfa Start for US Auto Finance

We continue to invest in Alfa Start for US Auto Finance to further simplify projects and reduce implementation timeframes through both specific initiatives and continuous improvement. In 2025 we have applied feedback from project teams currently implementing Alfa Start, configured and documented new business processes, and created robust scripts on which process definition workshops can be run directly. We also progressed the planned initiative to create an integration library, complementing out-of-the-box industry integrations, by identifying and documenting an initial tranche.

Alfa Start for US Equipment Finance

2025 has seen the continued development of our Alfa Start product for this market. Alfa Investment in master lease agreements, bulk asset, commercial loans and syndications has simplified and expanded support for key lines of business, allowing us to offer more out of the box. Our Portfolio Load functionality, a key component of simplified implementations, has been put into practice with a US equipment customer.

Data Migration

In 2025, we launched Alfa Recon, a scalable tool that securely stores reconciliation data from the Alfa Migration Suite and provides instant reporting and visualisation through Amazon Quick Suite. Users can filter, compare and categorise results, supporting up to a billion records per migration run. Migrations for Alfa-hosted clients are now part of a fully managed Alfa Cloud service, streamlining environment provisioning, secure data transfer and execution. Finally, we continued to simplify and enhance key elements of migration implementation.

Testing

Alfa One adoption and regression reduction were key focus areas in 2025. Alfa One is our standardised deployment model, designed to bring consistency and predictability to implementations and upgrades. Alongside this, regression reduction initiatives introduced automated detection, anti-pattern rules, and improved coverage insights, helping to reduce brittle tests and identify risks earlier.

Plans

Alfa Start for US Auto Finance

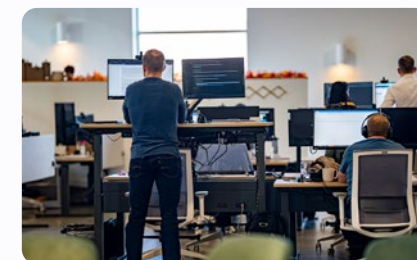
In 2026 we will further reduce the work required to implement Alfa Start by configuring business processes to optionally use the integrations documented this year. Three Alfa Start clients moving into implementation will provide more feedback to further improve the methodology.

Alfa Start for US Equipment Finance

We intend to incorporate continued wider product improvements into our Alfa Start methodology, such as configuration management. We'll also explore expanding our offering to include our latest originations functionality, offering our customers end-to-end support within Alfa Start.

European Alfa Start Accelerator

In 2025 Alfa launched another Alfa Start Accelerator in Europe. This is designed to enable a faster implementation of a single country rollout in Germany or the Netherlands based on our experiences with European equipment clients. It is available in German, with pre-configured processes and full documentation.



Key performance indicators

Alfa measures a range of financial and operational metrics to help manage business performance.

Definition and KPI calculation method

In considering the financial performance of the business, the Directors and management use key performance indicators (KPIs), some of which are defined by IFRS and some of which are not specifically defined by IFRS.

We have amended some of the KPIs this year to recognise the transition to a SaaS business model. We have deleted the Headcount KPI as a growing proportion of our business is unrelated to headcount. We have added Annual Recurring Revenue (ARR) and Net Revenue Retention (NRR), which are common KPIs used by SaaS businesses. We have decided to reduce the cash measures from two to one, retaining the Operating free cash flow conversion, but dropping the year end cash balance as a KPI.

We believe that ARR, NRR and operating free cash flow conversion are key measures required to assess our financial performance. These measures are not defined by IFRS.

The most directly comparable IFRS measure for operating free cash flow conversion is cash flows from operations. The measure is not necessarily comparable to similarly referenced measures used by other companies. There are no similar IFRS measures for ARR and NRR.

As a result, investors should not consider this performance measure in isolation from, or as a substitute analysis for, our results of operations as determined in accordance with IFRS.

Total Contract Value ("TCV"): TCV is calculated by analysing future contract revenue based on the following components:

- (i) an assumption of three years of Subscription payments assuming these services continued as planned (actual contract length varies by customer);
- (ii) the estimated remaining time to complete Delivery and Software Engineering deliverables within contracted software implementations, and recognise deferred licence amounts (which may not all be under a signed statement of work); and
- (iii) Pre-implementation and ongoing Delivery and Software Engineering work which is contracted under a statement of work.

As TCV is a reflection of future revenues, forward looking exchange rates are used for the conversion into GBP.

Employee retention rate: Represents the retention of Alfa employees over the previous 12-month period, excluding any managed staff attrition.

Employee engagement: The overall employee engagement score is derived from quarterly employee Pulse survey ratings based on the questions "I am happy in my role" and "I would recommend Alfa to a friend as an employer". The figures shown are for the last survey of the year.

Annual Recurring Revenue (ARR): Represents the average value of customer subscription contracts in the six months to the reporting date, annualised.

Excludes any revenues that are one-time or, at contract inception, not expected to be recurring for a period more than 12 months.

Net Revenue Retention % (NRR): Measures the percentage of recurring revenue retained from customers over the last 12 months, including upsells and expansions, and net of customer losses.

Operating free cash flow conversion: Calculated as cash generated from operations, less capital expenditures, less the principal element of lease payments in respect of IFRS 16. Operating free cash flow conversion represents operating free cash flow generated as a proportion of operating profit.

Constant currency: When the Company believes it would be helpful for understanding trends in its business, the Company provides percentage increases or decreases in its revenues to eliminate the effect of changes in currency values. When trend information is expressed herein "in constant currencies", the comparative results are derived by re-calculating comparative non-GBP denominated revenues using the average exchange rates of the comparable months in the current reporting period.

Our strategic pillars

- 1 Strengthen
- 2 Sell
- 3 Scale
- 4 Simplify

Total contract value

£227.5m



2025 performance

Following the very strong growth in TCV in 2024 following eight customer wins we saw more modest growth in 2025. Subscription TCV grew at 18%, continuing the strong growth we have seen in recent years. Delivery TCV was down 14% however given the strength of the late-stage pipeline this is expected to increase as these are converted into wins. Software Engineering TCV was down 42% due to the mix of new projects requiring less development work.

Why do we measure this?

Helps to predict revenue and the value of a contract over its lifetime, which will generally extend beyond the current financial year.

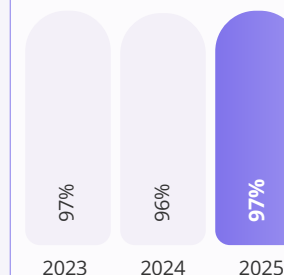
Linked to remuneration:
No

Links to strategic pillars:

- 1
- 2
- 3
- 4

Employee retention rate

97%



2025 performance

Our continued focus on nurturing our culture, investing in our people and their career growth contributes to our high retention. Identifying interesting and challenging opportunities for growth provides variety and challenge that is a key contributor to retaining our people.

Why do we measure this?

Our deep expertise in the industry and our ability to service our customer relationships is driven by the quality of our people. A higher retention rate demonstrates sustained engagement and maintenance of key skills and knowledge.

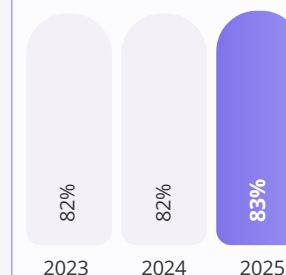
Linked to remuneration:
Yes

Links to strategic pillars:

- 1
- 3

Employee engagement rate

83%



2025 performance

Employee engagement has remained high through the year. We have continued to focus on maintaining the strong Alfa culture and in 2025 we rolled out "Continuous Feedback" which ensures more timely and targeted feedback to our people. They feel listened to, informed, and alongside the work that our communities champion, invested in making Alfa a great place to work.

Why do we measure this?

Measures levels of employee satisfaction and connection to the business. There is a positive correlation between employee engagement and business performance and the metric should be a lead indicator for retention rate performance.

Linked to remuneration:
Yes

Links to strategic pillars:

- 1
- 3

Key performance indicators *continued*

Group revenue

£126.7m

**2025 performance**

Group revenue grew by 15% (17% on constant currency basis), with strong growth across all of our revenue streams. Subscription revenues continued their strong growth over the last few years, up 16%, driven by a combination of growth with existing clients as well as new customers. Delivery revenue was 15% up on last year, with Software Engineering up 13% both driven by new customers won in 2024.

Why do we measure this?

Growing revenue is a measure of customer and business success. It is central to our objective of growing by maintaining our leading competitive position through differentiation of People, Product and Delivery.

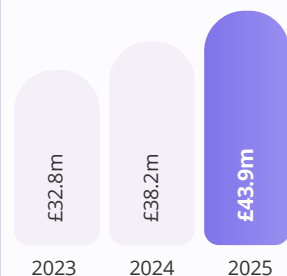
Linked to remuneration: Yes

Links to strategic pillars:

[1](#) [2](#) [3](#) [4](#)

Annual Recurring Revenue (ARR)

£43.9m

**2025 performance**

ARR grew strongly in the year up 15% to £43.9m. Our continued strategy of focusing the company on delivering subscription revenue growth is working.

Why do we measure this?

It is a standard industry measure which software companies use showing the performance in growing the subscription size of the business.

Linked to remuneration: Yes

Links to strategic pillars:

[1](#) [3](#)

Net Revenue Retention (NRR)

109%

**2025 performance**

NRR of 109% was driven by the loss of no customers along with growth with existing customers, particularly those new customers where revenues are continuing to ramp up before reaching full run rate.

Why do we measure this?

It is a standard industry measure which software companies use, showing the level of growth in existing customers, netted off the level of customer losses. SaaS products are often associated with high churn rates, and this is a measure designed to assess that.

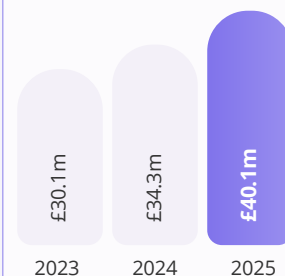
Linked to remuneration: Yes

Links to strategic pillars:

[1](#) [3](#)

Operating profit

£40.1m

**2025 performance**

Operating profit grew 17% from last year as a result of 15% growth in revenues with slightly lower growth in net operating expenses.

Why do we measure this?

Operating profit is an indicator of the Group's profitability. It can be used to analyse the Group's core operational performance without the costs of capital structure and tax expenses impacting profit.

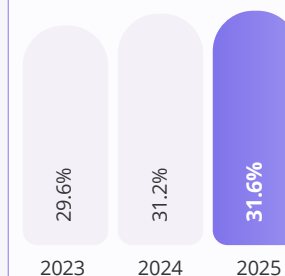
Linked to remuneration: Yes

Links to strategic pillars:

[1](#) [2](#) [3](#) [4](#)

Operating profit margin

31.6%

**2025 performance**

Operating profit margin increased to 31.6% for the year. The margin benefited from the impact of the £1.5m gain from FX hedges which impacted operating profit only and not revenue.

Why do we measure this?

Operating profit margin is a measure of how effectively we sell Alfa Systems and manage our cost base. It also allows comparison across different companies and sectors.

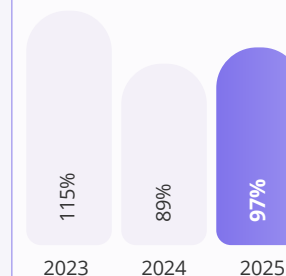
Linked to remuneration: Yes

Links to strategic pillars:

[1](#) [2](#) [3](#) [4](#)

Operating free cash flow conversion

97%

**2025 performance**

Operating free cash flow conversion for 2025 was 97%, which is at the upper end of our guidance range of 90% - 100%.

Why do we measure this?

A strong unencumbered balance sheet position is key to growing the business in the future. Our business has always been cash generative and this KPI allows us to monitor cash flows before investment in capital projects.

Linked to remuneration: No

Links to strategic pillars:

[1](#) [2](#) [3](#) [4](#)

Financial review

Strong growth, Subscription revenues up 16%



“2025 was a year of strong growth across all revenue streams, generating high quality earnings and excellent cash generation.”

Financial results

£m	2025	2024	Movement
Revenue	126.7	109.9	15%
Gross profit	80.7	70.9	14%
Operating profit	40.1	34.3	17%
Profit before tax	40.1	34.1	18%
Taxation	(10.0)	(8.5)	18%
Profit for the period	30.1	25.6	18%
Basic EPS	10.19p	8.68p	17%
Diluted EPS	10.14p	8.56p	18%

Revenues increased by 15% or £16.8m to £126.7m in the 12 months ended 31 December 2025 (2024: £109.9m), with growth at constant currency stronger at 17%. Revenues grew very strongly in the Americas, up 23% on the back of some large customer wins over the last 18 months, and now account for 45% (2024: 42%) of revenues.

Gross profit increased to £80.7m (2024: £70.9m) up £9.8m, with gross margin at 63.7% (2024: 64.5%) with the decrease in gross margin due to software capitalisation of £5.0m (2024: £5.3m) remaining in line with last year and so dropping as a percentage of revenue.

Financial review continued

Sales, general and administrative expenses increased to £41.0m (2024: £36.6m) largely due to increased headcount and salary increases along with increased profit share payout resulting from increased profits. Gains on foreign exchange forward contracts of £1.5m (2024: £0.3m gain) partially offset this.

Overall operating profit increased by 17% to £40.1m (2024: £34.3m) with profit before tax of £40.1m (2024: £34.1m).

The Effective Tax Rate ("ETR") for 2025 was 24.9% (2024: 24.9%) in line with last year. Profit for the period was £30.1m (2024: £25.6m).

Revenue

Revenue – by type	2025	2024	Movement %
Subscription	43.6	37.5	16%
Software Engineering	19.6	17.4	13%
Delivery	63.5	55.0	15%
Total revenue	126.7	109.9	15%

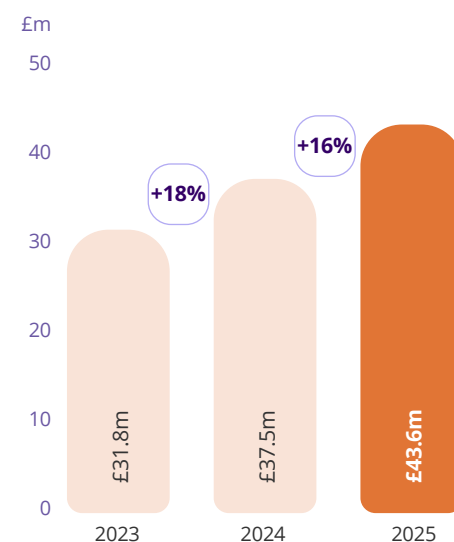
Subscription – Continuing strong growth in Subscription revenues

Subscription revenues arise from revenues from SaaS and other recurring services.

Overall Subscription revenues increased strongly by 16% to £43.6m (2024: £37.5m) with the strongest growth arising from new customers not yet live along with growth from existing customers. Subscription customers now total 42 (2024: 39) of which 22 are on Alfa

Cloud, 15 are on their own private cloud, 2 are on v4 of Alfa and 3 are in the late-stage pipeline. Of the 22 customers on Alfa Cloud, six are not yet live as they are currently in implementation. Subscription revenues account for 34% of overall revenues (2024: 34%).

Subscription revenue



We have a single-tenant SaaS solution. We and our customers benefit from a single standard code-set and database, but with multi-layer data segregation as opposed to code-based segregation used in multi-tenant SaaS models. One of the big benefits of this approach is that customers can control their release cycles rather than having an upgrade timetable dictated to them.

Our SaaS services are ISO 27001 and ISO 27018 certified and SOC1 and SOC2 audited to confirm compliance with controls around data security and availability. Given the mission-critical nature of our systems for our customers, having such third-party verification of our compliance with these standards is a key selling point.

Software Engineering – as expected a reduction in chargeable work in H2 following a very strong H1

Software Engineering revenues largely arise from chargeable development work for new and existing customers, along with some perpetual licence recognition.

Software Engineering revenues for the year increased by 13%. In 2025 the biggest growth came from chargeable development revenue from new customers up £2.8m to £8.7m (2024: £5.9m). Following the transition to SaaS only sales, perpetual customised licence recognition is now a relatively small part of our business, with revenue of £2.8m in the period (2024: £3.3m). There were one-off licence revenues of £0.9m (2024: £0.8m).

Our strategy is to continue to develop our software, to ensure that we meet and exceed customer and market needs as they evolve and as the regulatory and commercial environment continues to change. We have the industry leading software and we continue to invest to increase that lead, through a balance of customer funded development and self-funded development.

Delivery – Continuing strong delivery execution

Delivery revenues arise from work for existing customers delivering new modules, upgrades, migrations and other services, as well as work with new customers on project definition and implementation of Alfa Systems.

We entered the year with a record level of TCV, and with the new implementation projects getting underway we saw strong growth in Delivery revenues up 15% to £63.5m (2024: £55.0m). This growth was driven by the 11 new customers in implementation not yet live where revenues were up £11.5m to £27.8m (2024: 16.3m). These projects are multi-year projects with go-lives in subsequent years and as customers progress from paid pipeline work through definition and into implementation, Delivery revenues increase.

Total revenues from existing customers, including V4 to V5/AS6 upgrades was £35.7m (2024: £38.7m). Revenue from V4 to V5/AS6 upgrades was £9.6m (2024: £6.4m). As V4 to V5/AS6 projects are replaced by new projects this will further boost Subscription revenues due to the higher incremental Subscription revenues they will generate in the future.

We had 35 delivery events in the year which was significantly up on the 26 delivered in 2024 and matched the record 35 delivered in 2023. Customers continued to upgrade onto AS6 and by the end of 2025 there were 20 customers on AS6. There were three go-lives during the year.

Financial review continued

In September there was an important v4 to AS6 go-live in the Nordics for a European Equipment OEM who we hope to further roll out Alfa into new territories in the coming years. In October an existing Australian client opened their doors to a brand new business in New Zealand in under 10 months from starting definition work. This rapid implementation was only possible by using our new APAC Start accelerator. In December we went live with a UK Bank, using UK Equipment Start as an accelerator, although there are further phases before it will have the full run rate of contracts loaded.

In 2025 staff augmentation partners accounted for 8% (2024: 8%) of the chargeable days delivered to clients. During 2025 we worked on our US Auto Start product using the knowledge gained from existing US auto projects, with an aim of targeting the Tier 3 US Auto Finance market with PLD.

Total Contract Value (TCV)

TCV – by stream			Movement
£m	2025	2024	%
Subscription	161.5	136.7	18%
Software			
Engineering	14.2	24.6	(42)%
Delivery	51.8	60.0	(14)%
Total TCV	227.5	221.3	3%

Total contract value (TCV) at 31 December 2025 was £227.5m (31 December 2024: £221.3m). There was strong growth in Subscription TCV which grew as Subscription revenues from customers in implementation started to increase. Software Engineering and Delivery TCV were down, as a lot of the new projects in

implementation have worked through their backlog. As contracts get converted out of the late-stage pipeline we will see increases in Delivery TCV, although the nature of the projects mean that we are not expecting a significant increase in the Software Engineering TCV.

TCV – by stream for next 12 months			Movement
£m	2025	2024	%
Subscription	49.5	41.9	18%
Software			
Engineering	8.8	13.5	(35)%
Delivery	39.9	40.3	(1)%
Total TCV	98.2	95.7	3%

Of the TCV at 31 December 2025, £98.2m (2024: £95.7m) is currently anticipated to convert into revenue within the next 12 months. The Subscription portion increased 18% to £49.5m (2024: £41.9m). Software Engineering TCV, was down 35% to £8.8m (2024: £13.5m) and Delivery TCV slightly down 1% to £39.9m (2024: £40.3m). As noted above as new contracts convert from the late-stage pipeline we expect the Delivery TCV to increase.

Operating profit

The Group's operating profit increased by £5.8m to £40.1m in 2025 (2024: £34.3m) reflecting the £16.8m increase in revenue offset by cost increases of £11.0m.

Headcount numbers were up 5% at 31 December 2025 at 527 (2024: 502), with average headcount of 516 up 6% on last year (2024: 485). Staff retention remained very high at 97%.

Expenses – net			Movement
£m	2025	2024	%
Cost of sales	46.0	39.0	18%
Sales, general and administrative			
expenses	41.0	36.6	12%
Other income	(0.4)	0.0	–
Total expenses – net	86.6	75.6	15%

Cost of sales increased by £7.0m to £46.0m (2024: £39.0m) to support the growth in the business. This was due to higher headcount and salary costs along with increased hosting costs from the increasing scale of that business. Capitalised investment into the product remained in line with last year.

Sales, general and administrative (SG&A) increased to £41.0m in the year (2024: £36.6m). Salary costs were up 9% in the period to £15.7m (2024: £14.4m). Profit Share Pay, including employer's costs, in the period was £5.0m (2024: £4.2m). Share-based payment charges increased from last year to £1.9m (2024: £1.4m). Depreciation and amortisation increased to £3.3m (2024: £2.7m) as a result of increased intangible asset amortisation. Gains on forward currency contracts increased to £1.5m (2024: £0.3m). Other foreign currency gains/losses were a loss of £0.7m (2024: £0.2m gain). Other costs totalling £15.9m increased 10% on last year (2024: £14.4m) with employee benefits, principally healthcare costs, up 25% along with smaller increases elsewhere as a result of the growth in the business.

Other income increased from £0.0m last year to £0.4m this year due to increases in UK R&D Expenditure credit (RDEC).

Profit before tax

Overall profit before tax of £40.1m was up 18% on last year (2024: £34.1m). Net finance costs were £nil (2024: £0.2m).

Profit for the period

Profit after taxation increased by £4.5m, or 18%, to £30.1m (2024: £25.6m). The Effective Tax Rate for 2025 remained at 24.9% (2024: 24.9%).

Earnings per share

Basic earnings per share increased by 17% to 10.19 pence (2024: 8.68 pence). Diluted earnings per share increased by 18% to 10.14 pence (2024: 8.56 pence).

Cash flow

Cash generated from operations was up to £44.5m (2024: £37.3m) with the key factor being a very strong receivables performance, which reduced slightly from last year end despite increased revenues. Net cash generated from operating activities was £37.2m (2024: £28.4m) with tax payments of £6.6m down on the £8.2m for 2024 largely due to the recovery of Corporate Tax receivable from last year.

Cash (including the effect of exchange rate changes) increased by £5.9m to £26.4m at 31 December 2025, from £20.5m at 31 December 2024. There was £37.2m of net cash generated from operating activities (2024: £28.4m). Total dividends paid in the year,

Financial review continued

being the ordinary and two special dividends, increased by 18% to £26.0m (2024: £22.1m). Purchases of own shares in the period were £0.9m (2024: £0.7m) purely for shares into the Employee Benefit Trust. Net capital expenditure of £5.4m was slightly down on last year (2024: £5.6m) with investment into the product slightly down on last year to £5.0m (2024: £5.3m) and with other capex of £0.4m (2024: £0.3m).

Operating free cash flow conversion

£m	2025	2024
Cash generated from operations	44.5	37.3
<i>Adjusted for:</i>		
Capital expenditure	(5.4)	(5.6)
Principal element of the lease payments in respect of IFRS 16	(0.1)	(1.3)
Operating free cash flow	39.0	30.4
Operating profit	40.1	34.3
Operating free cash flow conversion	97%	89%

The Group's Operating Free Cash Flow Conversion (FCF) of 97% (2024: 89%) was up on last year and better than expected due to higher receipts at year end.

Balance sheet

The significant movements in the Group's balance sheet, aside from the cash balance which is described above, from 31 December 2024 to 31 December 2025 are detailed below.

Trade receivables decreased slightly from £8.6m at 31 December 2024 to £8.5m at 31 December 2025. They remain extremely tightly controlled

with overdue debtors only £0.7m (2024: £0.5m) and these are all within 30 days overdue. All of the year end receivables have now been collected.

Accrued income was up on last year end at £5.5m (31 December 2024: £4.7m). Corporation tax recoverable of £0.7m was down on last year (31 December 2024: £2.8m) due to settlements received related to R&D claims.

Trade and other payables balance increased by £1.5m to £13.2m (31 December 2024: £11.7m) which was driven primarily increased amounts due relating to payroll, including profit share.

Contract liabilities relating to software licences increased slightly to £9.2m (31 December 2024: £8.1m). Contract liabilities from deferred maintenance decreased to £4.7m (31 December 2024: £7.6m) as more customers moved onto monthly Subscription payments.

Going concern

The financial statements are prepared on the going concern basis. This is considered appropriate due to the reasons stated in note 1.1 to the consolidated financial statements.

Subsequent events and related parties

There have been no subsequent events that require disclosure. Details about related party transactions are disclosed in note 31 to the consolidated financial statements.

Duncan Magrath
Chief Financial Officer

11 March 2026



Alfa's 2025 marketing campaign: The SaaS Chronicles

Our 2025 marketing campaign took on a creative departure this year. Its centrepiece, The SaaS Chronicles, is a 'branching path' adventure book that takes its reader through a digital transformation project, via a series of tricky decisions.

Placed in charge of an enterprise SaaS implementation, the reader must navigate ten chapters – on key areas such as delivery approach, architecture, integration, data security and more – and shape the outcome of their project.

Choices range from a detailed, fully bespoke implementation to a fast-tracked route powered by Alfa Start. Make the right calls and you deliver a successful transformation. Make the wrong ones and face the consequences...

Devised, crowdsourced, written and designed by Alfa colleagues, The SaaS Chronicles takes a playful, tongue-in-cheek approach while remaining genuinely informative; subtly weaving in the real-world experience and expertise that make up the Alfa proposition, and demonstrating that a successful transformation is about far more than just picking a platform.

Drawing exceptional and sustained positive feedback from prospects, customers and even competitors, Chronicles has helped us educate senior decision-makers, generate and rekindle leads, and stand out in a crowded market.

Environmental, Social and Governance

ESG at Alfa: big company impact, small company feel

In 2025, we continued to integrate ESG principles into our strategy, day-to-day operations and approach to innovation. Alfa takes a holistic view of sustainability, recognising that it is inseparable from the way we build our product, support people, and impact the planet.



In addition to the ESG overview in the next few pages of this Annual Report, we are pleased to release the third edition of our Sustainability Progress Report. Introduced in 2023, this report provides a deeper insight into the initiatives delivering meaningful impact across People, Planet and Product. Whether advancing an inclusive workplace, lowering our carbon footprint or developing sustainable technology solutions, the full report highlights the scale and reach of our efforts across the business.

➔ **To view the full Sustainability Progress Report for 2025 please visit:**
alfasystems.com/en-eu/about/sustainability

In the following highlights pages you can read about:

- Our ongoing alignment with the UN Sustainable Development Goals (SDGs) and continued commitment as a UN Global Compact (UNGC) signatory, reinforcing our role as responsible corporate citizens.
- Details of People & Culture initiatives from across 2025, which support employee engagement, culture, recruitment and retention.
- Gender Pay Gap reporting highlights, demonstrating our commitment to transparency, equity and inclusion.
- Updates on our carbon reduction and energy efficiency progress, underscoring our determination to contribute to a low-carbon future.
- Disclosures aligned with TCFD (Task Force on Climate-related Financial Disclosures), CFD (Climate-related Financial Disclosures) and SECR (Streamlined Energy and Carbon Reporting).

ESG Governance

All Alfa's ESG initiatives align with our five chosen UN SDGs. Oversight is provided by Alfa's ESG Steering Committee, made up of colleagues from across our global business, including our Chief Financial Officer and Chief People Officer. The committee meets monthly to review progress, remove barriers and guide the strategic direction of ESG at Alfa. We also focus on the key areas identified by SASB as materially impacting the software industry: Energy Management, Customer Privacy, Data Security, Employee Engagement, Diversity and Inclusion, Competitive Behaviour and Systemic Risk Management.

We have embedded ESG factors into supplier onboarding. Identifying suppliers, customers, and charity partners that align with the SDGs enables us to identify shared priorities and values.

People

Employee sentiment remains strong with employee engagement at 83% in the final quarter of 2025. 86% of colleagues agree that Alfa fosters an inclusive environment and 84% feel they can be themselves at work.

Feedback continues to be invaluable and encouraged across Alfa. The quarterly engagement survey, Pulse, is continuously refreshed with rotating review group membership and new communications summarising feedback themes alongside actions taken. In 2026 we aim to expand our listening strategy and encompass culture themes throughout the year.

United Nations' Sustainable Development Goals and United Nations Global Compact

Our five chosen United Nations Sustainable Development Goals (UN SDGs):

	Gender Equality. Achieve gender equality and empower all women and girls.
	Decent Work and Economic Growth. Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.
	Reduced Inequalities. Reduce inequality within and among countries.
	Responsible Consumption and Production. Ensure sustainable consumption and production patterns.
	Climate Action. Take urgent action to combat climate change and its impacts.

Participation in the UN Global Compact and the SDG Accelerator has broadened our sustainability insight. In mid-2025 we submitted our first Communication on Progress to the UNGC, which includes the CEO statement of continued support. This reaffirms our commitment to the Ten Principles and the Sustainable Development Goals (SDGs).

Environmental, Social and Governance continued



We were delighted to recruit 51 new hires in 2025, 7 of whom are based in our new Polish Smarthub in Gdansk.

Our employee-led Alfa Communities continue to play an important role in shaping our culture. Over the past year we've welcomed new chairs and co-chairs, and we now bring community leads together more frequently to support collaboration and intersectional initiatives.

Alongside our identity-based communities, our shared interest groups – including Reading for Change, Alfa Creative, and Alfa Fitness – demonstrate how wellbeing, personal identity and professional life intersect to create meaningful connections across Alfa. Towards the end of 2025 we were delighted to announce a new support group for neurodiverse colleagues.

The People & Culture team worked to foster Alfa's culture throughout the year, focusing on innovation, collaboration and inclusion at company conferences and events.

Alfa introduced Continuous Conversations, transforming our pay and promotion approach to deliver more meaningful, ongoing feedback and clearer career development pathways for all. We also launched senior leadership development to grow capability across all regions.

Global Gender Pay Gap highlights

Pay Gap	Median Pay Gap		Mean Pay Gap	
	2024	2025	2024	2025
Alfa	16.4%	18.2%	13.1%	15.0%

Our gender pay and bonus gap is largely influenced by the composition of our workforce and year-on-year changes driven by new joiners, leavers and organisational change. As a technology organisation, this has resulted in some fluctuation in our pay gap figures over time.

Across the company, there are more men than women at all levels. This reflects a wider UK industry challenge, where fewer women enter technology and STEM-related roles. In line with this trend, women remain more highly represented in business and support functions than in technology roles.

In 2025, our global gender pay gap increased from 13.1% to 15.0%, and our UK gender pay gap rose from 14.2% to 16.2%. The global median pay gap increased from 16.4% to 18.2%, while the UK median pay gap remained broadly stable (2024: 18.5%; 2025: 18.6%).

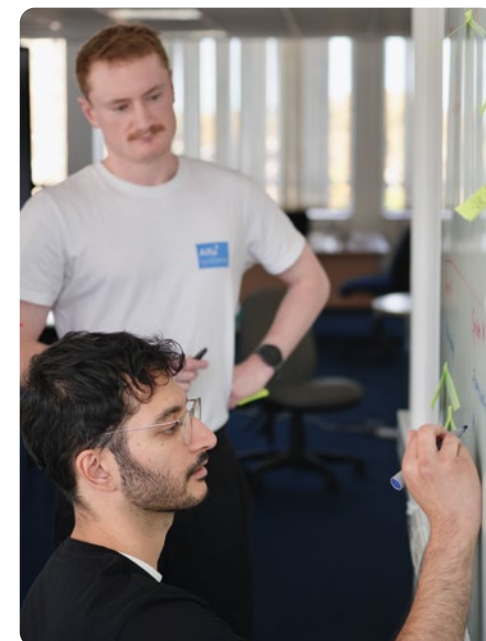
For more detail, please see our full Gender Pay Gap report at alfasystems.com.

For information on the composition and diversity demographics of Alfa's Board, senior management and all colleagues, see page 70.

Partnership with Code Your Future

In 2025 we launched a major new partnership in EMEA with Code Your Future (CYF), a UK nonprofit that provides free, volunteer-led software development training for refugees, asylum seekers and adults from disadvantaged backgrounds. This partnership is a powerful example of holistic sustainability in action.

CYF's mission aligns directly with Alfa's values and technical expertise. Our Product Engineering team has already collaborated to support CYF's launch of a Java curriculum, leveraging Alfa's unique internal Java course. Opportunities extend beyond engineering; we are expanding into CV support, mentoring and non-technical volunteering accessible to all Alfa colleagues.



Environmental, Social and Governance *continued*

Volunteering

Everyone at Alfa receives three days each year to use for volunteering. Volunteering activity has accelerated organically across all regions this year and it's exciting to see the variety of initiatives and causes that colleagues support.

Global community-led volunteering events are coordinated across US and EMEA teams, and nature and biodiversity-focused activities are undertaken. Individuals also get involved with numerous sporting, skills-based and other fundraising opportunities.

Charity Partnerships

Our EMEA partnership with Depaul UK continues to be our most successful charity collaboration to date. Depaul UK is a youth homeless charity providing emergency accommodation and shelter for young people facing homelessness across the UK.

In the US we commenced a partnership with Ronald Macdonald Charities House Detroit, an organisation dedicated to providing essential services that remove barriers, strengthen families, and promote healing when children need healthcare.

In Australia our partner is Women's and Girls' Emergency Centre, a specialist homelessness service for women and families escaping domestic violence.

Forest & Bird, the country's leading independent conservation organisation, is our charity partner in New Zealand.

The total raised for our charity partners across the year was: £35,596.

And the total including all other charitable fundraising was: £75,266.

Product

Embedding ESG into Alfa Systems

We are committed to ensuring that Alfa Systems and its associated SaaS capabilities reflect our values around inclusivity, responsibility and environmental impact.

While the Sustainability pillar of Alfa Systems 6 remains central, we have expanded our focus this year to include digital accessibility, responsible and inclusive AI, and environmentally efficient product operations.

Accessibility as a Strategic Priority

In 2025 we intensified efforts to improve the accessibility of Alfa Systems. Our goal is to achieve meaningful compliance with WCAG 2.2 Level AA across key user journeys.

A significant number of identified accessibility issues have been resolved, with prioritisation driven by real data from Alfa Cloud on the most frequent user journeys. Accessibility automation is now being integrated into our test framework. In addition, accessibility training will be rolled out to colleagues that work with our product.

Accessibility improvements benefit all users and reinforce Alfa's leadership role in driving inclusive digital product design across the industry.

Green Software and Sustainable Operations

As we transition further to cloud-first and expand AI adoption, we are focused on managing environmental impacts in line with our goal to reduce Scope 1, 2 and 3 emissions by 90% by 2050.

We are addressing key questions around AI and cloud sustainability, with plans for a green software and operations working group to deepen our sustainability expertise, set operational standards and guide decision-making.

Planet

Progress toward Net Zero

In 2025, we retired approximately 4,500 tCO₂ of carbon offsets from accredited programmes, offsetting more than 100% of the Group's total reported emissions for the year.

These offsets are used as a complementary measure and do not replace the Group's ongoing focus on reducing absolute emissions in line with its decarbonisation strategy.

Alfa's other planet-friendly initiatives continue to support our goals. We recycle and repurpose office IT equipment via KOcycle. Our employee benefits align with ESG ambitions, such as the electric vehicle salary sacrifice scheme. We've conducted a Scope 3 supplier engagement pilot to improve data quality, and our membership in the UN Global Compact strengthens alignment with international standards.

Looking Ahead: 2026 and Beyond

By 2026 we aim to demonstrate increased maturity across all ESG pillars. Alfa aims for more intentional intersectionality and collaboration across communities, alongside continued focus on cultural inclusivity and equitable career development.

We expect to demonstrate improvements in Alfa Systems accessibility, inclusion and responsible AI, in tandem with further integration of sustainability into Alfa Cloud and internal product operations.

Alfa also aims to formalise a credible, detailed emissions reduction plan with clear pathways for Scope 3.

Alfa's goal is to progress from commitments to meaningful measurable outcomes, demonstrating leadership within both our sector and our client ecosystem.

Alfa's latest Sustainability Progress Report shares more on the great things we got up to across 2025.

 [Please visit: \[alfasystems.com/en-eu/about/sustainability\]\(https://alfasystems.com/en-eu/about/sustainability\)](https://alfasystems.com/en-eu/about/sustainability)

Environmental, Social and Governance continued

2025 Awards

We're extremely proud to have won a plethora of awards, both as an organisation and for individuals earning well deserved industry recognition.

- Tech Business of the Year, plc awards 2025
- Investors in People 2025: gold status
- Best Technology Platform of the Year & Best Marketing Campaign of the Year for Alfa Systems 6 at the GlobalData Automotive Awards
- EDI Trailblazer winner, LeasingWorld Going Further Gold Awards
- Social Award, Asset Finance Connect Summer Awards 2025
- Top 20 in the DIAL Global Index 2025
- 2025 Monitor Best Company – Innovation category
- 2025 Monitor NextGen Leader: Brittany Hamilton
- 2025 Monitor Most Influential People, Inclusivity: Kinna Pattani
- 2025 Monitor Top Women in Equipment Finance: Kirsten Fleming
- The Leasing Foundation's 30 Under 30 2025: Selim Jedidi-Ayoub



Anti-Bribery and Corruption Policy

Sets out our zero-tolerance approach to all forms of bribery and corruption and includes guidance on the giving and receiving of gifts and hospitality. In order to capture any concerns that employees or external parties may have in relation to bribery and corruption, the policy highlights internal contacts who can assist in any queries surrounding gifts and hospitality or concerns around bribery and corruption.

Environmental Policy

Alfa is committed to minimising its environmental impact by complying with applicable environmental laws, measuring and transparently reporting its environmental performance, and operating its business in a sustainable and responsible manner. This includes reducing energy consumption through technology, promoting resource efficiency across its offices and supply chain, and engaging employees and stakeholders to support sustainable practices.

Ethics and Code of Conduct

Alfa's Ethics and Code of Conduct sets out a zero-tolerance approach to dishonest and unethical behaviour and provides clear guidance on the legal and ethical standards expected of all employees when conducting Alfa business. The policy supports a positive and open culture, protects Alfa's reputation, and encourages colleagues to speak up about concerns without fear of retaliation.

Health and Safety Policy

Sets out the health, safety and welfare of our employees, contractors, visitors and other relevant stakeholders.

Modern slavery statement

Alfa is committed to respecting fundamental human rights, including the prohibition of child labour, forced labour and modern slavery, and the protection of freedom of association. The Group mitigates modern slavery risks through supplier due diligence, adherence to the Alfa Supplier Code of Conduct, and a focus on responsible business practices, data protection, inclusive product development and sustainable supply chains.

Supplier Code of Conduct

Sets out the standards for our suppliers on compliance, human rights, environmental sustainability, business integrity, cybersecurity, confidentiality, and information security.

Whistleblowing Policy

Sets out our whistleblowing procedures and grievance mechanisms and is designed to ensure that colleagues and other parties, including contractors and third parties, can safely report any instances of poor practice through internal channels or an independent organisation.

Streamlined Energy and Carbon Reporting

The table below discloses the Group's Streamlined Energy and Carbon Reporting.

	2025			2024***		
	Global (inc. UK)	UK only	Global (not inc. UK)	Global (inc. UK)	UK only	Global (not inc. UK)
Energy Consumption (kWh)*****						
Total Natural Gas Use	148,305	29,473	118,832	114,786	29,917	84,869
Total Company Fleet Use	2,252	2,252	-	1,063	697	365
Total Electricity Use	182,958	124,383	58,574	183,909	121,020	62,889
Total Energy Use	333,515	156,109	177,406	299,758	151,634	148,123
Scope 1 Carbon Emissions (tCO₂e)*****						
Natural Gas	27	5	22	21	5	16
Car Fleet (petrol/diesel/hybrid)	0.25	0.25	-	0.08	-	0.08
Total Scope 1 Emissions	27	6	22	21	5	16
Scope 2 Carbon Emissions (tCO₂e)						
Purchased Electricity – Buildings (Location-Based)	47	22	25	49	25	24
Purchased Electricity – Electric Vehicles (Location-Based)	0.22	0.22	-	0.14	0.14	-
<i>Purchased Electricity – (Market-Based)**</i>	-	-	-	0.39	0.14	0.25
Total Scope 2 Emissions (location-based)	47	22	25	49	25	24
Scope 3 Carbon Emissions (tCO₂e)*****						
Category 1 – Purchases Goods & Services	1,862	*	*	1,674	*	*
Category 2 – Capital Goods	69	*	*	45	*	*
Category 3 – Fuel & Energy Related Activities	17	*	*	18	*	*
Category 4 – Upstream Transportation and Distribution	5	*	*	9	*	*
Category 5 – Waste Generated in Operations	9	*	*	1	*	*
Category 6 – Business Travel (Flights, rail, grey fleet, hotels and taxis)	1,427	*	*	936	*	*
Category 7 – Employee Commuting and Work From Home	270	*	*	516	*	*
Category 8 – Upstream Leased Assets	33	*	*	73	*	*
Total Scope 3 Emissions	3,692	*	*	3,271	*	*
Total Emissions (tCO₂e)						
Scope 1	27	6	22	21	5	16
Scope 2 (Location-Based)	47	22	25	49	25	24
<i>Scope 2 (Market-Based)**</i>	0.22	0.22	-	0.39	0.14	0.25
Scope 3	3,692	*	*	3,271	*	*
Total Carbon Emissions (tCO₂e) (location-based)	3,767			3,341		
Total Revenue (£m)	127	*	*	110	*	*
Carbon Intensity ratio (tCO₂e per £million)****	0.6	*	*	0.6	*	*

* Breakdown beyond Global Emissions not calculated.

** Market-Based Scope 2 emissions are not included in final emissions inventory.

*** Our spend-based Scope 3 (Categories 1, 5 and 6) emissions for 2024 have been restated to reflect the use of the updated 2025 CEDA emissions factor database, which provides a more representative global dataset from 2023 onwards. In addition, supplier-specific emissions in Category 1 were updated, and a refinement was made to address an identified estimation issue.

**** Carbon Intensity figure includes only global Scope 1 and 2 emissions.

***** Breakdown of total figures are rounded to the nearest whole number and may cause minor discrepancies. Total figures are accurate.

Streamlined Energy and Carbon Reporting *continued*

Methodology: As a quoted organisation, Alfa is required to report its energy use and carbon emissions in accordance with the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018. The data detailed in the tables below represents emissions and energy use for which Alfa is responsible, including energy use on its sites and fuel used in the company fleet. Alfa has used the main requirements of the Greenhouse Gas Protocol Corporate Standard to calculate its emissions, along with the UK Government GHG Conversion Factors for Company Reporting 2025. Part of Alfa's Scope 3 emissions inventory was also calculated. This process included the use of UK Government GHG Conversion Factors for Company Reporting 2025, IEA Emission Factors 2025 and CEDA 2025 Emission Factors. Any estimates included in Alfa's totals are derived from actual data extrapolated to cover missing periods or from benchmarks.

Energy Efficiency Statement: We are committed to responsible carbon management and will practise energy efficiency throughout our organisation, wherever it is cost effective. We recognise that climate change is one of the most serious environmental challenges currently threatening the global community and we understand we have a role to play in reducing greenhouse gas emissions.

During the year, we implemented the following initiatives to improve the Group's energy efficiency, support progress against our SBTi targets, and reduce avoidable energy related emissions:

- Maintained renewable electricity supply across our offices, reflecting our continued focus on reducing the carbon intensity of our operations. This supports our longer term SBTi aligned emissions reduction trajectory by ensuring that a greater share of our operational energy demand is met through low carbon sources;
- Ongoing support for virtual collaboration and consideration of travel requirements when hosting internal and external events, helping to reduce energy use associated with business travel; and
- Continued availability of salary sacrifice electric vehicle schemes, contributing to lower emissions compared with traditional company car arrangements.

Non-financial and Sustainability Information Statement

Information as required by regulation can be found on the following pages:

Environmental matters	Pages 26, 28 to 33
Our employees	Pages 24, 25 and 45
Social matters	Pages 25 to 26
Human rights	Page 27
Anti-corruption and anti-bribery	Page 27
Climate-related disclosures	Pages 28 to 33
Business model	Page 4
KPIs	Pages 18 to 19
Principal risks	Pages 34 to 44

Task Force on Climate-related Financial Disclosures (TCFD)/Climate-related Financial Disclosures (CFD)

Alfa has prepared these climate-related financial disclosures in accordance with the recommendations and recommended disclosures of the Task Force on Climate-related Financial Disclosures (TCFD) and in compliance with the UK's Climate-related Financial Disclosures (CFD) regulatory requirements (CFD applies to the Group for the first time in the current reporting period). We have based our disclosures on the TCFD 'Guidance for All Sectors' and note that we do not operate in an industry for which the additional supplemental guidance applies. In determining materiality for climate-related financial disclosures, the Group applies a qualitative assessment aligned with investor decision usefulness, and considers audit materiality thresholds (as disclosed on page 111) an appropriate benchmark for judging the significance of potential climate impacts, while recognising that disclosure materiality under TCFD/CFD may differ from statutory audit materiality. We will continue to assess our approach to ensure we remain relevant in what we measure and disclose. The organisational boundary for SECR reporting covers the entire Group, with all subsidiaries and operations included in the emissions and energy usage disclosures.

Area	Recommended disclosure	Alfa disclosure
Governance	a) Describe the Board's oversight of climate-related risks and opportunities.	<p>The Board retains overall responsibility for climate oversight. The Audit and Risk Committee (page 75), considered climate matters at three 2025 meetings (March, June and December), covering: (i) scenario analysis outcomes; (ii) updates on ESG-related risks; (iii) SECR results and methodology; and (iv) regulatory developments (including the anticipated transition from TCFD to IFRS S2).</p> <p>To support effective oversight, the Board keeps up to date on ongoing climate and sustainability training. In 2025, the Board attended a training session on succeeding in sustainability, which highlighted the growing complexity of sustainability reporting, particularly in Europe, with increasing expectations from investors and regulators.</p> <p>The Board agreed with management's view that climate-related risks are not material for Alfa in the near term, but recognises their growing strategic relevance – particularly in relation to regulation, customer expectations and supply chain emissions. As these risks and opportunities evolve, the Board expects to increase the depth and frequency of its oversight.</p>
	b) Describe management's role in assessing and managing climate-related risks and opportunities.	<p>The CEO has ultimate responsibility to the Board for climate-related matters. Day-to-day responsibility sits with the CFO, who is accountable for the Group's Environmental Policy, climate-related risk assessment and emissions reporting. The CFO reports regularly to the CEO and the Company Leadership Team (CLT), and provided updates to the Audit and Risk Committee at three 2025 meetings (March, June and December). In 2025, the CFO oversaw the work in a number of areas including the climate scenario analysis carried out (see page 32), a detailed review of the climate-related risks and opportunities in the risk register, and the purchase of carbon offsets for projects that aligned with Alfa's selected UN SDGs (page 24).</p> <p>The CFO is supported by the ESG Steering Group, which comprises senior leaders from across the Group, including the Chief People Officer (CPO). The ESG Steering Group is responsible for developing and delivering the Group's ESG strategy, overseeing progress against key commitments, and ensuring climate-related considerations are appropriately embedded across business functions. The ESG Steering Group discussed climate-related issues in four meetings in 2025.</p> <p>In addition, the Environmental Impact Team, a cross-functional group of employees from across the Group, supports the implementation of environmental initiatives and employee engagement activities. This team plays an important role in driving operational initiatives and fostering a culture of environmental awareness. Initiatives recommended by this team (and subsequently implemented at Alfa in 2025) include a variety of hands-on community clean-ups and planting projects across our regions.</p> <p>Management regularly engages with external advisors to support climate-related risk assessment, regulatory compliance and emissions reporting, including in relation to SECR reporting, supplier emissions engagement and Science Based Targets initiative (SBTi) commitments. Management is kept up to date on ESG matters in a number of ways – these are tailored by individual and, in 2025, included attending working groups and accelerator sessions run by the United Nations Global Compact, as well as engaging in customer sustainability programmes (such as Supplier Sustainability Connect run by Lloyds Banking Group).</p>

Task Force on Climate-related Financial Disclosures (TCFD)/Climate-related Financial Disclosures (CFD) continued

Area	Recommended disclosure	Alfa disclosure
Strategy	<p>a) Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.</p>	<p>Alfa has identified and assessed climate-related risks and opportunities over the short, medium and long term, taking into account the nature of its operations and geographic footprint. In doing so, management considered the categories of climate-related risk set out in the TCFD Implementation Guidance, as well as industry specific materiality guidance from the Sustainability Accounting Standards Board (SASB) for the Software and IT Services sector.</p> <p>Short term (2026–2028): In the short term (3 years from reporting date, in line with the viability assessment on page 52), the Group’s primary climate-related risks relate to regulatory change, compliance and reputation. These included the risk of failing to keep pace with evolving climate-related reporting requirements and stakeholder expectations.</p> <p>Medium term (2029–2033): In the medium term, the Group expects transition risks and opportunities to become more pronounced. Increased regulatory scrutiny, customer demand for transparency across value chains, and higher expectations around Scope 3 emissions management may increase compliance costs and operational complexity.</p> <p>Long term (2034–2050): Over the long term, the Group expects climate-related considerations to be increasingly embedded in customer business models, regulatory frameworks and capital markets. Alfa’s strategy is to position its products to support customers’ long-term transition needs, including lifecycle asset management, emissions tracking and sustainability reporting.</p> <p>Conversely, the transition to a lower-carbon economy is also expected to create opportunities for Alfa. The increasing cost of low carbon assets and the growth of sustainable finance are likely to drive demand for sophisticated asset backed finance and leasing solutions. In addition, more stringent ESG reporting requirements across customer value chains are expected to increase demand for flexible, data driven software solutions capable of supporting sustainability and emissions reporting.</p> <p>While macroeconomic disruption arising from climate change presents a systemic risk to the global economy, Alfa’s asset-light, SaaS-focussed business model is expected to be relatively resilient compared to more carbon intensive sectors.</p>
	<p>b) Describe the impact of climate-related risks and opportunities on the organisation’s businesses, strategy, and financial planning.</p>	<p>Our two largest countries by revenue and employee numbers are the UK and USA (pages 132, 133 and 135), and therefore these geographies have the most impact on our climate-related risks and opportunities. We continue to be mindful of emissions, increasing the use of renewable energy across our offices, and factoring travel distance and mode into conference planning. For example, our 2025 EMEA conference was held in the UK rather than abroad to reduce travel-related emissions.</p> <p>As part of its strategy, the Group invests in understanding customers’ evolving sustainability requirements and prioritises product development accordingly. This supports long-term financial planning and future revenue growth through customer retention, market share opportunities and enhanced product functionality. Customer collaboration remains central to product development and has informed solutions such as our Environmental Accounting module. Sustainability is embedded as a core pillar of Alfa Systems 6, including enhanced lifecycle and emissions-related capabilities. This strategic focus reduces the risk of product obsolescence and positions Alfa to capture climate-related opportunities as they arise.</p> <p>Climate-related considerations are also reflected in the budgeting process. Costs for external advisors supporting climate and regulatory reporting, as well as the purchase of carbon offsets, are incorporated into annual financial budgets. In 2025, the Group purchased and retired approximately 4,500 tCO₂ of carbon offsets from accredited programmes, offsetting more than 100% of the Group’s total reported emissions for the year. These offsets are used as a complementary measure and do not replace the Group’s ongoing focus on reducing absolute emissions in line with its decarbonisation strategy.</p>

Task Force on Climate-related Financial Disclosures (TCFD)/Climate-related Financial Disclosures (CFD) continued

Area	Recommended disclosure	Alfa disclosure
	<p>c) Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.</p>	<p>Alfa undertook a qualitative climate scenario analysis during FY25. This approach is consistent with CFD guidance, which allows for qualitative scenario analysis where quantitative modelling is not yet feasible or would not meaningfully enhance decision-making, and is proportionate given that Alfa's overall emissions footprint is relatively small. Given the current scale, nature and geographic distribution of the Group's operations, management and the Board concluded that a qualitative assessment provides a proportionate and decision-useful basis for evaluating strategic resilience at this stage.</p> <p>The assessment evaluated the resilience of our business model under two NGFS-aligned scenarios: an Orderly Transition (1.5°C) and a Disorderly Transition (3°C+), and across three timeframes – short-term (0-5 years), medium-term (5-10 years) and long-term (10+ years) – reflecting both operational and strategic planning horizons. These scenarios were selected to reflect a range of plausible transition pathways and associated risks. The 1.5°C scenario represents an orderly transition aligned with global climate objectives and provides insight into potential transition risks and opportunities arising from regulatory change, customer expectations and technological development. The 3°C+ scenario represents a more disorderly transition with delayed or insufficient policy action, enabling assessment of heightened physical and transition risks and the resilience of the Group's strategy under more adverse conditions.</p> <p>The analysis considered key physical and transition risks that were most relevant to our operations – including cloud service disruption, reputational exposure, regulatory change and supplier emissions – alongside opportunities in ESG-linked product innovation and operational efficiency. In the short term, impacts under both the 1.5°C and 3°C+ scenarios are primarily transition-driven and relate to regulatory change, reporting requirements and stakeholder expectations. The difference in impact between scenarios at this stage is limited, reflecting the relatively short lead times and the Group's asset-light, SaaS-focussed operating model.</p> <p>In the medium term, the divergence between scenarios becomes more pronounced. Under the 1.5°C scenario, risks are driven by an orderly transition, with increased regulatory complexity and customer demand for enhanced ESG data and reporting capabilities, partially offset by related product and market opportunities. Under the 3°C+ scenario, these transition risks are amplified by greater uncertainty, increased efforts associated with supplier engagement, and heightened reputational risk, resulting in a relatively higher overall risk profile.</p> <p>In the long term, the 3°C+ scenario results in a higher risk relative to the 1.5°C scenario, reflecting the compounding effects of delayed transition, increased physical risk to global supply chains and customers, and broader macroeconomic disruption. While physical risks to the Group's own operations remain limited, the indirect impacts on customers, markets and regulatory frameworks are expected to be more significant. Under the 1.5°C scenario, impacts remain more gradual and predictable, supporting a more stable operating environment.</p> <p>Across all time horizons and scenarios, the Group's resilience is supported by its flexible operating model, absence of energy-intensive assets, cloud-focussed operations, diversified customer base, value chain engagement, working with external climate advisors, and ongoing investment in product functionality aligned to customers' sustainability and reporting needs. These mitigations are consistent with, and embedded within, the Group's principal risk management framework (see page 35).</p> <p>While no quantitative financial impacts have been modelled to date, management expects the sophistication of this analysis to evolve over time as internal capabilities, data quality and market practice continue to develop.</p>
Risk management	<p>a) Describe the organisation's processes for identifying and assessing climate-related risks.</p> <p>b) Describe the organisation's processes for managing climate-related risks.</p>	<p>Climate-related risks are identified and assessed within the Group's risk management framework, as set out on page 35. These risks are evaluated alongside other strategic, operational and financial risks, using the Group's standard methodology for assessing likelihood, potential impact and overall risk rating. Senior management, including the CFO and the Chair of the ESG Steering Committee, reviews climate-related risks at least annually as part of the Group's wider risk assessment process, with updates provided more frequently where emerging developments warrant reassessment.</p> <p>Where climate-related risks are identified, management seeks to mitigate them through a combination of policy development, operational initiatives, supplier engagement and external advisory support. In the short term, the Group's focus is on regulatory compliance, emissions measurement and measuring progress against our SBTi targets.</p>

Task Force on Climate-related Financial Disclosures (TCFD)/Climate-related Financial Disclosures (CFD) continued

Area	Recommended disclosure	Alfa disclosure
	c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.	Climate-related risks are fully integrated into the Group's risk register and wider risk management processes. The risk register is reviewed regularly and updated to reflect changes in the external environment, regulatory landscape and the Group's operations. This ensures that climate-related risks are considered consistently alongside other key risks to the business.
Metrics and targets	a) Disclose the metrics used by the organisation to assess climate related risks and opportunities in line with its strategy and risk management process.	<p>The Group monitors and reports a range of climate-related metrics to assess climate-related risks and opportunities in line with its strategy and risk management processes, including Scope 1, 2 and 3 greenhouse gas emissions (page 28); energy consumption across its office locations, and the carbon intensity ratio as disclosed on page 28 (which remains the same as prior year due to the higher Scope 1 and 2 emissions being offset by higher revenue).</p> <p>These metrics are used to track the Group's emissions profile, identify key sources of climate-related risk, and inform actions to manage and mitigate those risks over time. Scope 3 emissions represent the majority of the Group's total emissions, with Purchased Goods and Services (Category 1) the largest contributor. We continue to work with our suppliers to encourage them to monitor and reduce their own emissions.</p>
	b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	<p>Detailed Scope 1, Scope 2 and Scope 3 greenhouse gas emissions data, together with the methodologies and assumptions used, are disclosed in the Streamlined Energy and Carbon Reporting (SECR) disclosures on pages 28 to 29. Total location-based greenhouse gas emissions increased by 13% between 2024 and 2025, driven primarily by an increase in Scope 3 emissions, reflecting growth in the Group's operations and higher business activity. The Group continued to improve the accuracy of its emissions reporting during the year, including the first-time use of supplier-specific emissions data for Amazon Web Services. This enhancement was applied consistently to both 2024 and 2025 to improve year-on-year comparability. Reported movements therefore largely reflect operational growth and improved data quality, rather than a material decline in the Group's carbon efficiency.</p> <p>A risk associated with emissions reporting is the potential for inaccuracies arising from data quality, estimation methodologies or supplier-provided information. Alfa mitigates this risk by applying established calculation methodologies and working with external advisors to support the measurement and disclosure of its greenhouse gas emissions.</p>
	c) Describe the targets used by the organisation to manage climate related risks and opportunities.	<p>Alfa has committed to science-based emissions reduction targets aligned with the Science Based Targets initiative (SBTi), using a 2022 base year – specifically, a target to reduce Scope 1 and Scope 2 emissions by 42% by 2030, and a long-term target to reduce absolute Scope 1, Scope 2 and Scope 3 emissions by 90% by 2050. Progress against these targets is monitored annually. Compared with the 2022 SBTi base year (as updated for subsequent methodological and data accuracy improvements), total emissions in 2025 were approximately 19% higher, primarily reflecting increased Scope 3 emissions associated with the growth of the Group's operations. Scope 1 and Scope 2 emissions decreased by approximately 13% since 2022 and remain small relative to the overall footprint.</p> <p>Scope 1 and 2 movements since 2022 are aligned with the Group's target to reduce these emissions by 42% by 2030, while the longer-term 90% reduction target by 2050 remains dependent on continued supplier engagement, improved Scope 3 data quality and decarbonisation across the value chain. Management therefore considers the Group to remain on track against its SBTi commitments as the business continues to scale.</p> <p>The Group is assessing the introduction of interim emissions reduction targets to support delivery of its longer-term targets and expects to focus on this during 2026 and 2027. In parallel, Alfa continues to prioritise reductions in emissions over time, with carbon credits used as a complementary measure rather than a substitute for direct emissions reductions.</p>

Alfa recognises that climate-related financial disclosure expectations under the UK CFD regime and international sustainability reporting standards will continue to evolve. Over the coming years, the Group intends to further enhance the quality, consistency and decision-usefulness of its climate-related disclosures. The Group is monitoring the transition to IFRS S2 and will align disclosures as required when adopted, as disclosed on page 120.

Risk management

Alfa's effective risk management provides a foundation for the safe pursuit of our strategic goals, innovation and opportunities.

Introduction

At Alfa, robust risk management is at the heart of our strategy for sustainable growth, allowing us to react with speed and agility to new and emerging risks, and ensuring that risks are mitigated to an acceptable level, given the Company's risk appetite.

The external risk environment continues to evolve and remains uncertain. Whilst macroeconomic pressures (interest rates and inflation) are down, there are a number of factors which have the potential to impact customer demand for our services, including increasing geo-political uncertainty, ongoing conflicts around the world, protectionist and populist trade policies with retaliatory actions, state-sponsored cyber security threats, accelerating AI disruption, increasing regulatory requirements and weak economic growth. There is a more detailed discussion of our principal risks on pages 38 to 44.

The resilience of the asset finance industry which we serve, and our diversification across regions and sectors of this industry, are strong mitigations against this backdrop of uncertainty.

We have an established governance structure in place for risk management (see page 36), which puts identifying, assessing and mitigating risks at the heart of our strategy.

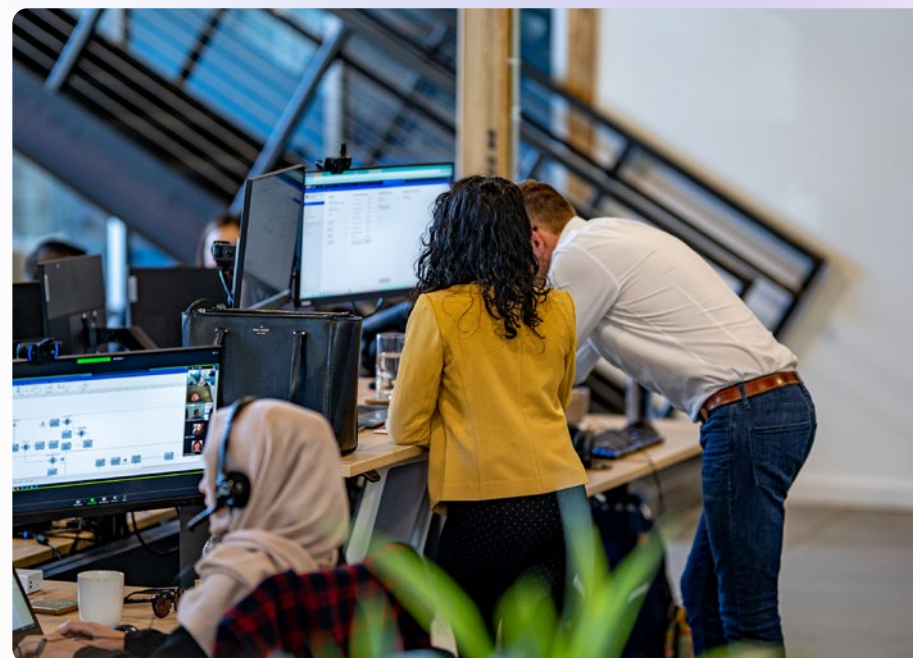
During the year, the Company continued to strengthen its risk management and internal control framework, including undertaking a comprehensive and robust identification and assessment of material financial, operational, reporting and compliance controls, aligned to material risks. The Company is well placed to comply with the enhanced requirements of Provision 29 of the 2024 UK Corporate Governance Code.

Environment, Social and Governance (ESG) risk assessment

ESG-related risks are tracked in the Corporate Risk Register and assessed as part of our six-monthly risk review. Currently, we do not have any ESG-related risks that are sufficiently high to be considered principal risks or uncertainties. Refer to pages 30 to 33 where specific risks related to our climate change responsibilities are discussed.

Focus for 2026

- Embed a formal controls monitoring and assurance regime, to provide assurance over the adequacy and effectiveness of material controls that mitigate the principal and material risks facing the Group.
- Continuous improvement of risk management procedures, including maintaining awareness within the Company of our risk management best practices.
- Information security, cyber security and data protection: maintain SOC1 Type 2, SOC2 Type 2 and ISO programme compliance, and continue to assess and strengthen our cyber security defences.
- Business continuity and disaster recovery scenario testing exercises, covering our operational systems and Alfa Cloud.
- Internal audit: provide assurance over risk management procedures, including the adequacy, effectiveness and governance of material controls monitoring and testing.



Risk management *continued*

Our risk management process – how we identify and manage risks

Our risk management process is a four-step process for identifying and managing risk throughout our business, allowing the Directors to conduct a robust assessment of the principal risks facing the Group. We take the view that risk is not something that should be fully eliminated but, instead, identified, assessed, responded to and monitored in a timely manner.



Identify

The Company Leadership Team and risk owners are responsible for identifying risks with the potential to threaten the achievement of strategic objectives or influence stakeholder decision-making. Six monthly, business owners perform a detailed bottom-up risk review, which is led by the Risk Officer. The CLT and Audit and Risk Committee review the identified risks to provide assurance over the completeness of the Corporate Risk Register

Assess

Risks are assessed to understand the likelihood and impact of the risk materialising. Level of impact is assessed in terms of financial, operational, legal, regulatory and reputational impact. The assessment considers inherent risk (gross risk before risk mitigation) and residual risk (net risk after current mitigations), to highlight the potential risk exposure if risk mitigation failed.

Respond

Each risk is evaluated against our risk appetite, to ensure that the likelihood and severity of risks we are exposed to is acceptable. If a residual risk is outside the risk appetite for that category, additional risk mitigation actions are implemented to reduce the impact and/or likelihood of the risk to an acceptable level.

Monitor

The adequacy and effectiveness of material controls, to mitigate principal and material risks, is monitored by management and reviewed by the Audit and Risk Committee.

Risk management *continued*

Governance and responsibilities

Our organisation has an open and accountable culture. The Board and Company Leadership Team set the tone for risk management activities, embedding risk management into the culture of the organisation.

- The Board retains overall responsibility for risk management, including oversight of the risk management framework, setting the Group's risk appetite, and promoting a strong, top-down risk culture across the organisation.
- The Audit and Risk Committee supports the Board to ensure that the risk management framework is effective, reviews and challenges the completeness and integrity of the Corporate Risk Register, assesses emerging risks and considers the internal audit plan and internal audit reports.
- The Company Leadership Team (CLT) is responsible for the operational management of risk across the Group, ensuring that risk owners are responsible for identifying, assessing and mitigating risks in their respective areas.
- 1st Line of Defence: Management and business owners are responsible for identifying and managing risks, conducting six-monthly risk reviews and implementing risk mitigation actions.

- 2nd Line of Defence: Risk Management coordinates risk management activities across the Group, leading the six-monthly bottom-up risk review, maintaining the Corporate Risk Register, promoting best practice across the organisation, and preparing reports for the CLT and Audit and Risk Committee.
- 3rd Line of Defence: Internal Audit provides independent and objective assurance over the adequacy and effectiveness of risk management, governance and internal controls, providing regular reports to the Audit and Risk Committee.
- Further assurance is achieved through external audits, including SOC1 and SOC2 audits and ISO27001 and ISO27018 certifications.

Provision 29

The Board recognises the enhanced requirements of Provision 29 of the 2024 UK Corporate Governance Code, which will require an annual declaration on the effectiveness of the Company's material controls for accounting periods beginning on or after 1 January 2026.

During the year, the Company continued to strengthen its risk management and internal control framework in preparation for this requirement, including undertaking a comprehensive and robust identification and assessment of material financial, operational, reporting and compliance controls, aligned to material risks.

A formal controls assurance programme has been established, including management self-assessment, independent testing and clear escalation and remediation processes for control deficiencies.

The Board receives regular updates on the design and operating effectiveness of these controls and the progress of remediation actions, supported by Internal Audit and external advisers where appropriate.

This programme is designed to ensure the Board will be able to make a robust, evidence-based declaration on the effectiveness of material controls when the provision comes into force.

Responsibilities

Board

Company Leadership Team

1st line of defence: Management

2nd line of defence: Risk Management

Audit & Risk Committee

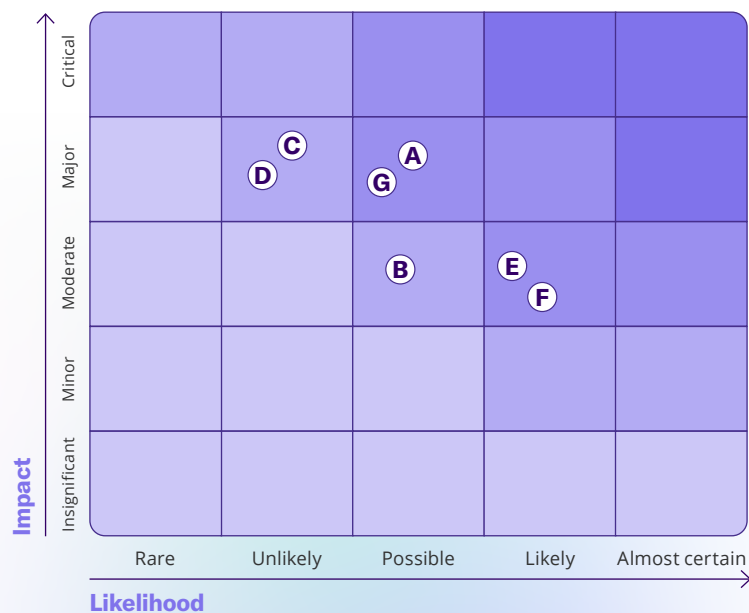
3rd line of defence: Internal Audit

Top down governance, identification and assessment

Bottom up identification, assessment and mitigation

Principal risks and uncertainties

Principal risk heat map



Risks

- A** Socio-economic and geo-political risk
- B** People risks
- C** IT security and cyber risks
- D** Business continuity
- E** Foreign exchange rate uncertainty
- F** Pressure on margin due to competition or increased cost base
- G** Competitive pressure may lead to loss of market share

Our risk appetite

Taking risks, if they are well controlled and managed, can help us achieve our strategic objectives. Our systems and processes are designed to manage our exposure to risk rather than eliminate the risk completely.

It is recognised that an element of risk-taking is necessary in order to seek out and pursue opportunities, including progressing our strategic objectives. However, the risks associated with the pursuit of such opportunities should be commensurate with the level of reward expected from the opportunities.

Our risk appetite provides guidance on the levels of risk we are prepared to take in pursuit of our objectives and is a fundamental part of planning and executing our strategy. The Audit and Risk Committee considers the risks associated with the conduct of our business and delivery of our strategy, assessing the risks we are exposed to and evaluating whether this exposure is acceptable given the likelihood and severity of the risk.

Our risk appetite is assessed across the following categories: strategic, financial, operational, legal and ESG. Each area has different considerations, and it is important to set the correct tone for decision-making in each area. Overall, we take a cautious approach to risk, aiming to operate in a manner that is not expected to put the business at risk of significant financial, operational or reputational damage.

Principal risks and uncertainties in more detail

The Group faces a number of risks that may adversely affect our strategic and business objectives, operations, liquidity, financial position, reputation or future performance, not all of which are wholly within our control or known to us. Some such risks may currently be regarded as immaterial and could turn out to be material. We accept that risk is an inherent part of doing business.

The Board considers the following matters to be the principal risks and uncertainties (in no specific order) affecting our business at this time.

Principal risks and uncertainties *continued*

Risk A – Socio-economic and geo-political risk

Link to strategy

1 2 3

Movement compared to 2024:

Same level of risk

Potential impact

Major

Likelihood

Possible

Risk description

Economic and political conditions could have an adverse impact on the Group's markets and demand for its products and services.

Potential impact

- Revenue disruption due to market access restrictions, customer budget cuts and longer sales cycles.
- Increased costs including energy, compliance, insurance and taxation.
- Lower company valuations.
- This risk goes hand-in-hand with opportunity, as customers may seek to adapt to the changing economic environment, seeking operational efficiency or new solutions.

Risk mitigation

- Diversification of customer base – geographically, by asset type (i.e. automotive, equipment) and by customer type (i.e. banking, OEM or independent).
- Diversification of revenue streams and shift towards subscription revenue.
- Financial robustness of Group, by retaining cash reserves and prompt invoicing and collection of fees, which are increased annually, taking into consideration increases in the cost base.
- We maintain strong relationships with our customers in each market, with close collaboration on strategic aims and growth opportunities, to adapt to changing market conditions.

Progress in 2025

- 21 customers contributed more than £2m revenue (21 in 2024), reducing our reliance on our largest customers.
- Subscription revenue has continued to grow, contributing 34% of our revenue (2024: 34%).
- Geographical diversification continued, with successful go-lives in the US, EMEA and AsiaPac.

Emerging risks

- Escalating geo-political tensions and uncertainty, affecting customer and investor confidence and IT spend.
- Increasing protectionist, populist and retaliatory policies, affecting trade and tax policies.
- War and conflict spillover, increasing the likelihood and severity of state-sponsored cyber attacks.
- Lower global growth forecasts, especially in Europe.
- Exposure to potential new taxes imposed by the US on software or services being supplied from outside the US.

Our strategic pillars

- 1 Strengthen** – Grow our differentiation of market-leading People, Product and Delivery.
- 2 Sell** – Focus on cloud-hosted, subscription sales to our target markets.
- 3 Scale** – Increase our capacity for developing and delivering Alfa Systems.
- 4 Simplify** – Simplifying our product, implementations and processes to enable more concurrent Alfa Systems implementations.

Principal risks and uncertainties *continued*

Risk B – Risk to people, capacity and skills

Link to strategy

1 3

Movement compared to 2024:

Reduced level of risk

Potential impact

Moderate

Likelihood

Possible

Risk description

Failure to recruit, develop and retain talent may limit the Group's ability to maintain product quality, deliver implementations and manage customer relationships.

Potential impact

- Limiting our ability to win new business
- Loss of knowledge and skills.
- Limiting our ability to deliver and support Alfa Systems implementations.
- Limiting our ability to drive business growth.
- Loss of confidence and reputational harm.

Risk mitigation

- Recruitment of graduates and experienced hires across all regions identifies talent from diverse backgrounds with varied skills.
- Continued investment in learning and development opportunities
- Quarterly employee engagement surveys are performed and addressed.
- Annual salary review and benchmarking exercise to ensure salaries remain competitive.
- Succession planning for key roles.
- Partnering with professional services partner organisations provides resourcing flexibility and wider geographical coverage.

Progress in 2025

- The risk has been downgraded in 2025 (with a reduced probability), reflecting successful recruitment and retention outcomes and increased resilience across key teams.
- Employee retention remains very high, at 97% similar to 2024: 96%.
- Employee engagement remains high, at 83% similar to 2024: 82%.
- Implemented a new induction programme, helping new hires learn essential skills effectively.
- Implemented a new performance management framework across the Group, to provide timely and regular feedback to all colleagues
- Established our Poland Smarthub.

Emerging risks

- Use of new locations creates uncertainty for colleagues working in established locations.

Our strategic pillars

- 1 Strengthen 2 Sell 3 Scale 4 Simplify

Principal risks and uncertainties *continued*

Risk C – IT security and cyber risks

Link to strategy

1 2 3 4

Movement compared to 2024:

Same level of risk

Potential impact

Major

Likelihood

Unlikely

Risk description

Failure to safeguard systems and data and ensure the availability of products and services in the event of a cyber attack.

Potential impact

- Interruption to business operations, including ability to provide services to customers.
- Loss of revenue.
- Loss of intellectual property and competitive advantage.
- Potential fines or other regulatory action.
- Reputational harm.

Risk mitigation

- We have maintained our SOC1 Type 2, SOC2 Type 2, ISO27001 and ISO27018 certifications in 2025.
- Our Information Security team monitors key security and cyber risks and monitors the control framework of our key technology suppliers.
- Our Managed Detect and Respond service undertakes day-to-day monitoring for IT security incidents.
- All staff undertake annual training, including information security, data privacy and business continuity.
- We implement continuous improvements in our IT control environment.
- Our customers perform their own detailed assessments of Alfa Cloud security, during system selection and implementation, which provides additional assurance for customers that appropriate security measures are in place.

Progress in 2025

- Continue to strengthen Information Security team and internal controls.
- Roll out additional multi-factor authentication requirements across the Company.

Emerging risks

- There is a risk that AI accelerates the speed and sophistication of novel methods of cyber attack.
- Technological advances, including AI and quantum computing, increase the capabilities of threat actors.
- Geo-political risk increases the likelihood and severity of state-sponsored cyber attacks.

Our strategic pillars

1 Strengthen 2 Sell 3 Scale 4 Simplify

Principal risks and uncertainties *continued*

Risk D – Business interruption and continuity

Link to strategy

1 2 3

Movement compared to 2024:

Same level of risk

Potential impact

Major

Likelihood

Unlikely

Risk description

Supply chain disruption, from cyber attacks or climate-related events.

Potential impact

- Interruption to business operations, including ability to provide services to customers.
- Loss of revenue.
- Reputational harm.

Risk mitigation

- We have an established and detailed incident management procedure that is regularly tested.
- Disaster recovery and business continuity plans are reviewed and tested annually and assessed as part of SOC1 Type 2 and SOC2 Type 2 audits.
- Alfa Cloud procedures, using third party cloud hosting suppliers, include annually-tested disaster recovery plans, which initiate automatically if a server or region becomes unavailable.
- A continuity plan exists in the event that a cloud provider ceases to operate.
- We have a geographically distributed workforce, and the majority of systems are cloud-hosted, providing resilience against an event impacting a particular location.
- We perform an annual review of key suppliers.

Progress in 2025

- We successfully tested key business continuity processes, including corporate systems and Alfa Cloud.
- Our SOC1 Type 2 and SOC2 Type 2 audits identified no significant required remedial actions.

Emerging risks

- We continue to monitor the resilience of cloud hosting services, to respond to business interruptions and incidents.

Our strategic pillars

1 Strengthen 2 Sell 3 Scale 4 Simplify

Principal risks and uncertainties *continued*

Risk E – Foreign exchange rate uncertainty

Link to strategy

1 2 3

Movement compared to 2024:

Same level of risk

Potential impact

Moderate

Likelihood

Likely

Risk description

Exchange rate volatility creates risks and opportunities, which causes volatility in reporting financial results.

Potential impact

- Volatility in revenue and earnings, which makes it harder for investors to understand and assess the underlying performance of the business.
- This risk goes hand-in-hand with opportunity, as products and services may become more competitive if sterling weakens.

Risk mitigation

- Our spread of revenue and costs across different regions and currencies provides a degree of natural hedging against volatility.
- We closely monitor exchange rates and take appropriate action, including converting excess funds to sterling and entering into forward contracts.

Progress in 2025

- During 2025, we entered into forward foreign exchange contracts to limit our exposure to exchange rate volatility.

Emerging risks

- Significant fluctuation and volatility in foreign exchange rates, arising because of various socio-economic and geo-political factors.

Our strategic pillars

1 Strengthen 2 Sell 3 Scale 4 Simplify

Principal risks and uncertainties *continued*

Risk F – Pressure on margin due to increased cost base, or through increased competition

Link to strategy

1 2 3 4

Movement compared to 2024:

Same level of risk

Potential impact

Moderate

Likelihood

Likely

Risk description

Factors such as increasing costs, inability to raise fees appropriately and fierce competition on price may put pressure on the margin that we can achieve.

Potential impact

- Revenue decline and reduced margins.
- Lower investment in product and processes, resulting in competitive disadvantage.
- Impact on levels of budget for recruitment.

Risk mitigation

- Our fees for services are generally increased annually, taking consideration of the increases experienced in our cost base.
- Our Deal Committee has oversight of our pricing policy, making sure that our pricing is correctly targeted, taking into account the factors on this risk.
- Our strategy is to maintain and grow our differentiation of market-leading people, product and delivery, and these set us aside from our competitors, making us a compelling choice to ensure success in the kind of complex technology transformation projects that we deliver.
- Our simplification objectives are targeting more efficient implementations, targeting cost reductions, and further strengthening our competitiveness.
- We are exploring the use of Smart Hubs in scaling the business at lower cost.

Progress in 2025

- During the year, we converted one prospect into a customer and had a strong year for implementations with 35 go-lives and upgrades, which demonstrates the strength of our differentiators – market-leading people, product quality and delivery track record.
- We opened a Smart Hub in Gdansk, Poland – initially for our hosting operations, with scope to expand to further operations.

Emerging risks

- There is a risk of competition from novel AI products or technologies, including the risk posed by advances in AI use for software development. Alfa's business model and product architecture provide a strong foundation for long term AI resilience and Alfa is well placed to benefit from advances in AI technology. Refer to page 7 for details of our resilience to this emerging risk.
- Refer to the further emerging risks under the related risk G.

Our strategic pillars

1 Strengthen 2 Sell 3 Scale 4 Simplify

Principal risks and uncertainties *continued*

Risk G – Competitive pressure may lead to a loss of market share in our target markets

Link to strategy

1 2 3 4

Movement compared to 2024:

Same level of risk

Potential impact

Major

Likelihood

Possible

Risk description

Failure to respond effectively to the evolving competitor landscape may result in market share erosion.

Potential impact

• Competitive pressure leading to market share erosion creates a downward spiral of revenue decline, reduced margins, lower investment, further competitive disadvantage and accelerated market share loss, which becomes increasingly difficult to reverse. This risk goes hand-in-hand with opportunity, as customers adapt to disruption of their markets by seeking new technology solutions.

Risk mitigation

- Differentiation – maintain and develop our differentiators – product quality, market-leading people and delivery track record, to be the platform and supplier of choice for asset finance and complex transformation projects.
- We actively engage with customers to ensure we are closely aligned with customer and market needs.
- Product investment is targeted towards areas of greatest market interest.
- Strategic initiatives, including offshoring and partner led delivery
- Competitor analysis is performed, to monitor and respond to new and emerging trends.

Progress in 2025

- During the year, we converted one prospect into a customer and had a strong year for implementations with 35 go-lives and upgrades, which demonstrates the strength of our differentiators – market-leading people, product quality and delivery track record.
- We conducted numerous customer engagement sessions, to stay aligned with customer and market needs.

Emerging risks

- The competitive landscape is constantly evolving, including M&A activity and private equity investment.
- Competitors are targeting our key regions (EMEA and USA).
- Chinese auto manufacturers disrupting the European EV market may reduce the market share of current customers, with a resulting reduction in their spend on our services.
- Risk of competition from novel AI products or technologies, including the risk posed by advances in AI use for software development. Refer to page 7 for details of our resilience to this emerging risk.

Our strategic pillars

1 Strengthen 2 Sell 3 Scale 4 Simplify

Stakeholder engagement

Building value and aligning stakeholder priorities

Understanding the expectations and requirements of our stakeholders is essential to achieving our strategic goals and ensuring long-term success. We are committed to maintaining open, consistent and constructive engagement to strengthen relationships with our stakeholders, gain deeper insights into their priorities, and respond effectively to their feedback.

For further information on how stakeholder considerations influenced the Board's discussions and decision-making, refer to our section 172(1) statement in the Corporate governance report on pages 62 to 65.



Employees

Our employees are central to our success. By listening actively and creating a flexible, inclusive and supportive workplace, we attract, develop and retain exceptional talent. This approach enables us to deliver on our strategic priorities while helping our employees thrive.

- We built and expanded the Poland Smart Hub, creating new opportunities for Hosting Operations and Cloud Support teams.
- We achieved record recruitment in the USA with 19 new hires, growing the team to 117 people across 23 states.
- We remain committed to equality, diversity and inclusion, embedding these principles into decision-making across the Group.
- We hold regular global and regional meetings, conferences and Town Halls, ensuring updates on strategy, projects and performance are cascaded through management for consistent communication.
- Our employee voice is central to our approach. We conduct a quarterly anonymous Pulse survey, supported by focus groups to explore key themes. Corporate objectives and progress are shared throughout the business.
- A flexible, inclusive work structure promotes collaboration and innovation, balancing team connectivity with business success. Feedback from our equality, diversity and inclusion survey continues to guide improvements.
- We have expanded our Learning & Development programmes with dynamic content and new courses, empowering employees to grow and thrive.
- Regional initiatives such as London Calling in EMEA and Collaboration Weeks in the USA provide opportunities for teams to connect in person, share ideas and strengthen relationships – reinforcing our commitment to engagement and long-term value creation.
- We secured Gold status with Investors in People and celebrated recognition for inclusion, including EDI Trailblazer and a Top 20 ranking in the DIAL Global Index.



2025 Product Engineering Day

In November 2025, we held our first Product Engineering Day under the theme 'Make It Better Together'. The event brought together Product Engineering teams and colleagues from Delivery, Support and Alfa Cloud to strengthen collaboration and share best practice.

Highlights included:

Plenary sessions: breaking down boundaries, platform engineering and lessons learned from complex enhancements.

Community of Practice sessions: promoting knowledge sharing and innovation across areas such as UI/UX, performance, security and API design. Focus on collaboration and iteration: reinforcing the importance of early stakeholder feedback and targeted teamwork.

This initiative enhanced engagement by fostering cross-team relationships, encouraging openness to ideas and reinforcing our culture of shared learning – supporting long-term value creation for stakeholders.

Stakeholder engagement *continued*

Customers

We place our customers at the heart of everything we do, delivering transformative technology solutions designed to support their ambitions and ensure resilience in an ever-changing marketplace.

- We have expanded our European footprint with the Poland Smart Hub fully operational and plans to explore Germany as a standalone market, supporting delivery capability and customer service.
- We have a designated Market Lead responsible for each target market to understand market drivers, shape revenue and product strategy, and maintaining strong connections with project teams.
- We continued to strengthen relationships with our customers and deliver exceptional service across all regions.
- We have increased our visibility by presenting our AI strategy and practical experience at leading industry forums
- Ahead of our participation in AFC Europe and UK events, we published a thought leadership piece to share insights and reinforce our position as an innovator in the market.
- We convene customer focus groups to listen, learn and gain a clear understanding of what matters most to them, translating their feedback into actionable improvements that enhance their experience.
- We continue to improve the Alfa Development Model, to maximise value for our customers. We allocate dedicated resources to high-priority initiatives while progressing lower priority projects incrementally.

- We continue to innovate and evolve, helping our customers expand their business and stay ahead of the competition.
- The launch of Alfa Systems 6 in 2024 showcased how our platform enables providers to meet the growing demand for sustainability-focused products and transformative business models.

Suppliers and partners

Building trusted partnerships and developing relationships with suppliers through ongoing dialogue helps us better understand our partners' needs and develop and improve our offering.

- Our Supplier Onboarding process ensures our partners continue to reflect our values, particularly around ESG requirements. Looking ahead, we remain committed to strengthening these standards and evolving our processes to drive even greater alignment and sustainability in our supply chain.
- We maintained strong relationships with strategic partners to support migrations, upgrades and cloud operations globally.
- We delivered successful collaboration with technology partners on JFrog release management, Windows 11 rollout and SharePoint/OneDrive integration.
- We appointed Cameron Krueger as Market Ambassador for the US equipment finance sector, reinforcing Alfa's strategic partnership and commitment to market leadership.
- We are focused on engaging with suppliers to understand our emissions data.



Event: Alfa Connect EMEA

In November 2025, Alfa hosted the Alfa Connect EMEA, which brought together representatives from 17 client organisations. The regional Connect events reflect Alfa's commitment to building and maintaining strong business relationships with a diverse customer base.

The event featured a variety of innovative networking formats and interactive activities, designed to maximise engagement, encourage knowledge sharing, and strengthen connections between clients and Alfa teams.

The agenda was shaped by direct client input, with an 'unconference' session allowing customers to highlight their current challenges. This ensured that the day's content was relevant and responsive to client needs.

Roundtable discussions and feedback sessions provided clients with a platform to share candid views, including constructive criticism, which Alfa welcomed as an opportunity for collaborative improvement.

Presentations included practical insights into product development and delivery, with clients sharing best practices on adopting regular release cycles. These activities support our clients' long-term operational success, and strengthens Alfa's reputation as a trusted partner.

The event's focus on the use of release notes and the potential for AI-driven enhancements demonstrates Alfa's commitment to continuous improvement and innovation, benefiting both clients and the Company over the long term.

The event concluded with open feedback opportunities and a commitment to follow up with further engagement, including surveys and future roundtables. This approach ensures that a broad range of client voices are heard and considered in Alfa's ongoing strategy.

Honest feedback, including constructive areas for improvement, was actively sought reinforcing a culture of transparency and fairness.

Stakeholder engagement continued



Communities and environment

At Alfa, we are committed to adding value to our communities. Our employee-led community groups provide safe spaces for colleagues to advocate for important issues, support one another and contribute to organisational change.

- As a signatory of the UN Global Compact, we align with internationally recognised principles and leverage this collective initiative to maximise our influence.
- Our journey towards net-zero emissions is guided by SBTi-validated reduction targets, and this year we refined our approach to emissions data collection while engaging key suppliers on their own targets.
- To support carbon reduction and removal, we partner with EcoAct and fund a balanced portfolio of offsetting projects.
- Our ESG Steering Group includes members from across the business and our CFO and CPO. The Group meets monthly to set goals, track progress and guide Alfa's employee-led

communities. We provide funding for carbon-offsetting projects.

- We continue to champion diversity and inclusion through global initiatives, neurodiversity awareness and recognition at industry awards.
- Across APAC, EMEA and the USA, our Environmental Impact team drives awareness and action through sustainability talks, community clean-ups and planting projects.
- Our employee communities continue to champion equity, diversity and inclusion, offering safe spaces for open dialogue and raising awareness on key topics within Alfa and beyond.
- Additionally, we continue to fundraise for charities and support causes that matter to our colleagues.



Investors

Alfa places great importance on maintaining positive relationships with all our investors and seeks to ensure there is an appropriate and constructive ongoing dialogue.

- An open dialogue was maintained with institutional investors, updating them on progress and keeping the Board informed about investors' views and priorities.
- Shareholder engagement is the responsibility of the CEO and CFO. They manage and foster Alfa's relationships with investors and analysts.
- Our meetings with investors provide an opportunity for management to engage directly on Alfa's performance and strategy.



US roadshows

During the year, the CEO and CFO attended two US roadshows, meeting a broad range of institutional investors. These engagements provided an opportunity to present updates on Alfa's financial performance, operational delivery and strategic priorities.

Following these sessions, valuable feedback was reported back to the Board and directly informed discussions on strategy, risk appetite and forward-looking investment decisions.

Section 172 statement

In accordance with the Companies Act 2006 (the 'Act'), this statement sets out how the Directors have had regard to the matters set out in section 172(1) of the Act when performing their duty to promote the success of the Company for the benefit of its shareholders as a whole, and to have regard to:

- The likely consequences of any decision in the long term;
- The interests of employees;
- The need to foster business relationships with suppliers, customers and others;
- The impact of operations on the community and the environment;
- The desirability of maintaining a reputation for high standards of business conduct; and
- The need to act fairly as between shareholders.

The Board is responsible for leading stakeholder engagement and ensuring that we fulfil our obligations. Our key stakeholders are those who influence or are affected by our day-to-day activities. These stakeholder groups have varying needs and expectations; our aim at Alfa is to engage effectively with all stakeholders, to develop and maintain positive and productive relations.

Other stakeholder engagement

The Board and each Committee chair actively encourage and engage with key stakeholders and consider this to be paramount to the long-term success and performance of the business. During 2025, there were no significant matters to discuss with shareholders in relation to the Audit and Risk, Nomination and Remuneration Committees.

How the Board fulfils its section 172 duties

Our Directors

Alfa's Board of Directors has always made decisions for the long term, and our aim is to uphold the highest standards of conduct, collectively and individually.

The Board considers the needs of our stakeholders and the long-term consequences of any decision. The differing interests of stakeholders are considered in the business decisions we make across Alfa, at all levels, and are reinforced by the Board setting the right tone from the top.

Engagement with our shareholders and wider stakeholder groups plays a vital role in Alfa's business. Alfa's key stakeholders and why they are important to us are set out opposite:

Engagement with the workforce

Given the Board's visibility of the engagement channels and efforts, as well as its accessibility to the workforce through the initiatives and events as mentioned, it is confident at this time that appropriate, effective measures are in place as an alternative to provision 5 of the 2024 UK Corporate Governance Code.

We believe our strong culture is a unique strength and see the benefits in employee engagement, retention and productivity. This reflects the Alfa ethos that we all strive towards the same goal.



Employees

Our employees are central to everything we do. Listening to our employees, and being flexible, supportive and inclusive, are our routes to growing and retaining Alfa's talent pool, enabling us to deliver against our strategic priorities and develop our people.



Investors

The Board places great importance on having positive relationships with all our investors and seeks to ensure there is an appropriate and constructive ongoing dialogue.



Customers

Our customers are central to our business and we aim to deliver our leading-edge technology to them, making them future-ready.



Communities and environment

We have a responsibility to add value to the communities in which we operate. We have employee-led community groups that are safe spaces for colleagues to promote issues, support each other and contribute to organisational change.



Suppliers and partners

Building trusted partnerships and developing relationships with suppliers through ongoing dialogue helps us to better understand the needs of our partners and to develop and improve our offering.

Information to the Board

The Board receives information on how we engage with our stakeholders, which it reviews regularly throughout the year, to ensure that the long-term impact on any of these groups is considered.

Monitoring

Where the Board does not engage directly with our stakeholders, it is kept updated so that Directors maintain an effective understanding of what matters to them and can draw on these perspectives in Board decision-making and strategy development.

Section 172 statement continued

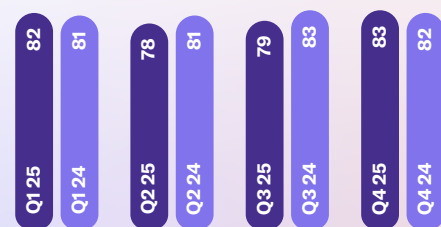
Decisions by the Board

The decisions outlined here demonstrate how the Board has assessed different stakeholder interests when considering strategic actions.

For each matter that comes before the Board, the Board considers the likely consequences of any decision in the long term, identifies stakeholders that may be affected, and carefully considers their interests and the potential impact of the decision-making process.

Alfa's Pulse Survey collects feedback from all areas of the organisation, which helps to foster a culture of accountability and honesty. Pulse Surveys give the Board greater insight into colleague experiences across the Group and provide direct feedback on areas that can be improved.

Engagement (%)



Capital allocation: Dividend distribution

During the year, the Board has actively shaped a disciplined capital allocation framework, ensuring decisions reflect a balance between delivering returns to shareholders and supporting Alfa's long-term success. This process has been underpinned by a commitment to maintaining a strong balance sheet and healthy liquidity position.

In making these decisions, the Board carefully considered the perspectives of key stakeholders, including shareholders, customers and employees. The long-term strategic needs of the business, including continuous improvement and innovation to benefit our customers, were integral to this process.

The Board approved two special dividends of 2.4 pence and 5.0 pence per share, which were paid in May and November 2025. Additionally, the Board recommended a final dividend of 1.4 pence per share, which received shareholder approval at the 2025 Annual General Meeting. As with all capital decisions, the Board recognised the importance of retaining sufficient capital to drive future growth while meeting shareholder expectations.

Product Engineering investment

Project Engineering continues to play a central role in supporting Alfa's long-term growth, competitive positioning and delivery resilience.

Throughout the year, the Board regularly considered Product Engineering capacity and associated investment in the context of the product roadmap, including the transition towards cloud-based deployment models, and the need to maintain consistent delivery quality for major clients across Europe, the USA and Asia-Pacific. The Board recognises the importance of ensuring the Group remained sufficiently agile to respond to emerging pipeline opportunities.

During the year, the Board reaffirmed its commitment to sustained investment in originations. This decision reflected the strategic importance of enhancing originations capabilities in particular for the automotive market. This will ensure that Alfa remains well positioned to capitalise on multiple opportunities while supporting continuity in roadmap development.

Budget

When reviewing and approving the 2026 Budget, the Board undertook a structured and balanced assessment of its financial, operational and strategic implications. In doing so, the Board considered the impact of financial decisions on employees and on the Company's ability to maintain a resilient delivery model, ensuring that workload demands did not compromise capacity or wellbeing.

The Board's assessment remained focused on long-term sustainability, including the need to preserve the Company's agility to respond to pipeline opportunities and maintain competitive advantage. This included strengthening delivery capability through controlled headcount growth, process improvements and the adoption of technology-driven efficiencies, including AI-enabled tools.

The Board also ensured the continued sustainability of the engineering roadmap, reaffirming its commitment to key initiatives such as Originations and Project Engineering.

The 2026 Budget reflected ongoing investment in secure and scalable deployment infrastructure, ensuring continuity and resilience for all stakeholders.

Section 172 statement *continued*

Stakeholder engagement

In performing their duties during the year, the Board and individual Directors engage directly and indirectly with a range of stakeholders to ensure they have a deep understanding of the impact of the Group's operations, as well as their interests and views. Examples of how the Directors have oversight of stakeholder matters and have regard for these matters when making decisions are included throughout the Strategic report and Corporate governance sections of this Report. This engagement, both directly and through reporting by executive management, to whom the day-to-day operations of the business are delegated, seeks to ensure the Board understands the key issues to enable the Directors to comply with their legal duty under section 172(1).

Employees



Why we engage

Engagement with employees is paramount to maintaining Alfa's strong culture. Employee engagement is fundamental to our success; employees who feel valued are more likely to contribute innovative ideas and solutions. We continue to cultivate a culture of innovation and empowerment, and we are proud that our people are highly engaged and supportive of each other and of the organisation's aims.

Considerations and outcomes

- The Board monitored employee engagement and retention throughout the year, noting the Company's growth to 527 employees.
- Presentations to the Board provided insight into workforce sentiment, capacity planning, leadership development and organisational culture.
- Following the establishment of new branches in Poland and Portugal, the Board reviewed local market conditions and assessed early hiring traction in both locations.
- The Board oversaw enhancements to the graduate induction programme and the introduction of a modular onboarding framework for experienced hires, designed to accelerate chargeability and strengthen development pathways.
- Continued investment in leadership development was supported by the transition from annual reviews to a continuous performance-conversation model.
- The Board provided oversight of work undertaken to define, embed and strengthen the Company's culture.

Customers



Why we engage

We engage to understand our customers better so we can provide a better product to them. Our customers have direct channels to engage with all levels of the organisation. By actively listening to customer feedback and understanding their needs, Alfa can better tailor our products to meet individual customer requirements. We continue to build on our long-term relationships with our customers, which enables Alfa to anticipate and adapt to changing market demands effectively.

Considerations and outcomes

- Regular updates from the CEO and COO provided the Board with visibility over operational priorities and the measures in place to ensure a high-quality customer experience.
- The Board reviewed global delivery performance, client upgrade programmes and the operational resilience of Alfa Systems.
- Discussions on operational performance included updates on major implementation projects, upgrades delivered for customers across the USA and Europe, and progress across the sales pipeline.
- The Board received regular cyber security updates, which strengthened its understanding of the Company's initiatives to reduce cyber risks across the business.
- The Board also reviewed the Company's AI-enabled delivery efficiencies, including tools such as AskThea and AI-driven pattern analysis, which support faster and more cost-effective implementations while improving customer outcomes.

Section 172 statement *continued*

Shareholders



Why we engage

Engaging with investors ensures that their interests are aligned with the Company's strategic direction and purpose. Engagement helps our investors understand Alfa's strategy, which underpins our future growth plans and how the business's financial and operating performance enhances long-term shareholder value and sustains growth. The Board is accountable to shareholders for ensuring the Group is appropriately managed and achieves its objectives in a way that is supported by the right culture and behaviours. The Board spends time understanding the views of its key shareholders when discussing matters at Board meetings, and these views form an integral part of decision-making.

Considerations and outcomes

- The CEO and CFO held regular meetings with existing and prospective institutional investors and analysts to gather feedback on their views and policies, covering topics such as long-term strategy, operational and financial performance, and broader societal matters.
- The Board approved two special dividends and one final dividend during the year, returning approximately £26m to shareholders.
- Over 70 investor meetings were held to discuss strategic opportunities, financial performance and future growth initiatives.
- At each scheduled meeting, the Board received a detailed Investor Relations update.
- The Company's brokers provided reports to ensure the Board remained informed on shareholder sentiment and wider market perceptions of the Company.
- All Directors attended the Alfa AGM, which remains an important opportunity for the Board to engage directly with shareholders and for shareholders to vote on resolutions.
- The Board considered the KPI integration for ARR and NRR in future financial statements.

Partners and suppliers



Why we engage

Engaging with our partners and suppliers is paramount for developing our business relationships. Increasing our use of partners is a key element of our longer-term strategy for increasing the number of implementations we can deliver and providing us with a more flexible implementation resource. We are working with partners to help cultivate operational agility and engage with suppliers to uphold ethical and environmental standards.

Considerations and outcomes

- Oversight of the Company's ESG commitments and the integration of ESG training for Directors.
- Consideration of sustainability-related risks within investment planning, operational decision-making and product development.
- Focused on responsible governance, data protection, ethical conduct and environmental considerations as part of long-term value creation.
- Alfa's technology architecture also supports responsible data practices and operational resilience, both essential to the Company's wider societal impact, particularly in regulated financial markets.

Communities and environment



Why we engage

Making a meaningful contribution to the wider society enables us to create stronger communities and generate positive environmental and social impacts. Engagement with organisations such as non-governmental organisations and community groups helps us to address our impact on the wider society and supports ways in which we can work together to make a valuable, positive contribution.

Considerations and outcomes

- The Board attended an ESG Director training session, to strengthen understanding of sustainability-related risks, governance responsibilities and organisational culture.
- The Board oversees the Company's broader sustainability reporting within the Annual Report and through the Audit and Risk Committee.
- The Board oversees the initiatives of the Alfa Communities and assesses their impact on Alfa's culture.

Viability statement

Assessment of prospects

Alfa is one of the leading providers of software to the asset finance industry and it is the Group's clear focus to increase its market share in this space by:

- Growing differentiation of market leading People, Product, and Delivery;
- Enabling profitable growth by focussing on Alfa Cloud, Subscriptions, Incremental sales and our Target markets;
- Increasing our capacity for developing and delivering Alfa Systems; and
- Enabling more concurrent Alfa Systems implementations, more efficiently.

During the year ended 31 December 2025, the Group generated profit before tax of £40.1 million and was cash-generative with net cash generated from operating activities amounting to £37.2 million.

Taking into account the Group's current position and its principal risks and uncertainties as described on pages 37 to 45 of this Annual Report, the Directors have assessed the Group's prospects and viability.

Assessment period and process

The strategy and business model as set out on pages 14 to 18 and page 5 are central to an understanding of its prospects. These inputs provide a framework for assessing the Group's prospects and viability.

The three-year timeframe for assessing both prospects and viability is considered to be appropriate because:

- It reflects reasonable expectations in terms of the reliability and accuracy of operational forecasting models; and
- Projections looking out beyond three years become significantly less meaningful in the context of the fast-moving nature of the asset finance industry and the software and technology landscape.

The Group's prospects are assessed primarily through its annual planning process, led by the CEO with the CLT. All relevant functions are involved, including finance, sales, recruitment and resourcing, and commercial.

The Board participates fully in the annual process and has the task of considering whether the plan appropriately takes into account the external environment, including technological, social and macroeconomic changes, as well as the risks and uncertainties of the business.

The output of the annual review process includes the annual financial budget and an analysis of the risks which could prevent the plan being delivered.

Detailed financial forecasts which include profit, cash flow and key financial ratios have been prepared for the three-year period to December 2028.

The first year of the financial forecasts forms the Group's 2026 budget and is subject to a reforecast process each quarter. The second and third years are prepared in detail based on the Group's three year strategic planning process and are flexed based on the actual results in the first year.

Assessment of viability

The Board's assessment of the Group's prospects, as described on this page, has been made with reference to current market conditions and known risk factors, as described in principal risks and uncertainties on pages 37 to 45.

The Board has considered the Group's financial performance in 2025, and the risk factors noted above and consider that the key risks which could have a major impact on the delivery of the Group's financial objectives are as follows:

- Risks to people, teams and skills impacting our capacity to deliver services to customers;
- Pressure on margins due to increased cost base, or through increased competition; and
- Competitive pressure leading to a loss of market share in our target markets.

Conclusion

It was determined that none of the individual risks would, in isolation, compromise the Group's viability. The Directors therefore reviewed the outputs of the alternative forecasts which were produced to model the effect on the Group's liquidity and solvency of severe but plausible combinations of the principal risks and uncertainties affecting the business.

Scenario 2 reflects the combination of all risk factors identified and is considered a 'worst case scenario'. The Directors consider that this scenario addresses the key risk factors outlined above.

Based on the current commercial outlook, Scenario 2 is considered extremely severe and has been prepared for the purpose of creating outcomes that have the ability to threaten the viability of the Group.

Viability statement *continued*

In the case of such a scenario crystallising the Group would be required to take some mitigating actions largely related to the level of headcount in the business, the level of partner usage and discretionary spending. In addition there are many other different levers that could be pulled to further minimise the financial impact and maintain liquidity to continue in operation.

Revenue and profitability are clearly affected in this alternative scenario, however based on the Group's existing cash reserves, combined with incremental cost reduction measures, the business would retain sufficient cash reserves to continue in operation throughout the three-year forecast period, with the lowest cash balance modelled in this period of £15m.

Whilst it is acknowledged that there is continued uncertainty over future economic conditions, based on the assessment of prospects and viability, the Directors confirm that they have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the three-year period ending 31 December 2028.

Scenario 1:

This scenario assumes no conversion of sales pipeline, cancellation of one major ongoing customer project, loss of a large subscription customer, an 11% reduction in ongoing delivery services (ODS) work for existing customers and prices held constant in order to retain customers, resulting in a 17% reduction from base case revenues by 2028.

Employee retention rates reduced, resulting in an 18% reduction in headcount from base case by 2028 and partner usage is reduced by 36% from base case in 2026 and beyond. Exceptional costs are also included to manage the reduction in headcount.

Direct costs relating to partner usage and Cloud hosting services are significantly reduced in line with customer activity, however salary costs per person increase as a result of labour market factors and the need to retain personnel. Overheads including SG&A salaries reduced in line with headcount, and the level of bonuses and profit share are also reduced in line with performance.

In this scenario there would be no payment of special dividends after June 2026, however annual ordinary dividends and share purchases for option vestings would continue as planned.

Scenario 2:

This scenario assumes no conversion of sales pipeline, cancellation of one major ongoing customer project, loss of three large subscription customers, an 11% reduction in ODS work for existing customers and prices held constant in order to retain customers, resulting in a 26% reduction from base case revenues by 2028.

Employee retention rates reduced, resulting in a 26% reduction in headcount from base case by 2028 and partner usage is reduced by 36% from base case in 2026 beyond. Exceptional costs are also included to manage the reduction in headcount.

Direct costs are reduced further than in Scenario 1 as well as further reductions in operating and capital expenditure in line with headcount. Salary increases are maintained in order to retain personnel. No bonuses are paid and profit share reduced in line with performance.

In this scenario there would be no payment of special dividends after June 2026, however annual ordinary dividends and share purchases for option vestings would continue as planned.

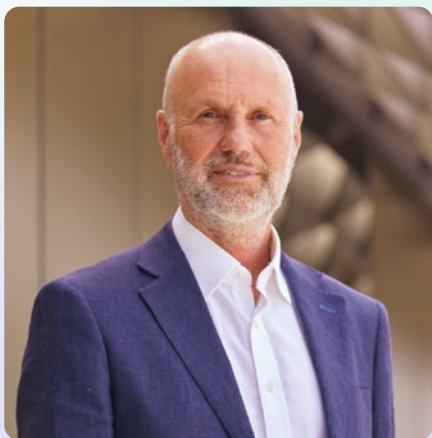
The Strategic report and Financial review are approved by the Board of Directors and signed on its behalf by:

Andrew Denton
Chief Executive Officer

Corporate governance

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Chairman's introduction



“The Board has taken responsibility for the long-term success of the Company through setting, overseeing and driving the Company's culture, values and strategy.”

Andrew Page
Executive Chair

Dear Shareholders,

On behalf of the Board, I am pleased to present the Group's corporate governance report for the year ended 31 December 2025. This report outlines our year of strong performance, disciplined oversight and strategic clarity which have enabled us to continue progressing all aspects of our business across the Group.

2025 Performance

Alfa continued to perform well in 2025, maintaining good momentum across the business. The Board oversaw the continued execution of the Alfa strategy, which remains centred on sustainable growth, operational resilience and disciplined capital allocation.

Our performance during the year reflects the strength of this approach, demonstrated in our strong subscription revenue growth and diversification across end markets. This was achieved whilst maintaining a conservative balance sheet and a business model that is designed to withstand a dynamic operating environment.

Throughout 2025, Alfa continued to make strategic progress in delivery whilst enhancing our operational model to support sustained future delivery and growth. We continued to build on our cloud hosting operation including expansion into Poland which positions the business for operational efficiency and scale.

Alfa Capital Management

We have continued to exercise disciplined capital management, delivering ordinary and special dividends during the year. This reflects our commitment to providing consistent returns as we invest to drive long-term growth.

Our people and culture

A healthy, values-driven culture remains fundamental to our long-term success. The Board has taken responsibility for the long-term success of the Company through setting, overseeing and driving the culture, values and strategy.

The Board receives regular updates on employee engagement, retention and development, recognising that delivering shareholder value and looking after all stakeholders is at the core of our strategy.

Environmental, Social and Governance (ESG)

The Board is committed to our ESG agenda and continues to ensure that initiatives are aligned to our longer-term sustainable values.

Following the publication of the UK Corporate Governance Code 2024, the Board has received regular updates on the Group's compliance and preparations. Details of our current compliance position and preparations for Provision 29 are set out on page 36.

Looking ahead

The Board is pleased to have overseen the delivery of exceptional financial and operational performance in 2025, whilst Alfa continues to excel and develop its strategy for the benefit of all our stakeholders. On behalf of the Board, I would like to thank all Alfa employees for another excellent year.

Andrew Page
Executive Chair

Corporate Governance Code 2024 compliance

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A copy of the 2024 Code, issued by the Financial Reporting Council, can be found at www.frc.org.uk.

How the Board adopted the UK Corporate Governance Code 2024

Key change to principles and provisions

Board leadership and Company purpose

Principle C

To focus on board decisions and the outcomes in context of the company's strategy and objectives.

Provision 2

The board's role to not only assess and monitor company culture but to ensure the desired culture is embedded.

Composition, success and evaluation

Principle J

To promote diversity, inclusion and equal opportunity when appointing to the board.

Audit, risk and internal control

Principle O

The board to be responsible for maintaining the effectiveness of risk management and the internal control framework.

Provision 29 (In progress)

To describe how the board has monitored and reviewed the effectiveness of the framework. A declaration of effectiveness of the material controls as at the balance sheet date. To describe any material controls that have not operated effectively as at the balance sheet date.

Remuneration

Provision 37

Director remuneration contracts/agreements should include malus and clawback.

Provision 38

Describe malus and clawback including the provisions that have been used in the last reporting period.

What we have done

Our section 172 disclosure (see pages 48 to 51) outlines the key decisions made by the Board during 2025.

Details of how the Group's culture has been monitored and embedded (see page 63).

The Nominations Committee report outlines the Board's recognition of the role of diversity when reviewing its composition and making appointments to the Board (see pages 73 to 74).

The risk management structure outlines the Board's responsibility for maintaining the effectiveness of risk management and the internal control framework (see page 79).

As part of the Internal Controls Project, we have commenced the process to identify Alfa's material controls in preparation for the declaration of effectiveness as at 31 December 2026. Further information on identifying our material controls is set out on page 36.

The provision of malus and clawback and the circumstances in which it could be applied is detailed in the Remuneration Committee report on page 102.

The UK Corporate Governance Code 2024: Our compliance

This corporate governance statement, including the Nomination Committee, Audit and Risk Committee and Remuneration Committee Reports, explains how we have applied the principles and complied with the provisions of the 2024 UK Corporate Governance Code (the 'Code') during the year. Except for the matters which are explained below (in line with the 'comply or explain' principle), the Company complied fully with the Principles and Provisions of the Code throughout the financial year in respect of which this statement is prepared and continues to do so as at the date of this statement.

Exceptions to compliance

The Group has complied with the Code provisions during the financial year with the exception of:

Provision 9: The Chairman of the Board was not independent on appointment as he previously held the position of Chief Executive Officer and is the controlling shareholder of the Company. On listing, the Board unanimously supported, and continues to support, the appointment of the Chairman to retain his skills and experience, and ensure continuity of service of Alfa's customers and commercial partners.

Provision 21: The Board agreed to defer an external review. It was determined that the Board's priorities were best served by focusing on strategic development and operational effectiveness. The Board will continue to assess the appropriate timing for its next externally facilitated evaluation to ensure alignment with governance best practice and the needs of the business. Further information is on page 68.

Board at a glance

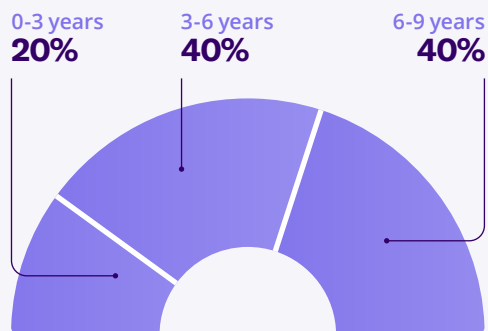
	Board attendance		Committee membership			Skills and experience							
	Scheduled	Strategy	Audit and Risk	Nomination	Remuneration	ESG	Governance and risk management	Financial	People, talent and culture	International business	Operational	Strategy	Technology and cyber security
Non-Executive Directors													
Steve Breach	7/7	2/2	C	●	●		●	●			●	●	●
Adrian Chamberlain	7/7	2/2	●	●	C	●	●	●	●	●	●	●	●
Charlotte de Metz*	6/7	2/2	●	●	●	●			●	●			●
Reena Raichura	7/7	2/2	●	●	●	●	●		●	●	●		●
Chris Sullivan	7/7	2/2	●	C	●	●	●	●	●	●	●	●	●

* Charlotte de Metz was unable to attend one meeting due to illness.

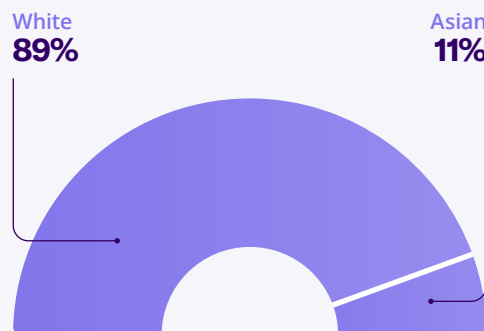
Executive Directors

Andrew Page (Chair)	7/7	2/2		●	
Andrew Denton (CEO)	7/7	2/2			
Duncan Magrath (CFO)	7/7	2/2			
Matthew White (COO)	7/7	2/2			

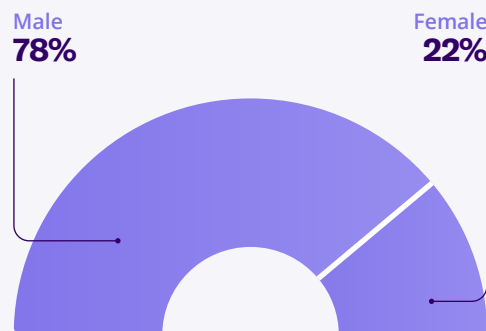
Non-executive tenure



Board ethnicity

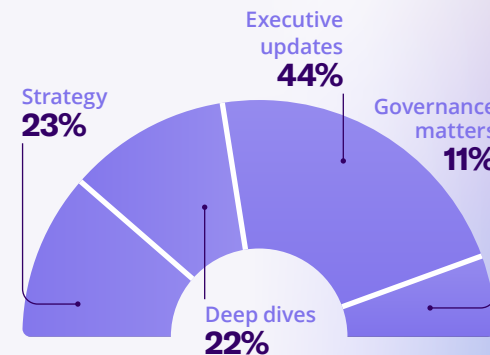


Board gender



Breakdown of Board activities

Meeting agendas balance standing items and updates, with time allocated by percentage.



Strategy

During strategy updates, the Board evaluates Alfa's strategic priorities and the progress to date.

Deep dives

External advisors and members of the Company Leadership Team conduct deep-dive sessions on strategic areas of importance, affording the Board the opportunity to provide feedback and guidance. A summary of the deep-dive sessions delivered in 2025 is presented on pages 64 to 65.

Executive updates

Executive Directors present high-level operational and financial updates, detailing the principal challenges encountered and the actions undertaken during the period.

Governance matters

The Company Secretary presents an overview of legal matters arising during the period, along with notification of any anticipated changes to applicable laws or regulations.

Board of Directors

Committee membership

A Audit and Risk **N** Nomination **R** Remuneration **○** Committee chair



Andrew Page
Executive Chairman

Appointed: May 2017

Skills and experience

Andrew is one of the founding Directors of Alfa. Andrew became the Chief Executive Officer in 2010 and the Executive Chairman in September 2016. Andrew provides commercial oversight and, with the Board, sets the strategic direction and goals of the Company.

Andrew has considerable senior management experience and a deep understanding of the auto and equipment finance industry.

Other appointments

Director of CHP Software and Consulting Holdings Limited, CHP Holdings Group Limited, CHP Financial Holdings Limited, CHP Financial Limited and CHP Propco Limited



Andrew Denton
Chief Executive Officer

Appointed: April 2017

Skills and experience

Andrew Denton has been CEO of Alfa since September 2016, having held roles as Sales & Marketing Director and Chief Operating Officer since he joined the Company in 1995.

Andrew is Director and joint founder of the Leasing Foundation, supporting the leasing and auto and equipment finance industry through charitable activities, research and development. Andrew is an advisor to The Women's Association, boosting gender equality in the corporate world, and he is a proud member of the Board of Trustees for Professors Without Borders, bringing top-level educators and global experts to the doorsteps of students worldwide.

Andrew is a computer scientist by training, and has considerable senior management experience and significant experience in the auto and equipment finance industry.

Other appointments

Director of CHP Software and Consulting Holdings Limited, CHP Holdings Group Limited, Professors Without Borders and The Leasing Industry Philanthropic and Research Foundation Limited



Duncan Magrath
Chief Financial Officer

Appointed: April 2020

Skills and experience

Duncan started his career at PriceWaterhouse, and qualified as a Chartered Accountant in 1989. He joined Ocean Group in 1992, and spent 13 years in the UK and USA in various finance roles as the group transformed into Exel Logistics. He joined Balfour Beatty, the infrastructure company, in 2006 and was Group CFO from 2008 to 2015. In 2016 he joined Rubix, an Industrial Parts Distributor, as Group CFO and was in that role through to 2019.

Duncan has extensive experience in senior financial positions both in the UK and internationally, including a deep understanding of investor relations and financial strategy. Duncan is a Fellow of the Institute of Chartered Accountants in England & Wales.

Other appointments

None



Matthew White
Chief Operating Officer

Appointed: October 2019

Skills and experience

Matthew joined Alfa as a graduate in 1999, starting in a software development role. In his 25-year career delivering software for the auto and equipment finance industry, he has direct experience of everything involved in systems implementation, from configuration and testing support to project management for a number of UK and European projects. From 2010 to 2016, Matthew's role grew to include responsibility for most of the operations of the Company, before he led Alfa's IPO in 2017. As Chief Operating Officer, Matthew is accountable for the global operations of the business, including Alfa's people function, technology platform and project delivery. Matthew is also responsible for the documentation and communication of Alfa's strategy. Matthew has considerable senior management experience in software company operations, software development and all aspects of systems implementation and delivery.

Other appointments

None



Chris Sullivan
Senior Independent
Non-Executive Director

Appointed: July 2019

Skills and experience

Chris served as CEO of the Corporate & Investment Bank at Santander UK and has held various CEO roles at The Royal Bank of Scotland and NatWest over a 40-year career. He spent 11 years on the Group Executive Committee, and led key divisions such as Corporate Banking, Retail Banking, Direct Line, and Retail Direct, and was appointed Deputy Group CEO in March 2014. With nearly 30 years at the Lombard Group, including as CEO, Chris brings significant expertise in the auto and equipment finance industry. Additionally, he served as the Senior Independent Director (SID) for DWF Group PLC until its delisting in October 2023.

Chris has extensive experience of corporate, investment and retail banking and asset financing together with general management and listed company experience.

Other appointments

Chairman of the Westminster Abbey Investment Committee, Non-Executive Director of Cannaray Limited and DVCP Limited

Board of Directors continued

Committee membership

A Audit and Risk **N** Nomination **R** Remuneration **○** Committee chair



Steve Breach **A** **N** **R**
Independent Non-Executive Director

Appointed: August 2019

Skills and experience

Steve is a member of the Institute of Chartered Accountants in England and Wales, having qualified with EY in 1993 where he focused on providing corporate finance advice to technology businesses in the UK and internationally. Steve has 17 years' experience as Chief Financial Officer of a number of businesses. Between 2010 and 2016, Steve was CFO of Tribal Group PLC, a leading international provider of student management software to the education market.

Steve has subsequently pursued a portfolio career, acting as advisor to a number of privately owned companies.

Steve has held a number of CFO roles and has extensive experience in corporate finance.

Other appointments

Director of Elucid Partners Limited and ANDigital Limited



Adrian Chamberlain **A** **N** **R**
Independent Non-Executive Director

Appointed: April 2020

Skills and experience

Adrian is the Senior Independent Director of iomart Group PLC. From 2017 to 2023, Adrian was Senior Independent Non-Executive Director of Cambridge University Health Trust. He previously held senior executive positions in a number of private and public tech and telecommunications companies including Chief Executive Officer of Messagelabs and Achilles Ltd, a member of the Board of Cable & Wireless and Bovis Lend Lease, and a member of the Operations Board at Symantec. He was the Executive Chairman of eConsult Ltd, a leading cloud-based medical triage company.

Adrian has extensive experience internationally in both the private and public sectors, particularly in strategy formulation and execution, technology and SaaS. He holds an MA in History from Cambridge and an MBA from the London Business School.

Other appointments

Senior Independent Non-Executive Director of iomart Group PLC



Charlotte de Metz **A** **N** **R**
Independent Non-Executive Director

Appointed: April 2020

Skills and experience

Charlotte is the Chief People Officer at Corsearch which focuses on Trademark and Brand and Content Protection Solutions. She previously served as CPO at Keyloop and Synamedia where she led a large-scale global transformation and was Executive Vice President at Finastra, a global fintech where she was responsible for executive talent, ESG, culture and values, and DEI. Prior to 2012 Charlotte spent over 11 years at Ventyx. During her tenure at Ventyx she held various HR roles, latterly as Human Resource Manager for Rest of World.

Charlotte has a strong track record in delivering innovative employee development, engagement, and retention practices. She also has extensive experience in managing high-impact, enterprise-wide transformations in challenging, fast-paced environments.

Other appointments

Chief People Officer, Corsearch



Reena Raichura **A** **N** **R**
Independent Non-Executive Director

Appointed: June 2024

Skills and experience

Reena is the Chief Product Officer at Trading Technologies, a global capital markets technology platform. She has over 20 years' international experience in financial services technology and product management. She is renowned for her work at the intersection of business and technology and has a proven track record of driving business value through technological innovation and collaboration.

Reena was the founder of Finergise, a boutique fintech advisory and consulting firm. Prior to this, Reena was Director, Head of Product Solutions, at fintech startup interop.io and has held senior product and technology roles at leading financial services companies, including J.P. Morgan and Fidessa. She brings deep expertise across the entire product development lifecycle, and has extensive knowledge of fintech and capital markets.

Other appointments

Chief Product Officer, Trading Technologies



Peter George
Independent Non-Executive Director

Appointed: As of January 2026

Skills and experience

Peter has over 40 years' experience in operational management, transformation and commercial leadership across financial services, automotive and engineering sectors, with senior positions at organisations such as Textron, Xchanging and Accenture. During his tenure at Accenture, Peter was most recently UK and Ireland Managing Director for Business Process Outsourcing. Early on, he held various operational, design and management roles within the motor sector.

Throughout his career, Peter has gained extensive international experience across these industries. He is also known for his leadership and stakeholder engagement skills, with a strong focus on leading through people and empowering individuals to achieve their best.

Other appointments

Chair of Trustee for Accenture Retirement Savings Plan and Accenture Pension Plan

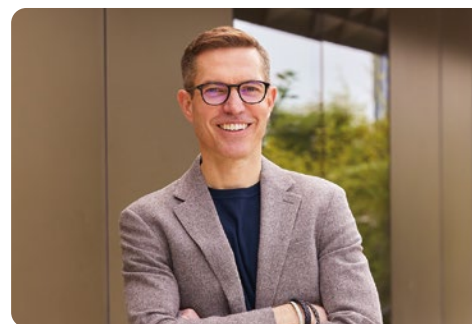
Company Leadership Team



Andrew Denton
Chief Executive Officer
 Joined Alfa August 1995



Duncan Magrath
Chief Financial Officer
 Joined Alfa March 2020



Matthew White
Chief Operating Officer
 Joined Alfa June 1999



Richard Dewire
Chief Revenue Officer
 Joined Alfa January 2001

Relevant experience/previous roles
 Richard has over 20 years in the auto and equipment finance industry and an in-depth knowledge of Alfa Systems through many years of implementation, with extensive knowledge of Alfa's sales and commercial process. He was previously Director of Strategy and Investment.



Vicky Edwards
Chief People Officer
 Joined Alfa March 2020

Relevant experience/previous roles
 Vicky joined Alfa in March 2020, bringing 26 years of experience in consultancy businesses. A commercially focused HR leader, Vicky has held leadership roles across HR, commercial and operations functions, as well as C-suite level positions in the professional services, technology and energy sectors.



Andrew Flegg
Chief Technology Officer
 Joined Alfa February 2005

Relevant experience/previous roles
 Andrew brings over 35 years of programming experience, over 25 years in commercial software development and over 15 years in the auto and equipment finance industry. As CTO, he's responsible for all of Alfa's technology, from internal IT systems, to information security, the Alfa Systems platform and solution architecture.



James Paul
Chief Delivery Officer
 Joined Alfa September 1999

Relevant experience/previous roles
 James is accountable for all implementations across the globe and has responsibility for support, resourcing and partnering. James has over 25 years' experience implementing in auto and equipment finance for organisations of all sizes.

Our governance framework

Our corporate governance framework clearly defines responsibilities and ensures that the Group has the right systems and controls to enable the Board and its Committees to oversee the business effectively, providing challenge where necessary.

Board of Directors

The Board is collectively responsible for the long-term success of the Company. The business of the Company is managed by the Board who may exercise all of the powers of the Company. Although the Board retains overall responsibility, it delegates certain matters to the Board Committees, and the detailed implementation of matters approved by the Board and the day-to-day operational aspects of the business to the Company Leadership Team (CLT).

Audit and Risk Committee

Provides independent assessment and oversight of financial reporting processes. It oversees, on behalf of the Board, the risk management strategy, risk appetite and the effectiveness of internal control processes. It also oversees the effectiveness of the internal and external audit functions.

Nomination Committee

Reviews the size, composition, tenure and skills of the Board. It also leads the process for new appointments, monitors Board and senior management succession planning, reviews the talent pipeline and talent management, and considers independence, equity, diversity and inclusion, and governance matters.

Remuneration Committee

Determines the remuneration, bonuses, long-term incentive arrangements, contract terms and other benefits in respect of the Executive Directors, the Chairman, the Company Secretary and senior management. Oversees the remuneration and workforce policies and takes these into account when setting the policy for Directors' remuneration.

Company Leadership Team

The CLT is responsible for the day-to-day running of the business, carrying out and overseeing operational management, and implementing the strategies that the Board has set.

Governance committees

These governance committees are chaired by a member of the CLT and report to the CLT, and the Board or Board Committees as appropriate.

Deal Committee

The Deal Committee determines standard guidelines for an acceptable deal in terms of financial position and key contractual terms.

Disclosure and Governance Committee

The Disclosure and Governance Committee maintains an overview of the corporate structure and oversees the disclosure of information by the Group to meet its obligations as a listed company.

ESG Steering Group

The ESG Steering Group supports the CLT in implementing Environmental, Social and Governance (ESG) strategy and managing relevant matters relating to our communities covering environmental and social matters.

Investment Committee

The Investment Committee ensures that Strategic Investment initiatives align with Alfa's business strategy.

Board leadership and Company purpose

Board leadership and purpose

The Board guides the Company's strategic vision and ensures that decisions are aligned with Alfa's core purpose, values and long-term objectives. The Board recognises that a culture which promotes inclusion, collaboration and openness to different perspectives is essential to the effective delivery of strategic projects and initiatives.

The Group has established processes to support employee engagement and the reporting of concerns. Under a framework ultimately overseen by the Board, colleagues can raise issues through management channels or via whistleblowing mechanisms. Insights from employee engagement, together with the Section 172 statement, Stakeholder

Engagement and ESG reporting, help the Board understand the prevailing culture and ensure alignment with strategy and values.

Corporate governance framework

The Board and its Committees oversee the business within a robust governance framework that supports high standards of conduct, effective decision-making and sustainable long-term growth. Clear responsibilities, strong systems and effective controls help ensure the delivery of Alfa's strategic objectives.

The Board has overall responsibility for ensuring the Company has adequate resources to meet its strategic priorities. A risk management framework is in place to identify,

manage and report on the risks facing the business. The Board reviews these risks at least annually, including a robust assessment of emerging and principal risks. Efficient internal reporting, strong internal controls and ongoing oversight of risks are embedded within our processes and aligned to the Group's purpose, values and strategy.

The role of the Board

The Board is responsible for defining the Company's purpose, values and strategy to drive long-term success, create shareholder value and make a positive impact on society. It acknowledges its accountability to stakeholders and the importance of fostering a strong culture and ethical behaviour across the Group.

Our governance framework establishes clear lines of accountability. While day-to-day operations are delegated to the Executive Directors, the Board retains authority over key strategic and operational decisions. Board Committees support effective oversight by undertaking specific responsibilities on behalf of the Board.

How the Board operates

Over the course of the year, the Board considered a comprehensive programme of matters, including operational and financial performance, strategic reviews and governance updates. These discussions ensure the Board maintains effective oversight and provides appropriate challenge and support to management.

Board meetings

Board meetings are conducted in an environment that encourages open discussion, constructive challenge and thoughtful debate. The Board maintains a forward agenda to ensure its time is used effectively and is supported by the Company Secretary in facilitating meetings.

In 2025, the Board held seven scheduled meetings, supplemented by two strategy meetings and a number of informal discussions on operational matters. Meetings were held in person where possible, with remote attendance available as required. Materials were circulated electronically in advance to allow Directors sufficient time for review.

The Non-Executive Directors also met during the year without the Executive Directors present, and the Senior Independent Director led the review of the Chair's performance. Non-Executive Directors were also given the opportunity to meet without the Chair present.

Committees

The Audit and Risk and Remuneration Committees are comprised solely of independent Non-Executive Directors. The Nomination Committee is comprised of Non-Executive Directors, the Executive Chairman and is chaired by the Senior Independent Director. Details of the composition and activities of the Committees can be found in the Audit and Risk Committee Report on pages 75 to 81; the Nomination Committee Report on pages 71 to 74; and the Directors' Remuneration Report on pages 82 to 102.

Board and Committee meetings and attendance

	Board ¹	Audit and Risk Committee	Nomination Committee	Remuneration Committee
Andrew Page	7/7		3/3	
Andrew Denton	7/7			
Duncan Magrath	7/7			
Matthew White	7/7			
Steve Breach	7/7	4/4	3/3	3/3
Adrian Chamberlain	7/7	4/4	3/3	3/3
Charlotte de Metz ²	6/7	4/4	2/3	2/3
Reena Raichura	7/7	4/4	3/3	3/3
Chris Sullivan	7/7	4/4	3/3	3/3

1. In addition to the six scheduled Board meetings there were two Board Strategy meetings.

2. Charlotte de Metz was unavailable to attend one round of meetings due to illness.

Culture and values

Establishing and embedding our culture

For over 35 years, culture has been a defining feature of Alfa's success, and its preservation remains a key priority for the Board. The Board is confident that Alfa's culture is strong, purpose-driven and well positioned to support continued growth.

As part of its governance responsibilities, the Board has actively monitored and guided the People strategy to ensure it supports long-term growth while preserving Alfa's distinctive culture. In doing so, our people can thrive, our customers and suppliers experience the highest standards of partnership, and the business is managed effectively to generate sustainable returns for investors and support the wider communities we serve.

Throughout 2025, the Board continued to oversee a culture that promotes inclusion, transparency and continuous learning. Regular updates from management, insights from colleagues and workforce engagement activities enabled the Board to monitor culture closely and ensure alignment with Alfa's strategic priorities.

Our quarterly Pulse survey remained a central tool for assessing employee sentiment, with engagement averaging 80.5% across the year. The Board was pleased to note that:

- 86% of colleagues believe Alfa fosters an inclusive environment; and
- 84% feel able to be themselves at work, reflecting our commitment to psychological safety.

Enhancements to the Pulse process, including rotating review groups and clearer feedback channels, further strengthened the link between colleague insight and action.

Promoting a positive culture

It is our collective responsibility to build culture into everything we do and ensure that all colleagues feel free to bring their authentic self to work and realise their full potential.

Our culture and values shape the way Alfa does business, and living these values starts with our leaders. The Board sets the tone from the top, demonstrating the behaviours expected across the organisation and reinforces our purpose and values.

To understand what matters most to colleagues, the Board creates regular opportunities for engagement, supported by a range of cultural monitoring tools including surveys, Town Halls, and both formal and informal interactions. Customer feedback gathered throughout the sales, implementation and service lifecycle also provides valuable insight into how our values are reflected externally.

Values, purpose and identity

The Board fully supports the Alfa strategic framework, which defines the Company's values, purpose and identity. These values are central to how we operate and guide the behaviours expected across the organisation. As a software and delivery company, our three differentiators, People, Product and Delivery, shape our identity and underpin how we create value.

Talent acquisition and development

The Board oversaw a significant scaling of recruitment and talent development to meet increased customer and project demands. This included revising recruitment plans to bring on over 50 new joiners, enhancing the modular induction programme for both graduates and experienced hires, and focusing on rapid deployment of talent into high-priority projects. Succession planning was extended to pivotal delivery roles, ensuring a robust pipeline for future growth.

Leadership and performance

Investment in leadership capability remained a priority, with continued rollout of leadership programmes and the introduction of new training such as 'Listen Up' to foster openness

and accountability. The Board supported the evolution of performance management, moving from annual reviews to a continuous conversations framework, underpinned by real-time feedback and a comprehensive communications plan.

Navigating global growth

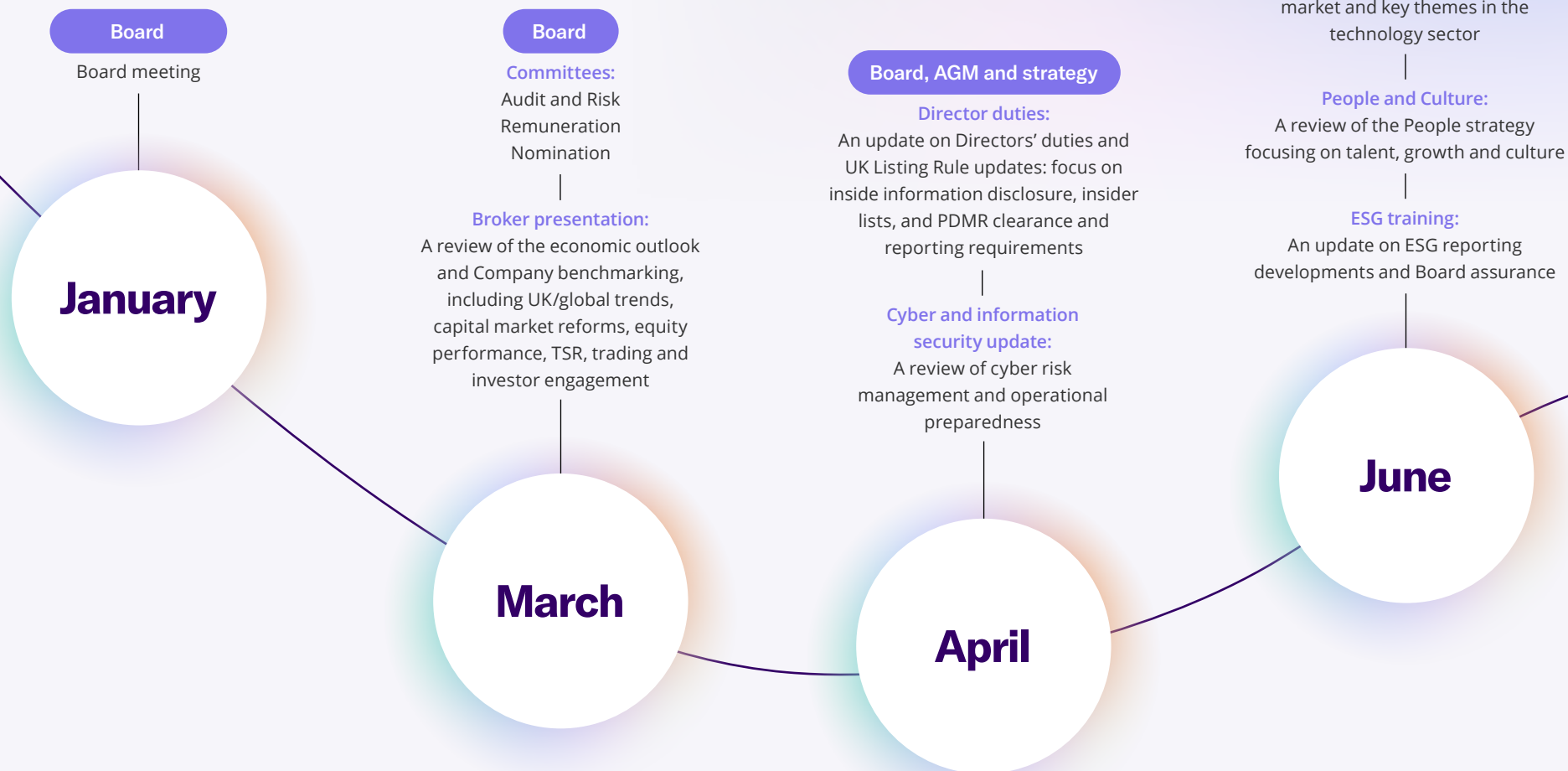
As Alfa expanded internationally, the Board maintained oversight of compliance with complex employment, tax and immigration requirements. The Board supported the establishment of two new branches, in Poland and Portugal, recruitment of specialist expertise, and the management of remote workers across multiple jurisdictions, ensuring that growth did not compromise culture or employee wellbeing.



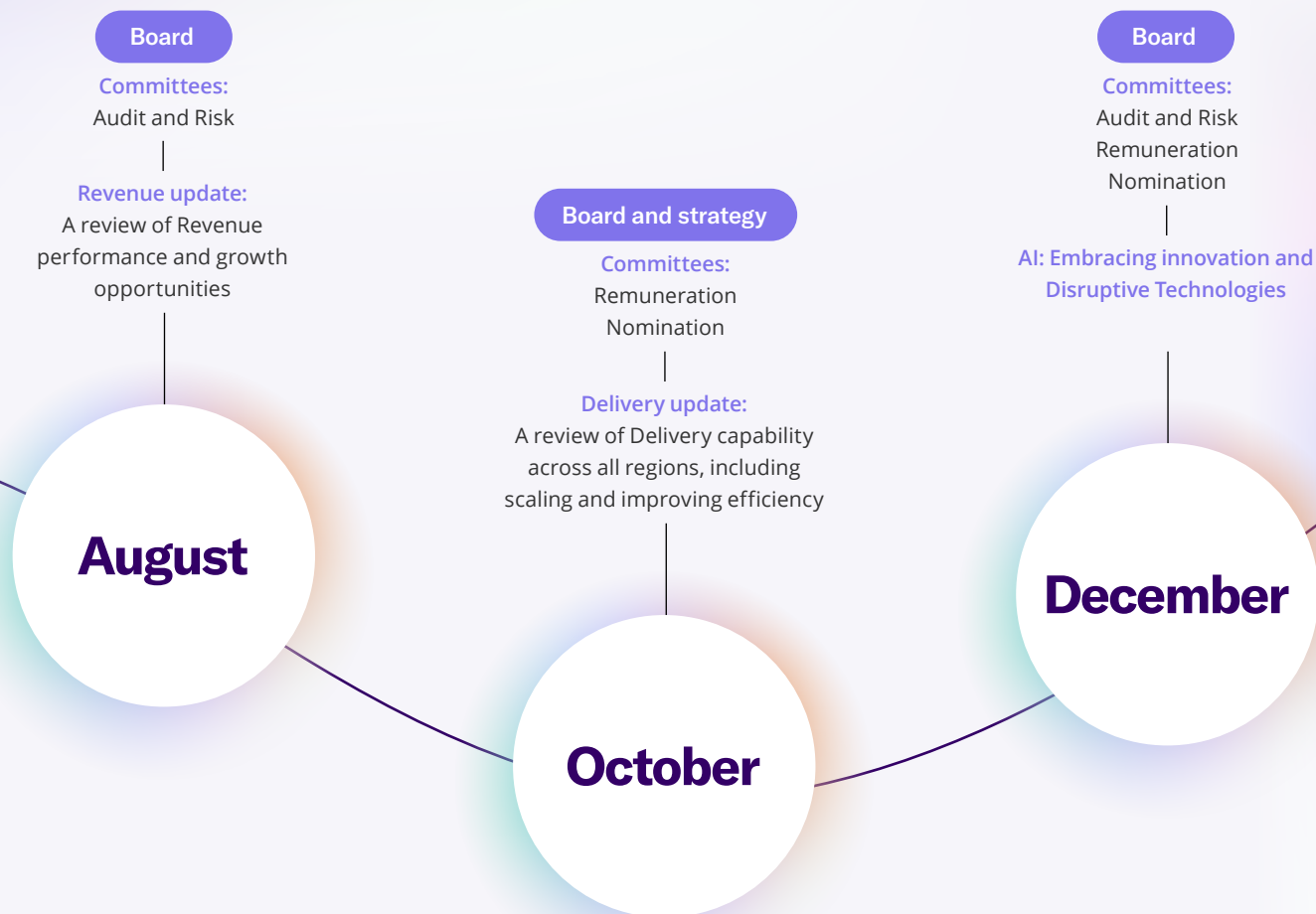
The Board in action

2025 Board Activity

During the year, the Board provided leadership and oversight across strategy, performance, risk and governance. In taking decisions, the Board had regard to its duties under section 172 of the Companies Act 2006. The key Board decisions made during the year, and how stakeholder interests were considered and informed outcomes, are set out in the section 172 statements on page 48.



The Board in action *continued*



AI: Embracing innovation and Disruptive Technologies

The Board received an update on Alfa's Artificial Intelligence (AI) strategy, outlining a four-pillar framework designed to harness innovation, improve internal and client efficiencies and maintain Alfa's market leadership while managing emerging risks. The strategy focuses on building AI literacy across the organisation, driving productivity and process simplification through internal efficiencies, enhancing delivery through tools such as the AskThea chatbot and automated log analysis, and embedding AI driven features into Alfa's products, including the secure deployment of new AI capabilities in Alfa Cloud.

The Board also reviewed the associated risks and mitigations, noting the balanced approach taken to ensure agility, security and customer focus as AI technologies evolve.

Provision 29: Internal Controls Project

Alfa has progressed its Internal Controls project to align with the enhanced requirements of Provision 29. The approach focuses on identifying a proportionate set of material controls across financial, operational, reporting and compliance risk areas. Alfa is adopting a streamlined framework centred on a smaller number of entity-level controls and control frameworks, underpinned by assurance mapping to demonstrate how each material risk is mitigated and evaluated. The Board supports this approach, emphasising ongoing monitoring and Board training, and maintaining appropriate documentation to support the Directors' declaration of effectiveness.

Division of responsibilities

Division of responsibilities

Alfa is led and controlled by the Board, which is collectively responsible for the long-term and sustainable success of the Group. The structure and the roles of the Board and its Committees ensure that control and oversight give a balanced approach to risk and are aligned with Alfa's culture. This assists the Board with carrying out its responsibilities and is designed to ensure that focus is maintained on strategy, monitoring the performance of the Group, governance, risk and control issues.

The Board is collectively responsible for the long-term success of the Group and for ensuring leadership within a framework of effective controls.

The Board responsibilities

We have clear and documented roles and separation of duties between the Chairman and the CEO. The Alfa CEO, Andrew Denton, is responsible for executing the Alfa strategy and day-to-day operations, and leading the CLT. Andrew Page, as Executive Chairman, provides oversight and guidance to Andrew Denton on the strategic direction, key commercial and contracting decisions in addition to his responsibilities for running an effective Board. All Directors have access to the advice of the Company Secretary and may obtain independent professional advice at the Company's expense. In addition, a Directors' and Officers' liability insurance policy is maintained for all Directors and each Director has the benefit of a deed of indemnity. The appointment and removal of the Group Company Secretary is a matter for the Board as a whole.

Matters reserved for the Board

The Board has adopted a formal Schedule of Matters specifically reserved for its decision-making and approval. The matters that the Board considers suitable for delegation are contained in the Terms of Reference of each Board Committee. There are certain key responsibilities that the Board does not delegate and which are reserved for its consideration. The full Schedule of Matters Reserved for the Board is available under the Corporate governance section on our website.

Company Secretary

The Company Secretary, through the Chairman, is responsible for advising the Board on all governance matters and for ensuring that Board procedures are followed, that applicable rules and regulations are complied with, and that due account is taken of relevant codes of best practice. The Company Secretary is also responsible for ensuring communication flows between the Board and its Committees, and between senior management and Non-Executive Directors.

Workforce policies and practices

Our people bring a diverse range of experience, expertise and perspectives that underpin Alfa's values and culture and are essential to the delivery of our strategic objectives. Fostering a positive environment in which colleagues feel valued, motivated and able to thrive is fundamental to Alfa's success. The Board recognises and supports significant investment of time and resources in our people to ensure Alfa can attract and retain talent and continue to develop the skills of its workforce.

A central element in creating this environment and culture is Alfa's Ethics and Code of Conduct Policy. The Policy clearly sets out a zero-tolerance approach to dishonest and corrupt behaviour and seeks to educate employees on unlawful and unethical conduct. Compliance with the Policy helps to protect Alfa's reputation and supports strong relationships with colleagues, investors, customers and other stakeholders. It provides clear guidance on

the legal and ethical issues employees may encounter in the course of their work, together with the standards of behaviour expected of those working at Alfa. It also offers practical information to support employees in working effectively and efficiently, helping to embed Alfa's values and expected behaviours across the organisation.

The Board is responsible for overseeing the Company's arrangements for enabling the workforce to raise concerns and is committed to fostering a culture in which individuals feel confident to speak up without fear of retaliation. Oversight is maintained through regular reporting on the number and nature of concerns raised via the whistleblowing process, together with the outcomes of those reports. Whistleblowing and incident reporting mechanisms are in place to ensure that concerns can be formally reported, appropriately investigated and addressed.

The key role of the Board:

Setting the strategic direction of the Group

Overseeing implementation of the strategy by ensuring that the Group is suitably resourced to achieve its strategic aspirations

Providing leadership within a framework of effective controls which enables risk to be assessed and managed

Ensuring that the necessary financial and human resources are in place for the Group to meet its objectives

Reviewing the Group's purpose and culture supported by its values

Division of responsibilities *continued*

There is a clear division of responsibilities between the Board and the business. The roles of the Chairman, Chief Executive Officer, Chief Financial Officer, Chief Operating Officer, Senior Independent Director and Independent Non-Executive Directors are set out in separate role statements.

Role	Principal responsibilities
Executive Chairman Andrew Page	The Chairman is responsible for the effective leadership of the Board and maintaining a culture of openness and transparency at Board meetings. The Chairman also promotes effective communication between Executive and Non-Executive Directors and ensures all Directors effectively contribute to discussions and feel comfortable in engaging in healthy debate and constructive challenge. The Chairman ensures all Directors receive accurate, timely and clear information to assist them to make their decisions and identifies training and development needs as required.
Chief Executive Officer Andrew Denton	The Chief Executive Officer has day-to-day responsibility for the effective management of Alfa and for ensuring that Board decisions are implemented. He plays a key role in defining and guiding the strategy, once agreed by the Board, whilst ensuring the successful delivery against the strategic plan and other key business objectives, allocating decision-making and responsibilities accordingly. The CEO is also tasked with providing regular operational updates to the Board on all matters of significance relating to the Group's operations and for ensuring effective communication with shareholders and other key stakeholders. The CEO identifies and executes new business opportunities, and assesses potential acquisitions and disposals. He manages the Group with reference to its risk profile in the context of the Board's risk appetite and is responsible for the oversight of the ESG initiatives.
Chief Financial Officer Duncan Magrath	The Chief Financial Officer has overall responsibility for management of the financial risks of the Group. The CFO is responsible for financial planning and record-keeping, as well as financial reporting to the Board and shareholders. The CFO ensures effective financial compliance and control, while responding to regulatory developments, including financial reporting, effective allocation of capital, management of liquid resources, investor relations and corporate responsibility. The CFO has responsibility for the ESG reporting.
Chief Operating Officer Matthew White	The Chief Operating Officer is responsible for day-to-day operational activities. The COO plays a key role in developing key business operational models, monitoring performance against KPIs and ensuring adequate staffing recruitment to deliver development and systems implementation. The COO is responsible for software development, systems implementation delivery and the delivery of HR resourcing and planning.
Senior Independent Director Chris Sullivan	The Senior Independent Director provides a sounding board for the Chairman and acts as an intermediary for the Non-Executive Directors. The Senior Independent Director is available to shareholders should they have any concerns, where communication through normal channels has not been successful or where such channels are inappropriate. The Senior Independent Director meets with the Non-Executive Directors at least annually when leading the Non-Executive Directors' appraisal of the Chairman's performance.
Non-Executive Directors Steve Breach Adrian Chamberlain Charlotte de Metz Reena Raichura Peter George (1 January 2026)	The Non-Executive Directors bring insight and experience to the Board. They have a responsibility to constructively challenge the strategies proposed by the Executive Directors; scrutinise the performance of management in achieving agreed goals and objectives; and play leading roles in the functioning of the Board Committees, bringing an independent view to the discussion.

Composition, succession and performance

Board composition

The composition of the Board is subject to ongoing review and all Board appointments follow a formal search and selection process. The Board delegates to the Nomination Committee the responsibility to maintain the appropriate composition of the Board. The Nomination Committee ensures diversity features strongly in its work on succession planning.

The Board recognises that the diversity of its Directors should reflect a range of views, insights, perspectives and opinions, to facilitate constructive discussion and enable enhanced decision-making and effectiveness.

During the year, the Board reviewed the overall balance of skills, experience, independence and knowledge of the Board and Committee members. We consider that the skills and experience of our individual Directors, particularly in the areas of financial services, people and software, are fundamental to the pursuit of our objectives. Further details of this review, including actions taken, are set out in the Nomination Committee Report on pages 71 to 74.

As required by provision 11 of the Code, at least 50% of the Board, excluding the Chairman, are Independent Non-Executive Directors. As at 31 December 2025, the Board comprised of nine members: the Executive Chairman, three Executive Directors and five Independent Non-Executive Directors. Details of the skills and experience of each member of the Board is set out in the Board biographies on pages 58 and 59.

The Board also believes that each of the Independent Non-Executives has retained independence of character and judgement and has not formed associations with management or others that may compromise their ability to exercise independent judgement or act in the best interests of the Group.

Board performance

As outlined in the Corporate Governance Compliance section, the Company did not undertake its triennial externally facilitated Board evaluation during the year.

The Board concluded that deferring the externally facilitated review was appropriate given the Company's strategic priorities and operational focus. It considered that Board effectiveness would be best supported by dedicating time and resources to strategic development and operational execution rather than conducting an external evaluation at this stage.

The Board also undertook a careful assessment of the potential risks associated with a temporary departure from Provision 21. These risks were mitigated through enhanced oversight by the Chair, including informal performance evaluations, regular feedback mechanisms, and continued monitoring of Board composition, skills and succession planning. The Board assessed the impact of the deferral and remains satisfied that it has had no adverse effect on its effectiveness or on the overall quality of governance.

Notwithstanding the absence of a formal evaluation during the year, the Chair is satisfied that the Board and its Committees continue to operate effectively and that the balance of skills, experience and contribution across the Board remains appropriate to support the Group's long-term success.

Chairman's and Directors' performance

During the year, the Senior Independent Director evaluated the performance of the Chairman. In addition, the Non-Executive Directors met independently from the Executive Directors to discuss with the Chairman the overall functioning of the Board and the Chairman's contribution in making it effective.

In addition, the Chairman holds regular meetings with individual Directors at which, among other things, their individual performance is discussed. Informed by the Chairman's continuing observation of individual Directors, these discussions form part of the basis for recommending the reappointment of Directors at the Company's AGM, and include consideration of the Director's performance, contribution and commitment to the Board and its Committees.

Directors' conflicts of interest

Each Director is required to disclose conflicts and potential conflicts to the Chairman and the Company Secretary as and when they arise. As part of the induction process, a newly appointed Director is asked to disclose any conflicts of interest to the Company. Thereafter, each Director has an opportunity to disclose conflicts at the beginning of each Board and Committee meeting and as part of an annual review.

None of the Directors declared to the Company any actual or potential conflicts of interest between any of their duties to the Company and their private interests and/or other duties. The Companies Act 2006 provides that Directors must avoid a situation where they have, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the Company's interests. Boards of public companies may authorise conflicts and potential conflicts, where appropriate, if their company's Articles of Association permit.

Composition, succession and performance *continued*

Strategic direction

The Board has clear responsibility for setting the Company's strategic direction and for overseeing the execution of that strategy.

During 2025, the Board worked closely with senior management through dedicated strategy sessions to develop, test and refine Alfa's long-term strategic priorities, supported by detailed financial modelling and market analysis.

Board strategy sessions

In 2025, the Board held two dedicated Strategy sessions, in April and October, involving the Board and senior management. These sessions were structured to allow in-depth consideration of Alfa's long-term growth opportunities, competitive positioning and operational scalability, and to enable robust challenge and debate by the Board.

The sessions were designed to move beyond short-term operational performance and focus on the sustainability of Alfa's business model over the medium to long term.

Ongoing oversight and integration

Strategy is treated as an ongoing process rather than a one-off exercise. The Board agrees that the long-term financial model should continue to be refined and used as a living tool to support decision-making, including alignment with annual budgeting and viability assessments.

Progress against the strategic initiatives is monitored through regular Board updates, enabling the Board to track execution, respond to emerging risks and adjust strategic priorities where appropriate.

The Board continues to monitor the strategic direction of the Company and the key investments we need to make to remain in a leading position in an ever-changing market. It ensures we have the resources and the right people in the right place operationally to ensure we remain relevant to the markets in which we operate. This brings focus to strategic objectives and translates into better decisions, driving competitive advantage, stronger performance and a sustainable business model.

Board challenge and decision making

The Board provides support in implementing strategic priorities as well as oversight and constructive challenges in running the business. Through reporting, including the use of both financial and non-financial metrics, the Board is able to evaluate and guide the progress and performance of the Company.

Throughout the Strategy sessions, the Board actively challenged management on strategic priorities, sequencing and execution risks. The Board focused on ensuring that the strategic direction was coherent, evidence-based and aligned with Alfa's purpose and long-term objectives.



Composition, succession and performance continued

Board diversity

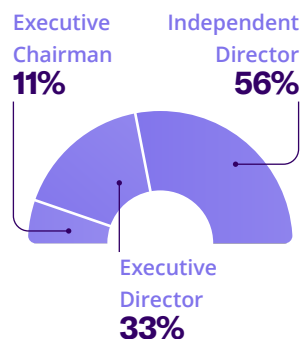
The Board recognises the importance of diversity for the effective leadership and long-term success of the Company. It is the Board's policy that appointments are made strictly on the basis of merit, without discrimination relating to age, gender or any other factor that has no bearing on an individual's ability to fulfil the role of Director. In applying this policy, the Board recognises that diversity of thought, experience and approach is a critical component of effective decision-making and overall Board effectiveness and is therefore an important consideration within Board succession planning and appointments.

The Board is mindful of the diversity targets set out in FCA Listing Rule 6.6.6(9). In respect of the financial year ended 31 December 2025, the Board did not meet the gender targets. The required numerical and explanatory disclosures are set out in the Directors' Report on page 104 of this Annual Report.

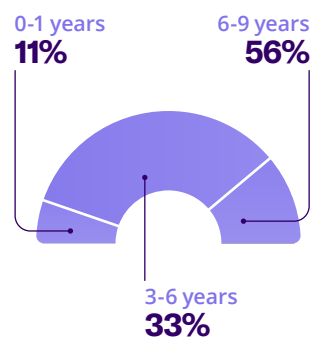
The Board supports a range of diversity, equity and inclusion initiatives across the business, including an annual Diversity, Equity and Inclusion survey. The Company continues to implement initiatives aimed at improving diversity across the workforce, including targeting 30% diversity in new hires and 50% female representation within the graduate intake, recognising the importance of building a strong and diverse pipeline for future leadership roles.

Diversity overview

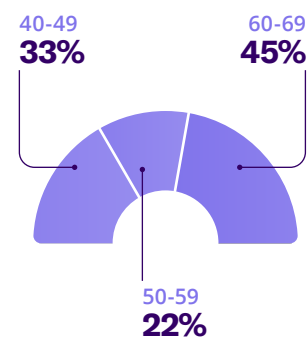
Board composition



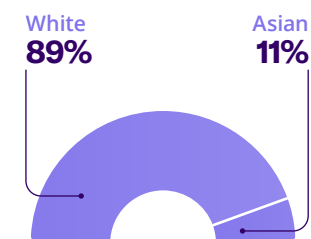
Board tenure



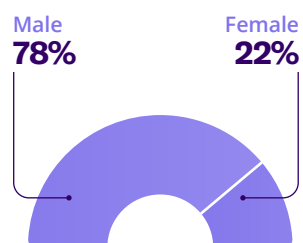
Age of the Board



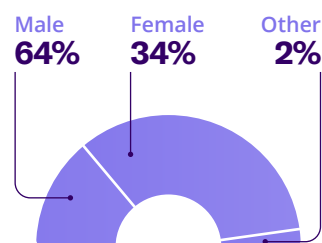
Ethnicity of the Board



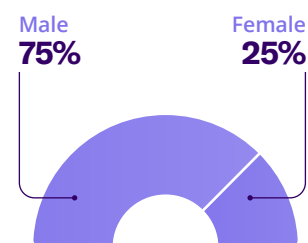
Gender diversity Board



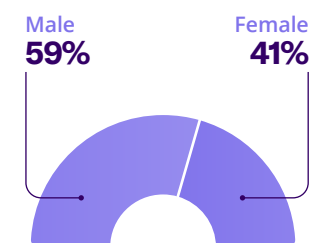
Gender diversity Company-wide



Gender diversity – CLT¹



Gender diversity – CLT direct reports



1. The CLT composition excludes the three Executive Directors who are part of the CLT. Alfa gender balance is captured through voluntary and confidential self-disclosure.

Nomination Committee Report



“The Committee remains committed to ensuring that the Board and Company Leadership Team collectively possess the appropriate balance of skills, knowledge and experience to discharge their responsibilities effectively.”

Chris Sullivan
Nomination Committee Chair

Principal activities for 2025

- Identified and nominated a suitable Chief Financial Officer and Non-Executive Director to be appointed to the Board.
- Reviewed the structure, size and composition of the Board and its Committees.
- Considered the wider elements of succession planning for the Board and the CLT.
- Reviewed the time commitment required for Non-Executive Directors.

Meetings held during 2025

	Member since	Meetings attended 2025
Chris Sullivan	2019	3/3
Steve Breach	2019	3/3
Adrian Chamberlain	2020	3/3
Charlotte de Metz	2020	2/3*
Andrew Page	2017	3/3
Reena Raichura	2024	3/3

* Charlotte de Metz was unable to attend due to illness.

Committee composition



The full Terms of Reference for the Committee are reviewed annually and can be found at: alfasystems.com/investors/governance.

Dear Shareholders,

On behalf of the Board, I am pleased to present our 2025 Nomination Committee Report, which summarises the Committee's key activities during the year.

During the year, the Committee dedicated significant time to long-term succession planning for the Board, its Committees and the Company Leadership Team (CLT). Particular focus was given to the tenure and refreshment cycle of the Non-Executive Directors. The Committee determined that appointing an additional independent Non-Executive Director would support a more balanced and sustainable rotation cycle, strengthen continuity of oversight and enhance the breadth of experience available to the Board as the Company delivers its forward strategy.

Following a comprehensive recruitment process and thorough assessment of candidates, the Committee was pleased to recommend to the Board the appointment of Peter George as an Independent Non-Executive Director, with effect from 1 January 2026. On appointment Peter was appointed as a member of the Audit and Risk Committee, Nomination Committee and the Remuneration Committee. The Committee will oversee and support his induction into the role.

The Committee remains committed to ensuring that the Board and CLT collectively possess the appropriate balance of skills, knowledge and experience to discharge their responsibilities effectively and to respond appropriately to emerging challenges and opportunities.

At the end of 2025, Duncan Magrath, Chief Financial Officer, informed the Board of his intention to retire at the end of 2026. The Committee therefore focused on the recruitment of a successor and was pleased to conclude a thorough and structured recruitment process.

The Board was delighted to announce that Andrew Dickson will assume the role of Chief Financial Officer, with effect from July 2026. Ensuring a smooth and orderly transition will remain a key priority as Andrew steps into the role. Further details of the recruitment process will be set out in the 2026 Annual Report.

Chris Sullivan
Nomination Committee Chair

Nomination Committee Report *continued*

Succession planning

The Nomination Committee undertook a comprehensive review of Board succession in 2025. The review assessed the tenure and expected remaining service of each Non-Executive Director (NED) alongside the broader succession pipeline for both the Board and senior management. The Committee's objective was to ensure orderly succession and that the Board retains an appropriate balance of skills, experience and knowledge. Ensuring that future transitions are planned to minimise disruption to the Board's effectiveness.

The Committee considered Board composition in the context of the UK Corporate Governance Code 2024, which provides that an NED serving more than nine years may no longer be regarded as independent unless the Board offers a clear and compelling justification. The Committee therefore reviewed the independence of each Director with reference to length of service.

The Committee also assessed whether the existing rotation cycle of Directors remained appropriate, taking into account upcoming retirements, consideration to Board committee composition and the Company's long-term strategic priorities. The Committee determined that appointing an additional independent NED would support a more balanced and sustainable rotation cycle, strengthen oversight continuity, and enhance the depth of experience available to the Board. Following this review, the Board approved the Committee's recommendation to commence a search process for an additional independent NED.

Non-Executive recruitment process

The Nomination Committee oversaw the recruitment process for the appointment of an additional Independent NED, following the Committee's succession and tenure review. The Committee agreed a clear role specification and candidate profile, reflecting the skills, experience and personal attributes required to complement the existing Board and support the Company's long-term strategy.

To ensure a fair, transparent and inclusive process, the vacancy was openly advertised across appropriate platforms and professional networks, enabling broad visibility and encouraging applications from a wide and diverse pool of suitable candidates. This approach supported the Committee's commitment to merit-based selection and enhanced diversity of background, perspective and experience.

The Committee reviewed all applications received through the open advertisement and developed a longlist of candidates whose skills and experience aligned with the agreed role criteria. Candidates were considered from a broad range of professional sectors and geographies, ensuring that the selection process promoted diversity of thought as well as compliance with regulatory expectations. A shortlist of candidates participated in a series of interviews with the Chair of the Board, the Chair of the Nomination Committee and other Board members. The Committee assessed each candidate against the agreed criteria, with a particular focus on independence of judgement, relevant sector or functional expertise, cultural fit and capacity to commit sufficient time to the role.

Following a rigorous assessment, the Committee recommended a preferred candidate Peter George to the Board for approval. The Committee is satisfied that the recruitment process was fair and objective and that the appointment enhances the Board's overall balance of skills, experience and independence.

Equity, diversity and inclusion

The Committee oversees equity, diversity and inclusion across the Board and senior leadership, recognising that a broad mix of skills, backgrounds and perspectives supports effective decision-making and long-term sustainable success. In recommending new Board appointments, the Committee considers a range of factors, including skills, experience and diversity, while noting that all appointments are ultimately made on merit against objective and measurable criteria.

The Board maintains an open and inclusive culture in which all Directors are encouraged to contribute fully and where views are considered without bias or discrimination.

The Committee confirms that the Company meets the Parker Review target for ethnic diversity but acknowledges that the Board does not meet the targets set by the FTSE Women Leaders Review or UK Listing Rules.

In accordance with the UK Listing Rules disclosure requirements, as at 31 December 2025 one Director is from an ethnic minority background, female representation on the Board is 22%, and no senior positions are held by a woman. Following the appointment of Peter George as a new male Non-Executive Director, the proportion of female Directors has decreased. Standardised diversity data can be found in the Directors' report on page 104.

During the year, the Company engaged directly with the FTSE Women Leaders Review and the Investment Association. We acknowledged that Alfa has not yet met the Review's voluntary targets and outlined our merit-based appointment approach, which considers diversity of background and perspective as integral.

The Committee remains committed to cultivating diversity of thought on the Board and throughout the organisation, ensuring appropriate challenge, wider perspectives and stronger decision-making. It will continue to engage openly with relevant stakeholders and to oversee the development of a broader and more diverse talent pipeline to support future Board and senior leadership appointments.

Nomination Committee Report *continued*

Board Diversity, equity and inclusion Policy

The Board Diversity, equity and inclusion (DEI) Policy reflects the Board's belief that better decision-making and stronger outcomes are achieved when individuals with different skills, backgrounds, perspectives and lived experiences come together with a shared purpose. As set out in the Policy, Alfa recognises the benefits of a diverse Board, and is committed to ensuring that appointments are made on merit and are assessed against objective criteria and with due regard to diversity in its broadest sense, including industry experience, background, race, gender and other facets of diversity.

The Policy complements Alfa's wider inclusion initiatives and reinforces the expectation that the Board contributes to an open and inclusive culture, where diverse viewpoints are encouraged and considered without bias or discrimination.

The Committee supports the Company's equity, diversity and inclusion initiatives and acknowledges that Alfa continues to evolve its approach in this area. As part of this ongoing development, the Committee reviews Board composition, succession planning and diversity considerations.

Induction programme

Following the appointment of Peter George in January 2026 and Andrew Dickson, as CFO in July 2026, each will undertake a comprehensive and tailored induction programme. The programme, coordinated by the Company Secretary, is designed to ensure that new Directors quickly gain a clear understanding of the Company's strategy, business model, governance framework, risk profile and culture.

The induction programme includes the provision of detailed background information on the Company, together with a programme of briefings with relevant members of the Corporate Leadership Team. It also incorporates meetings with the Group's external audit partner, internal audit partner and Executive Directors.

New Non-Executive Directors are additionally offered external training to support their understanding of the role and duties of a Director of a quoted public company. All Directors have access to the Company's electronic board paper system, which provides timely and secure access to Board and Committee papers and other key information.

Ongoing professional development

The Board recognises the importance of ongoing professional development. Directors receive regular briefings and presentations on matters relevant to the Company's operations, together with updates on developments in the markets in which the Group operates and on changes to the regulatory and governance environment.

Director independence

The Committee reviewed the independence of each Non-Executive Director and is satisfied that all Non-Executive Directors, including the Chair, remain independent under the definition in the Code. Furthermore, the Committee is satisfied that each Non-Executive Director devotes sufficient time to their Board responsibilities.

External directorships

The Board places significant emphasis on ensuring that Directors are able to dedicate the time and attention necessary to fulfil their Director responsibilities effectively. Prior to appointment, Non-Executive Directors are made fully aware of the expected time commitment associated with their role.

All Directors are also informed that any proposed additional external appointments or significant new commitments would require prior approval of the Board. There were no new public appointments in relation to the Directors during 2025.

The Board believes, in principle, in the benefit of Executive Directors accepting Non-Executive Directorships of other companies in order to widen their skills and knowledge for the benefit of the Company. All such appointments require the prior approval of the Board and the number of public company appointments is limited to one.

Election and re-election of Directors

The re-election of Directors is subject to their continuing commitment to Board activities and satisfactory performance. All Directors will stand for re-election annually in accordance with the provision of the 2024 Code. Following discussion of the skills and contribution of each Director, and in conjunction with the Chair's evaluation, the Committee supports the proposed re-election of all Directors standing for re-election at the AGM in 2026. The Committee has confirmed to the Board that the contributions made by the Directors offering themselves for re-election at the 2026 AGM continue to benefit the Board and the members are invited to support their re-election.

Peter George will stand for election by shareholders for the first time at the 2026 AGM. Additionally, Andrew Dickson will stand for election by shareholders at the 2027 AGM.

Chris Sullivan
Chair, Nomination Committee
11 March 2026

Audit and Risk Committee Report



“The finance and risk functions, together with the Group’s control framework, have continued to evolve and strengthen, leaving the Group well positioned to comply with the requirements of Provision 29.”

Steve Breach
Chair of the Audit and Risk Committee

The full Terms of Reference for the Committee are reviewed annually and can be found at: alfasystems.com/investors/governance

Principal activities for 2025

- Approved the Company’s risk management framework, risk appetite and risk register.
- Reviewed progress on compliance with Provision 29 of the UK Corporate Governance Code.
- Received an update on information security and cyber security.
- Reviewed management’s approach to compliance with new regulatory requirements, including the Economic Crime and Corporate Transparency Act.

Meetings held during 2025

	Member since	Meetings attended 2025
Steve Breach (Chair)	2019	4/4
Adrian Chamberlain	2020	4/4
Reena Raichura	2024	4/4
Charlotte de Metz	2020	4/4
Chris Sullivan	2019	4/4

The Committee’s members are all Independent Non-Executive Directors.

Committee composition



Areas of focus for 2026

- Continue to monitor legislative and regulatory changes that may impact the work of the Committee.
- Continue with oversight of internal audit activities and findings.
- Continue oversight of the Company’s risk management framework including developments arising from the revised UK Corporate Governance Code.
- Monitor the continued progressive enhancements to Alfa’s systems and internal controls across all key functions of the business, including oversight of management’s approach to Provision 29 controls effectiveness review.

Dear Shareholders,

I am pleased to present our Audit and Risk Committee Report for the year ended 31 December 2025. The Report explains the work of the Committee during the year, as well as setting out expected key areas of focus for 2026.

The Committee has an annual work plan linked to the Company’s financial reporting cycle, which ensures that it considers all matters delegated to it by the Board.

We have continued to review and challenge the assumptions and judgements made by management in the preparation of published financial information and to oversee the internal control environment, including oversight of the external and internal audit processes. Throughout the year, the

Committee’s primary focus was to maintain the integrity and transparency of the Company’s internal and external financial reporting.

We continued to spend time assessing the application of IFRS 15 ‘Revenue from Contracts with Customers’, alongside careful consideration of the Company’s risk management framework, internal controls and management information systems.

During the year, the Company continued to refine key processes and further enhance insightful management information across its business.

Alongside core financial controls, Alfa’s cyber and information security resilience is critical. The Committee has continued to pay close attention to management’s work to enhance Alfa’s cyber security control environment.

Committee members’ skills and experience are set out on pages 58 to 59. The Board is satisfied that the Committee meets the requirement to have recent and relevant financial experience, and that, as a whole, its members have experience of the auto and equipment finance and enterprise software sector and corporate governance.

As a result of its work during the year, the Committee has concluded that it has acted in accordance with its Terms of Reference.

Steve Breach
Chair of the Audit and Risk Committee

Audit and Risk Committee Report *continued*

Key responsibilities of the Committee

The Board has delegated to the Committee responsibility for overseeing financial reporting, the review and assessment of the effectiveness of the internal control and risk management systems, and maintaining an appropriate relationship with the external auditor.

The Committee has adopted Terms of Reference, which are available to view at alfasystems.com/investors/governance. The Terms of Reference provided the framework for the Committee's work in the year and key responsibilities of the Committee are summarised as follows:

- Overseeing the relationship with the Company's external auditor, monitoring its effectiveness and independence, and making recommendations to the Board in respect of its remuneration, appointment and removal. The Committee also reviews the findings from the external auditor, including discussion of significant accounting and audit judgements, levels of errors identified and overall effectiveness of the audit process.
- Reviewing the financial statements of the Company, including its annual and half-yearly reports and, if applicable, any other formal announcements relating to its financial performance. The Committee also considers significant financial reporting issues, accounting policies and key areas of judgement or estimation. This review also includes consideration of the clarity and completeness of the disclosures presented in the financial statements.

- Overseeing the accounting principles, policies and practices adopted by the Company.
- Monitoring and reviewing internal audit activities, reports and findings.
- Reviewing the effectiveness of the Company's system of internal financial controls and internal control systems.
- Advising the Board on the Company's risk strategy, risk policies and current and emerging risk exposures, including the oversight of the overall risk management framework and systems.
- Assessing the adequacy and security of the Company's arrangements for its employees and contractors to raise concerns, in confidence, about possible wrongdoing in financial reporting or other matters and to ensure proportionate and independent investigation of such matters.
- Making recommendations to the Board as it deems appropriate on any area within its remit where action or improvement is required.
- Providing advice on whether the Annual Report and Accounts, taken as a whole, is fair, balanced and understandable.
- Reporting to the Board on how it has discharged its responsibilities.
- Developing and implementing policy on the engagement of the external auditor to supply non-audit services.

Meetings

During the year, the Committee met four times and met privately with the external auditor twice. The Committee operates to a forward agenda linked to the financial calendar which ensures that the responsibilities and duties of the Committee are discharged in accordance with the Terms of Reference and the requirements of the UK Corporate Governance Code.

In addition to the Committee members, by invitation, the meetings of the Committee may be attended by the CFO. The Chairman of the Board, CEO and COO may also attend meetings. The Company's external auditor and the internal audit services provider are also present at all Committee meetings, to ensure full communication of matters as they relate to their respective responsibilities. At the end of each Committee meeting, Committee members have the opportunity to meet with the external auditor (and, where appropriate, the internal auditor) for a private discussion regarding the audit process and relationship with management.

The Chair of the Committee holds regular meetings with the external auditor, which means that the auditor has an opportunity to discuss matters with the Committee without management being present. In addition, the external auditor and internal auditor also meet with the CFO (who has responsibility and custody of the internal audit function).

Meetings of the Committee are scheduled close to the end of the half and full year, as well as before the publication of the associated half-year and full-year financial reports, so as to ensure the Committee is informed fully, on a timely basis, on areas of significant risks and judgement. The Board has confirmed that it is satisfied that Committee members possess an appropriate level of independence and depth of financial and commercial expertise. For the year ended 31 December 2025, Steve Breach, the Chair of the Committee, was determined by the Board as having recent and relevant financial experience.

The Committee is satisfied that it receives sufficient information and has access to relevant and timely personnel to allow the Committee members to engage in an informed debate during Committee meetings and to fulfil its responsibilities.

Significant financial reporting judgements

As part of its monitoring of the integrity of the financial statements, the Committee reviews whether suitable accounting policies have been adopted and whether management has made appropriate estimates and judgements – the Committee seeks support from the external auditor to assess these. The Committee considered the following significant judgements, and other areas of audit focus, in respect of the financial statements for the six months ended 30 June 2025 and year ended 31 December 2025.

Audit and Risk Committee Report *continued*

These areas have been identified as being significant by virtue of their materiality or being accounting items which are new for the current financial year or the level of judgement and/or estimation involved. In order to ensure the approaches taken were appropriate, the Committee considered reports from both management and the external auditor. The Committee challenged judgements and sought clarification where necessary. The Committee received a report from the external auditor on the work it had performed to arrive at its conclusions and discussed in detail all material findings contained within the report.

Area of focus	Assessment	Review of the Committee	Conclusion/Action taken
Revenue recognition	<p>The Group's operations include complex software implementation programmes and service activities. The delivery of these contracts typically extends over more than one reporting period, and often the original project plans are amended as the implementation programme progresses. Contract modifications also occur from time to time.</p> <p>In recognising customised licence revenue, management must apply a number of judgements to allocate the overall transaction price across the multiple performance obligations that have been identified within these projects. Estimates are applied in this assessment, for example when assessing the standalone selling price.</p> <p>Judgements are also made when the Group enters into new contracts with existing customers or when there are changes to existing contracts with customers, such as the addition of new customer-specific contractual terms.</p>	<p>In advance of the half-year and full-year results, the Committee received reports from management that outlined the key judgements that were likely to be required to be included in the results. These reports were reviewed and the key points within them were discussed, with the external auditor commenting where relevant.</p> <p>As part of the process for approving the half-year and full-year results, management finalised and issued updated reports to the Committee, with final management positions clearly documented. These were considered carefully by the Committee in conjunction with input from the external auditor.</p>	<p>The Committee agreed with the revenue judgements adopted by management.</p>
Development costs	<p>The Group continues to invest in the development of the Alfa Systems product. Some of the development effort is undertaken in partnership with customers and therefore is specific to that implementation or customer's process.</p> <p>Judgement is required to assess whether any development is substantially new in either design or functionality, and whether it would be commercially viable in the open market. Therefore, management assesses the likelihood of capitalisation of such costs prior to initiation of the investment project and also performs regular assessments of the development work that has been undertaken to determine if it meets the criteria set out in IAS 38 for capitalisation. Management's review also covers amortisation and impairment considerations.</p>	<p>The Committee reviewed reports from management detailing the costs that had been identified as appropriate for capitalisation. These were considered carefully by the Committee, in conjunction with input from the external auditor.</p>	<p>The Committee concurred with management's approach on the amounts to be capitalised in both the half-year and full-year results.</p>

Audit and Risk Committee Report *continued*

Area of focus	Assessment	Review of the Committee	Conclusion/Action taken
<p>Going concern and viability statement</p>	<p>The Directors must satisfy themselves regarding the Group's long-term viability and confirm that they have a reasonable expectation that the Group will continue to operate and meet its liabilities as they fall due for the foreseeable future.</p>	<p>The Committee reviewed management's budget and forecasts, including an overview of the assumptions made in the preparation of the base case supporting the going concern and viability statement. This included the Group's 2026 budget and the plans for 2027 and 2028.</p> <p>The Committee discussed and challenged the budget and forecasts before agreeing with the reasonableness of the three-year period.</p> <p>The Committee assessed this in light of the principal risks and uncertainties as disclosed on pages 37 to 44 in the Strategic report.</p> <p>The Committee discussed and challenged the downside scenarios modelled as part of the viability statement as disclosed on pages 52 to 53 in the Strategic report, the funding headroom available, the feasibility of mitigating actions, the dividend policy and the speed of implementation of any cost-saving measures following future management decision making.</p> <p>The Committee noted the 2024 Code requirement for the Directors to state whether they consider it appropriate to adopt the going concern basis of accounting for a period of at least 12 months from the date of approval of the 2025 financial statements.</p>	<p>Following this evaluation and analysis, the Committee was satisfied with the judgements made and that the continued use of the going concern basis was appropriate, and the viability statement was prepared appropriately.</p>

Audit and Risk Committee Report *continued*

Fair, balanced and understandable

The Committee has undertaken a careful review to ensure that the Annual Report is 'fair, balanced and understandable' and provides the necessary information for shareholders to assess the Company's consolidated position, performance, business model and strategy, in line with the requirements of the 2024 Code.

The Committee members were consulted at various stages during the drafting process and provided input at the planning stage, as well as having the opportunity to review the Annual Report as a whole and discuss, prior to the March 2026 Committee meeting, any areas requiring additional clarity or better balance in the messaging. In forming its opinion and recommendation to the Board in respect of the above matters, the Committee assessed the following:

- A qualitative review of disclosures and a review of internal consistency throughout the Annual Report and Accounts;
- A review by the Committee of all material matters, as reported elsewhere in this Annual Report and Accounts;
- Disclosures made in accordance with the Task Force on Climate-related Financial Disclosures (TCFD) and UK Climate-related Financial Disclosure (CFD) regulations;
- A risk comparison review, which assesses the consistency of the presentation of risks and significant judgements throughout the main areas of risk disclosure in this Annual Report and Accounts;

- A review of the balance of good and bad news; and
- Ensuring it correctly reflects:
 - The Company's position and performance as described on pages 116 to 154;
 - The Company's business model, as described on page 4; and
 - The Company's strategy, as described on pages 13 to 17.

On the basis of this work, together with the views expressed by the external auditor, the Committee recommended, and in turn the Board confirmed, that it could make the required statement that the Annual Report is 'fair, balanced and understandable'.

Risk management

The Board has overall responsibility for determining the nature and extent of its principal and emerging risks and the extent of Alfa's risk appetite, and for monitoring and reviewing the effectiveness of the Company's systems of risk management and internal control. Further details of the risk management objectives and process are on pages 34 to 37. The principal risks and uncertainties facing the Company are addressed in the Strategic report on pages 37 to 44. The Board has delegated to the Committee the responsibility for monitoring the effectiveness of the systems of risk management.

Internal control

The Board determines the objectives and broad policies of the Company and meets regularly, when a set schedule of matters which are required to be brought to it for decision is discussed. Overall management of the Company's risk appetite, its tolerance to risk and discussion of key aspects of execution of the Company's strategy remain the responsibility of the Board. The Board has delegated to the Audit and Risk Committee the responsibility for overseeing the system of internal controls to ensure these are appropriate to the business environments in which the Company operates.

Key elements of this system include the following:

- A clearly defined organisation structure for monitoring the conduct and operations of the business;
- Clear delegation of authority throughout the Company, starting with the matters reserved for the Board;
- A formal process for ensuring that key risks affecting operations across the Company are identified and assessed on a regular basis, together with the controls in place to mitigate those risks. Risk consideration is embedded in decision-making processes at all levels and the most significant risks are periodically reviewed by the Board. The risk process is reviewed by the Audit and Risk Committee;
- The preparation and review of the annual budget;

- The monthly reporting of actual results and their review against the budget, forecasts and the previous year, with explanations obtained for all significant variances;
- Controls in respect of financial reporting and the production of the consolidated financial statements are well established. Group accounting policies are consistently applied, and review and reconciliation controls operate effectively; and
- The Finance Manual which outlines key control procedures and policies to apply throughout the Company and Group. This includes clearly defined policies and escalating authorisation levels for all procurement activity including capital expenditure and investment.

During 2025, the Board, through the Committee, has continued to monitor the Company's risk management and internal control, and it has also reviewed their effectiveness. Throughout 2025, Alfa's financial, operational and compliance controls continued to operate as intended.

Throughout the year, the Board exercised oversight of management's programme to enhance financial and operational controls in accordance with the upcoming Provision 29 requirements, ensuring that resourcing, scope and timetable remained appropriate. An update on progress towards meeting Provision 29 requirements is set out on page 65.

Audit and Risk Committee Report *continued*

Internal audit

The Audit and Risk Committee supports the Board in fulfilling its responsibilities to review the activities, resources, organisational structure and operational effectiveness of the internal audit activities. Following discussion with the Committee Chair and the CFO, BDO LLP presents its internal audit plan for approval to the Committee at the start of each new financial year and provides an update and further plans at the mid-year stage.

The Committee monitored and reviewed the scope, extent and effectiveness of the internal audit plan in line with the Company's key risks and strategy. Internal audit is a standing agenda item at each Committee meeting and BDO LLP presents an update on audit activities, the progress of the audit plans and the outcomes of all audits with action plans to address any issues. Activities of internal audit during 2025 included the following areas of focus:

- HR changes and payroll
- Recruitment, onboarding and training
- Cybersecurity
- Strategic opportunity data gathering
- Follow-up on prior recommendations

The Committee performed an effectiveness review of internal audit during the year.

As part of this review referenced above, and considering management's opinion, the Committee was satisfied that the internal audit function remains effective and fit for purpose.

External audit

The Committee oversees the Company's relationship with, and the performance of, the external auditor. This includes responsibility for monitoring its independence, objectivity and compliance with ethical and regulatory requirements. The Committee is the primary contact with the external auditor. The Committee also has responsibility for approving the nature of non-audit services which the external auditor may or may not be allowed to provide to the Company and the fees paid for these services (subject to *de minimis* levels).

Independence and performance of the external auditor

The Committee is responsible for reviewing the independence of the Company's external auditor, RSM, agreeing the terms of engagement and the scope of its audit.

RSM has a policy of partner rotation, which complies with regulatory standards, and RSM operates a peer review process for its engagements, to ensure that its independence is maintained. The Committee reviewed a report from the external auditor describing its arrangements to identify, report and manage any conflicts of interest.

Maintaining an independent relationship with the Company's external auditor is a critical part of assessing the effectiveness of the audit process. The Board has approved a policy which is intended to maintain the independence and objectivity of the external auditor. The policy, which was updated in the year, governs the provision of audit, audit-

related services and non-audit services provided by the auditor. Committee approval is required for any service with an expected cost in excess of £10,000. During 2025, the external auditor confirmed to the Committee that it did not provide any non-audit or additional services other than for the half-year review that could lead to its objectivity and independence being compromised on behalf of the Company.

Details of audit, audit-related fees and non-audit fees are included in note 9 to the consolidated financial statements.

The Committee notes that audit partner rotation every five years facilitates independence and objectivity within the External Audit team. The current External Audit Engagement Partner is David Clark, who was appointed to lead the audit in 2025. The Committee is satisfied with the performance and effectiveness of RSM as external auditor, taking into account the Committee's own assessment and feedback. The Committee has concluded that RSM displays the necessary attributes of independence and objectivity.

The Committee confirms its compliance with the provisions of The Statutory Audit Services for Large Companies Market Investigation (Mandatory Use of Competitive Tender Processes and Audit Committee Responsibilities) Order 2014 for the financial year ended 31 December 2025.

Assessment of the audit process

The scope of the external audit is formally documented by the auditor. It discusses the draft plan with management before it is referred to the Committee, which reviews its suitability and holds further discussions with management and the auditor before final approval. The Committee has reviewed the quality of the audit plan and related reports for the 2025 audit and is satisfied with the quality of these documents.

The Committee discussed the quality of the half-year review and audit work since RSM's appointment and considered the performance of the external auditor, taking into account feedback from various stakeholders across the business and the Committee's own assessment. The evaluation focused on: robustness of the audit process; quality of delivery; reporting; and people and services. The Committee reviewed the independence of the external auditor and concluded that it complies with UK regulatory and professional requirements and that its objectivity is not compromised.

The Committee will conduct an audit services tender at least every 10 years to ensure that the independence of the external auditor is safeguarded. Under the audit partner rotation rules, a new External Audit Engagement partner was appointed for the year ended 31 December 2025. Each year we assess the effectiveness of the external auditor and, subject to the Committee continuing to believe that the audit is effective, our intention would be to continue with RSM as external auditor up to and including the audit for the year ending

Audit and Risk Committee Report [continued](#)

31 December 2029. Assuming this is the case then our expectation would be to run a tender process during the calendar year ended 31 December 2029 in order to select a new auditor for the year ended 31 December 2030. When considering the appropriate time to conduct the audit tender, the Committee takes into account the benefit of an incumbent firm with deep knowledge of the Group's operations, the independence and objectivity of the appointed auditor and audit partner, and the results of the audit effectiveness assessment. The Committee currently believes that this approach is in the best interests of the shareholders of Alfa Financial Software Holdings PLC.

Going concern and viability statement

The Committee reviewed the updated wording of the Company's longer-term viability statement, set out on pages 52 to 53. To do this, the Committee ensured that the financial model used was consistent with the approved three-year plan and that scenario and sensitivity testing aligned clearly with the principal risks of the Company. Committee members challenged the underlying assumptions used and reviewed the results of the detailed work performed. The Committee was satisfied that the analysis supporting the viability statement had been prepared on an appropriate basis. The Committee also reviewed the going concern statement, set out on page 23 and confirmed its satisfaction with the testing methodology.

Assessment of the effectiveness of the Committee

No formal Committee effectiveness review was undertaken in 2025. During the year, the Chair undertook ongoing oversight of the Committee's performance and, based on this, considers that the Committee operated effectively. Further information is set out on pages 56 and 68.

Focus for 2026

In 2026, as well as the regular cycle of matters that the Committee schedules for consideration each year, the Committee will continue to monitor legislation and regulatory changes, including those that affect the audit market that may impact the work of the Committee as well as the new Corporate Governance Code. The Committee will also continue with oversight of internal audit activities and findings as well as monitoring the continued progressive enhancements to Alfa's systems and internal controls, including those relating to Provision 29.

Steve Breach

[Chair, Audit and Risk Committee](#)

11 March 2026

Remuneration Committee Report



“Executive Directors’ pay remains aligned with the wider workforce, through the consistent application of pay principles across the Group and an equitable annual pay review process.”

Adrian Chamberlain
Chair, Remuneration Committee

Principal activities for 2025

- Reviewed and approved remuneration for Executive Directors and CLT, including salary, benefits and variable incentives.
- Approved 2024 annual bonus outcomes based on financial and non-financial performance.
- Approved the 2025 LTIP proposal and grant.
- Approved the 2025 annual bonus framework, measures and award opportunities.
- Approved the 2024 Directors’ Remuneration Report, including Gender Pay Gap and CEO pay ratio.
- Oversaw wider workforce remuneration and all-employee share plans.

Meetings held during 2025

	Member since	Meetings attended 2025
Adrian Chamberlain	2020	3/3
Steve Breach	2019	3/3
Charlotte de Metz*	2020	2/3
Reena Raichura	2024	3/3
Chris Sullivan	2019	3/3

* Charlotte de Metz was unable to attend one meeting due to illness.

Committee composition



The full Terms of Reference for the Committee are reviewed annually and can be found at: alfasystems.com/investors/governance.

Dear shareholders,

On behalf of the Remuneration Committee, I am pleased to introduce the Directors’ Remuneration Report for the year ended 31 December 2025.

In this Report, I have set out information on the business context and the wider operating environment, details of executive remuneration outcomes in 2025, the key focus areas for the Committee during 2025, and the intended implementation of the Directors’ Remuneration Policy for 2026.

At the end of 2025, Duncan Magrath, Chief Financial Officer, informed the Board of his intention to retire at the end of 2026. The Committee has agreed the terms of Duncan’s remuneration arrangements, which are detailed in the relevant sections of this Report.

Linking remuneration to performance

The current Directors’ Remuneration Policy was approved at the May 2024 Annual General Meeting with 99.9% support.

Our approach to pay is designed to support the execution of Alfa’s purpose. The performance measures and targets for the variable incentives are directly linked to Alfa’s strategy.

During 2025, Alfa performed strongly both operationally and financially. We continued to exercise disciplined capital management this year, delivering three dividends to shareholders. This reflects the strength of our financial position and our commitment to providing consistent returns, even though we invest in initiatives to drive sustainable, long-term growth.

Further detail on our overall performance during 2025 is set out in the CEO’s review on pages 6 to 9 and the CFO’s Financial review on pages 20 to 23.

Our people

In 2025, the Committee reviewed remuneration and related policies across the broader workforce and confirmed that Executive Directors’ pay remains aligned with the wider workforce. This alignment was maintained through the consistent application of pay principles across the Group and an equitable annual pay review process. Notably, the salary increase for Executive Directors was lower than that of the wider workforce, reinforcing the Group’s commitment to fairness and proportionality in remuneration.

The Committee receives updates on the People strategy, talent and culture management from Vicky Edwards, the Chief People Officer, which provides valuable input for decisions regarding Executive Director remuneration and that of the CLT.

Remuneration Committee Report *continued*

Remuneration outcomes for 2025

Salary

As explained in last year's report, for the year commencing 1 January 2025, the Committee increased Duncan Magrath and Matthew White's salaries by 3.3% and 3.6% respectively, which are well below the employee average salary increases of 8% for 2024. The salaries for the Chairman and CEO were raised to align with the London Living Wage, and they voluntarily waived their right to receive an Annual Bonus or LTIP.

Annual bonus

As a result of Alfa's continued strong performance, the Committee approved an annual bonus outcome of 74.4% and 72.8% for Duncan Magrath and Matthew White respectively for 2025. In reaching this decision, the Committee considered the formulaic outcome against the targets set at the start of the year and the broader underlying performance of the Company. Consistent with the Remuneration Policy, 50% of the bonus earned by Duncan Magrath and Matthew White will be paid in cash, and the remaining 50%, after tax deductions, will be deferred into Alfa shares for three years.

2023 LTIP outturn

The LTIP awards granted on 9 April 2023 were tested to 31 December 2025. The award is equally based on growth in earnings per share (EPS) and total shareholder return (TSR). TSR over the three-year period was 62.8%, placing Alfa just below the upper quartile against its benchmark. The Group's 2025 diluted EPS of 10.14 pence justifies 53.7% vesting of this award component. As a result, a formulaic

assessment indicated that 73.6% of the award will vest in April 2026, subject to a mandatory two-year holding period. We agreed that the vesting outcome for these awards was appropriate and no discretion was needed. Further details on the performance measures, targets and performance results are provided on page 90.

2026 – The year ahead

At the end of 2025, Duncan Magrath notified the Board of his intention to retire from his role as Chief Financial Officer at the end of 2026. Following a thorough recruitment process, the Company was pleased to announce the appointment of Andrew Dickson as his successor, with effect from July 2026.

The Committee carefully considered Duncan Magrath's remuneration arrangements and agreed that he would be treated as a 'good leaver'. Further details of each component of Duncan Magrath's remuneration are set out in the relevant sections of this report. The Committee also determined that Duncan Magrath would not be awarded an LTIP grant in 2026.

The remuneration arrangements for Duncan Magrath and Andrew Dickson will be aligned with the Company's Remuneration Policy and will be disclosed in full in the 2026 Directors' Remuneration Report.

Salary increase

As part of our annual review, the Committee determined that no salary increase would be awarded to the CFO and COO in 2026. This decision reflects the Committee's prudent

approach to remuneration in light of the challenging budget environment and underscores the importance of maintaining fiscal discipline while navigating the Company's financial priorities for the year ahead.

The Chairman and CEO will continue to have their salaries aligned to the London Living Wage and will receive an increase of 6.6%, marginally below the rate announced by the London Living Wage Foundation of 6.9%. Both have also chosen to waive any variable incentive award or pension contribution for 2026. As significant shareholders, they have expressed a clear preference for their remuneration to remain closely aligned with that of other shareholders.

Annual bonus

The Committee reviewed the scheme design, operation and targets for the 2026 annual bonus. It was agreed that there would be no changes for 2026.

2026 LTIP

The Committee reviewed the LTIP opportunity for Matthew White. After a comprehensive benchmarking review, it was decided that his LTIP opportunity would increase from 100% to 150% of salary. The proposed increase aimed to recognise the significant contribution the COO makes to the delivery of the Company's operational and financial performance.

The Committee agreed that the performance conditions for the 2026 LTIP will continue to be based on EPS and TSR, with equal weighting assigned to each.

Remuneration Policy review

The current Directors' Remuneration Policy will expire at the end of its normal three-year term at the 2027 AGM. During 2026, the Committee will undertake a full review of its Remuneration Policy, in advance of putting a new policy to shareholders.

I look forward to engaging with shareholders and their representatives to understand their views on any potential changes in approach.

A full copy of the current Remuneration Policy can be found on our website at www.alfasystems.com/investors and pages 106 to 113 of the 2023 Annual Report.

I will be happy to answer any questions you may have at the upcoming AGM.

Adrian Chamberlain

Chair of the Remuneration Committee

11 March 2026

Remuneration at a glance

Illustrations of potential remuneration outcomes

The following charts illustrate the remuneration that could be received by each of the Executive Directors for varying levels of performance in 2026. The charts are based on the following assumptions:

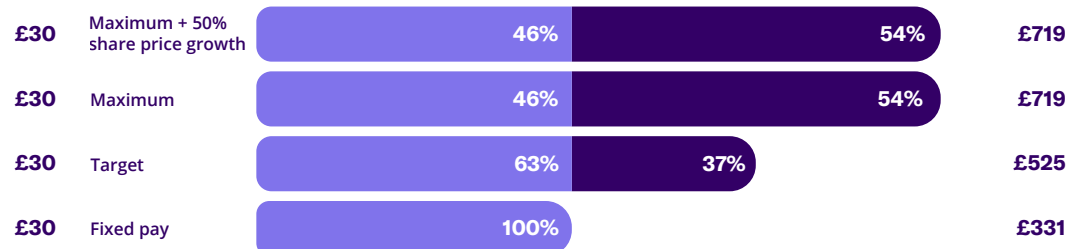
Pay scenario	Purpose and link to strategy
Maximum + 50% share price growth	Assumes 100% payout under the annual bonus Assumes 100% payout under the LTIP plus 50% share price growth
Maximum	Assumes 100% payout under the annual bonus Assumes 100% payout under the LTIP
On-target	Assumes 50% payout under the annual bonus Assumes 25% payout under the LTIP (aligned with threshold performance)
Minimum	Fixed elements of remuneration only – base salary, benefits and pension

2026 single figure outcomes

Andrew Page, Chairman (£'000)



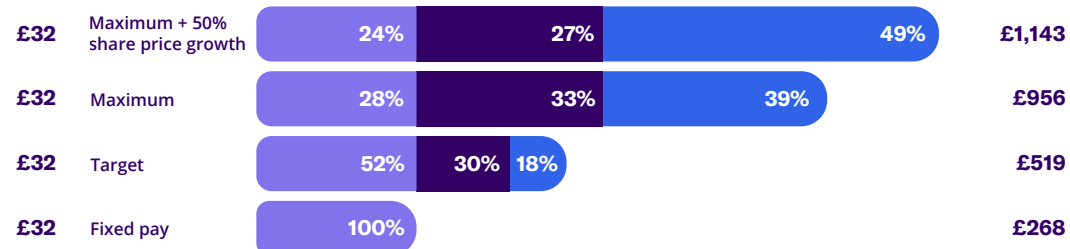
Duncan Magrath, CFO (£'000)



Andrew Denton, CEO (£'000)



Matthew White, COO (£'000)



● Fixed ● Bonus ● LTIP

Remuneration Committee Report

Annual Report on Remuneration

The Annual Report on Remuneration sets out the remuneration earned in 2025 and the proposed remuneration for 2026 and will be subject to an advisory vote at the 2026 AGM. The Remuneration Policy in place for the year was approved by shareholders at the 2024 AGM, and a summary is available on pages 99 to 102.

Single figure total remuneration (audited)

The table below shows the total single figure remuneration for the Executive Directors.

£'000s	Salary		Benefits ¹		Pension ²		Total fixed remuneration		Annual bonus ³		Long-term incentives		Total variable pay		Total figure remuneration	
	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024 ⁵	2025 ⁶	2024	2025	2024	2025
Executive Directors																
Andrew Page ⁴	27	29	1	1	–	–	28	30	–	–	–	–	–	–	28	30
Andrew Denton ⁴	27	29	3	3	–	–	30	32	–	–	–	–	–	–	30	32
Duncan Magrath	300	310	2	3	18	18	320	331	259	288	445	528	704	816	1,024	1,147
Matthew White	241	250	3	3	14	15	259	268	207	228	237	281	444	509	703	777

1. Benefits for Executive Directors corresponds to the taxable value of benefits receivable during the relevant financial year and principally include life assurance, travel insurance and private medical insurance.

2. Pension – Andrew Page and Andrew Denton have opted out of the pension scheme. Duncan Magrath and Matthew White receive a cash payment in lieu of a pension contribution of 6% in line with the wider workforce.

3. Annual bonus corresponds to the amount earned in respect of the relevant financial year. For the CFO and COO, the values disclosed in the table above include the gross value of the amount of bonus deferred into shares.

4. Andrew Page and Andrew Denton salaries are set to align with the London living wage.

5. The value of the 2024 LTIP figure, which relates to the 2022 LTIP has been restated using the share price at the date of vesting.

6. The 2025 figure relates to 73.6% of the 2023 LTIP awards which will vest on 9 April 2026, following the achievement of the TSR and EPS targets for the three-year period ended 31 December 2025. The value of these awards has been calculated using the three-month average share price to 31 December 2025 of 223.6p.

The following sections detail each remuneration element, including assumptions, calculations and explanations of the figures.

Base salary

In setting the base salary, the Remuneration Committee takes into account a range of internal and external factors, including performance progress against the Alfa Strategy, total shareholder returns over the year, wider workforce pay, the increasingly competitive market for talent and relevance to the FTSE 250.

Executive Directors' salary review

The Remuneration Committee conducted a review of the Executive Directors' salaries in December 2025. During this review, both the Chair, Andrew Page, and the CEO, Andrew Denton, indicated their intention to continue receiving only the legal minimum salary requirement. This decision reflects their status as significant shareholders in the Company and their desire to align their future remuneration with those of other shareholders.

In October 2025, the Living Wage Foundation announced an increase in the London Living Wage by 6.9% for 2026, resulting in an annual salary of £30,784 for a 40-hour work week. After consideration, the Committee determined that the salaries for the Chair and CEO would be rounded up to £30,800, representing a 6.6% increase from the previous year.

In December 2025, the Remuneration Committee conducted a comprehensive review of the remuneration packages for both the CFO and COO. During this assessment, the Committee recommended that no salary increases be applied to the CFO and COO for 2026. This decision reflects the Committee's prudent approach to remuneration in light of the challenging budget environment and underscores the importance of maintaining fiscal discipline while navigating the Company's financial priorities for the year ahead.

Remuneration Committee Report *continued*

The table below shows the salaries for the Executive Directors as at 1 January 2026 and the salary increase in comparison to base salary at 1 January 2025:

	Audited		Salary review	
	1 January 2025	Salary % increase	1 January 2026	Salary % increase
Andrew Page	£28,900	5.65%	£30,800	6.6%
Andrew Denton	£28,900	5.65%	£30,800	6.6%
Duncan Magrath	£310,000	3.3%	£310,000	0%
Matthew White	£250,000	3.6%	£250,000	0%

Benefits

Alfa offers a comprehensive range of financial benefits and allowances to its Executive Directors. These include travel insurance, life assurance, private medical insurance and access to the Company loan scheme. Notably, these benefits are extended on the same terms to the wider workforce.

Participation in share schemes

In addition to the above benefits, Executive Directors have the opportunity to participate in Alfa's Sharesave scheme. The Sharesave scheme is available to all employees and is provided on identical terms, reinforcing Alfa's commitment to equitable treatment of its staff.

Benefits for 2026

There are no proposed changes to the benefits provided in 2026. All existing financial benefits, allowances and participation in the share scheme will continue to be offered to Executive Directors and the wider workforce under the same terms.

Pension

Alfa offers employees access to a Self Invested Personal Pension, in which Alfa will match employee contributions up to 6% of salary. The only element of remuneration that is pensionable is basic annual salary. A cash payment in lieu of pension contributions is payable to the CFO and COO, at a rate of 6% of salary as aligned with the broader workforce.

Andrew Page and Andrew Denton have opted out of the pension scheme.

The cash payment in lieu of pension contributions:

	2025	2026
Duncan Magrath	£18,600	£18,600
Matthew White	£15,000	£15,000

Remuneration Committee Report *continued*

Annual bonus

2025 Annual bonus

The 2025 annual bonus performance measures were selected to reflect the Company's annual and long-term objectives and its financial and strategic priorities, as appropriate. Performance targets are intended to be challenging, taking into account a range of reference points, including the Company's budget and third party analyst forecasts, as well as the Group's strategic priorities. Duncan Magrath and Matthew White both participated in the 2025 annual bonus (which combines a cash award and conditional deferred shares award). The Executive Chairman and CEO have waived their entitlement to a bonus for the 2025 performance year.

In respect of the annual bonus, the targets were weighted towards financial metrics, with 75% of the award measured on the revenue and operating profit of the Company. As outlined in the Remuneration Report last year, having reviewed the operation of the cash modifier over the last few years the Committee concluded that this should be removed going forwards as an explicit financial metric.

The non-financial measures for the 2025 bonus consist of three individual elements, one assessing overall employee engagement and the other assessing a number of diversity initiatives, the achievement of which was evaluated on the overall progress at year end, which have a combined weighting of 5% of total bonus opportunity. The remaining 20% is subject to achievement of individual personal objectives. Further details on performance outcomes for the non-financial measures are shown in the second table.

The following table sets out the targets, actual performance against these targets and, accordingly, the applicable payout for the 2025 annual bonus:

2025 Annual bonus outcome

Performance measure	Weighting (based on 100% max)	Threshold performance	50% Target performance required	Maximum performance required	Actual performance	Annual bonus value for threshold and maximum performance (% of max)	Percentage of maximum performance achieved	Duncan Magrath	Matthew White
Maximum opportunity (% salary)								125%	125%
Revenue	37.5%	£124.1m	£126.1m	£132.0m	£126.7m	0%-100%	55.1%	20.7%	20.7%
Operating profit	37.5%	£35.2m	£36.2m	£41.1m	£40.1m	0%-100%	89.9%	33.8%	33.8%
Total financial	75.0%							54.5%	54.5%
Non-financial measures									
Employee engagement	2.5%		80%		80.5%		2.5%	2.5%	2.5%
DEI initiatives	2.5%				80%	0%-100%	2.0%	2.0%	2.0%
Personal performance	20.0%					0%-100%		15.4%	13.8%
Total	100.0%							74.4%	72.8%
Total payable (£)								£288,300	£227,500

Remuneration Committee Report *continued*

Performance against non-financial measures

The 2025 non-financial measures will continue to assess employee engagement, with the second measure assessing Alfa's progress in improving diversity throughout the organisation by reviewing our initiatives to retain, engage and develop our diverse talent, supplemented by key metrics. These two measures have a combined weighting of 5% of the total bonus opportunity.

In 2025, our average engagement rate stood at 80.5%, exceeding the threshold of 80%. This accomplishment reflects our ongoing efforts to create a positive and fulfilling work environment, which serves as a fundamental metric for our Company's sustained success and stability. Together, these metrics highlight our commitment to maintaining a consistent and engaged workforce.

Diversity initiatives

The Committee considered the equity, diversity and inclusion data and analysis presented to it in order to formulate its assessment of performance against the diversity measure for the year. The information demonstrated continued progress across a range of initiatives and metrics. Overall retention remained strong, with female retention marginally exceeding male retention for the first time. Promotion outcomes for 2025 also indicated positive trends, with a higher proportion of women promoted, particularly at junior levels. Retention and promotion data for diverse groups were examined alongside Company-wide averages to ensure any disparities were identified and addressed appropriately. The Company also undertook a detailed mapping of diversity representation and engagement levels across all business areas, providing comprehensive insight to guide future equity, diversity and inclusion priorities.

The Committee reviewed benchmarking on pay equality and regional gender pay gap differences, and noted continued investment in strengthening the talent pipeline. Key initiatives included the expansion of the mentoring programme and targeted support for the professional development of female employees, reflecting the Company's commitment to fostering an inclusive environment in which all colleagues can thrive. Following its review of the information presented, the Committee determined that 80% of the equity, diversity and inclusion measure had been achieved, representing 2% of the overall bonus opportunity.

The Committee considered a performance assessment for the CFO and COO, showing the extent of their achievement against the individual personal strategic and operational measures agreed by the Committee. As with the financial elements of the annual bonus, the Committee was satisfied with the scale of Executive Directors' achievements this year. The personal measures described above are assessed with reference to the following objectives:

	Objective	Commentary on performance achieved	
Duncan Magrath	Investor relations	<ul style="list-style-type: none"> Published ARR and NRR measures Improved understanding of customer lifecycle and impact on subscription revenues Initiated US roadshows 	
	Finance processes and structure	<ul style="list-style-type: none"> Restructured team and recruited replacements for three senior finance leadership changes Improved internal understanding of margins by activity Developed 10 year strategy model 	
	Risk management	<ul style="list-style-type: none"> Reviewed and enhanced risk management processes and preparatory work for implementation of Provision 29 of the Code 	
		Achievement	77%
Matthew White	People	<ul style="list-style-type: none"> Scaled the client-facing team 	
	Product Engineering	<ul style="list-style-type: none"> Delivered software enhancements within expected timescales, to high quality, and within estimate and delivered in excess of budgeted chargeable days from within Product Engineering 	
	Delivery	<ul style="list-style-type: none"> Delivered successful Alfa Systems implementations 	
	Culture	<ul style="list-style-type: none"> Developed our strategy to maintain our desired culture as we grow. Identified initiatives from our Big Company Impact. Small Company Feel activity to ensure deliberate focus on those aspects of our culture that we want to retain and nurture 	

Remuneration Committee Report *continued*

Objective	Commentary on performance achieved
Subscription Revenue	<ul style="list-style-type: none"> Streamlined our process for module launches including sales collateral, pricing and risk assessment. Grew incremental sales through selling our additional modules and subscription services
Market Expansion	<ul style="list-style-type: none"> Built MSP (Minimum Sellable Products) for US Auto Originations, Fleet and Commercial Finance
X-Shoring	<ul style="list-style-type: none"> Delivered our Poland Smart Hub
Achievement	
69%	

Performance against annual bonus targets

Based on the achievements listed above, the Committee agreed that the final vesting under the 2025 bonus would be 74.4% of the maximum for Duncan Magrath and 72.8% of the maximum for Matthew White. In confirming this outcome, the Committee took into consideration the broader financial and operational performance of Alfa during the year, and the strong and effective leadership demonstrated by the Executive Directors. It was determined that no adjustments were required to the formulaic outcome. In accordance with the Remuneration Policy, 50% of these bonus amounts will be paid in cash, with the remaining 50%, after deduction of tax, to be deferred into an award of Alfa shares with a minimum holding period of three years.

Executive	Base salary	Maximum opportunity (% salary)	Financial measures (% of maximum)	ESG measures (% of maximum)	Personal performance (% of maximum)	Performance outcome (% of maximum)	Bonus outcome
Duncan Magrath	£310,000	125%	54.5%	4.5%	15.4%	74.4%	£288,300
Matthew White	£250,000	125%	54.5%	4.5%	13.8%	72.8%	£227,500

2026 Annual bonus

The Chairman and CEO have elected to waive their bonus opportunity. The CFO and COO will be entitled to a maximum annual bonus of 125% of salary for 2025. The following measures have been selected for the 2026 annual bonus performance year:

Measure	Weighting
Operating profit	37.5%
Revenue	37.5%
Personal performance	20%
ESG	5%

The Committee determined that the existing annual bonus measures of revenue, operating profit, ESG measures and personal objectives continue to be appropriate for the business.

Each bonus measure has a target. Failure to meet a minimum percentage of the revenue and operating profit target will result in no bonus being awarded for that element. Achieving maximum target of operating profit and revenue target will result in the maximum bonus being awarded under the formula (subject to the minimum operating profit target being achieved). The ESG measure consists of two individual elements, one will assess the overall employee engagement, and the second will assess a number of diversity initiatives, the achievement of which will be evaluated on the overall progress at the end of the year. The ESG measure will have a combined weighting of 5% of total bonus opportunity.

As described earlier, the final determination is made by the Committee taking all available factors into account. The detailed bonus targets for the coming year are considered to be commercially sensitive. However, the Committee will provide an appropriate explanation of the bonus outcomes in the 2026 Directors' Remuneration Report. In accordance with the Policy, 50% of any bonus earned will be deferred into shares for a three-year holding period.

Remuneration Committee Report *continued*

Long-Term Incentive Plan

Long-Term Incentive Plan – awards vesting in the year

Awards granted to Executive Directors in April 2023 were subject to EPS growth and relative TSR performance over a three-year period ended 31 December 2025.

The EPS targets (applying to 50% of each award) required EPS for the year ending 31 December 2025 of 9.36 pence for 25% of that element to vest, rising to full vesting if EPS for the year ending 31 December 2025 was 11.4 pence or higher. The Group's 2025 EPS outturn of 10.14 pence warrants 53.7% vesting of this element of the award.

The TSR element (applying to 50% of each award) required the Group's three-year TSR performance to rank at median against the constituents of the FTSE Small Cap index (excluding investment trusts and the Company) for 25% of that element to vest, rising to full vesting if Alfa's TSR ranked at or above the upper quartile against the comparator group. Alfa's TSR over the period was 62.8%, which was at the 72nd percentile versus the comparator group. This outcome warrants 93.4% vesting of this element of the award.

The Committee determined, after careful consideration of business performance and the interests of Alfa's stakeholders including shareholders, customers and employees, that the formulaic outcome was appropriate. Consequently, 73.6% of the total award will vest.

Awards are scheduled to vest on 6 April 2026, and both Executive Directors' awards will be subject to a two-year holding period, after deduction of tax with a release date of 6 April 2028. Details of the awards to Executive Directors are set out in the table below:

	No. of shares granted	Proportion of award vesting (% maximum)	No. of shares vesting	Value attributable to share price growth¹	Face value of shares vesting²
Duncan Magrath	320,833	73.6%	235,972	£209,071	£527,633
Matthew White	171,111	73.6%	125,852	£111,505	£281,405

1. The value of the award which is attributable to share price growth. Based on the share price at grant of 135.0 pence.

2. The amounts shown are indicative vesting values based on the average share price for the three-month period to 31 December 2025 of 223.6 pence. The actual value of shares to vest will be the value on 6 April 2026, when the award fully vests.

Remuneration Committee Report *continued*

Long-Term Incentive Plan – awards granted in the year

Share awards were made to the Executive Directors under the LTIP on 14 April 2025 equivalent to 150% of salary for the CFO and 100% of salary for the COO. The Executive Chairman and CEO have waived their entitlement to participate in the 2025 LTIP.

Executive	Date of award	Face value (% of salary)	Number of shares granted	Average share price at grant (pence)	Award value ¹	Vesting at threshold (% of face value)	Performance period
Duncan Magrath	14 April 2025	150%	228,165	203.8	£465,000	25%	1 January 2025 to 31 December 2027
Matthew White	14 April 2025	100%	122,669	203.8	£250,000	25%	1 January 2025 to 31 December 2027

1. This represents the face value of the share awards.

The LTIP awards are subject to two equally weighted performance metrics:

Measure	Description	Weighting	Threshold/target	Maximum target
2025				
Total shareholder return (TSR)	Measured with reference to the FTSE small cap index excluding investment trusts and the Company	50%	Median	Upper quartile
Earnings per share (EPS)	Measured with reference to EPS performance in the year ending December 2027	50%	9.91p	11.71p

Straight-line vesting occurs between threshold and maximum for both TSR and EPS elements of the award.

The three-year period over which performance will be measured begins on 1 January of the year the awards are granted and ends on 31 December of the third year. Any awards vesting for performance will be subject to an additional two-year holding period, during which malus and clawback provisions will continue to apply.

Duncan Magrath will be treated as a 'good leaver' under the LTIP in accordance with the plan rules. His 2025 LTIP award will be time apportioned to 67% and is expected to vest in April 2028, subject to the original performance conditions, measured over the three-year performance period. The award will remain subject to a two-year holding period, during which malus and clawback provisions will continue to apply in accordance with the plan rules.

2026 Long-Term Incentive Plan

For 2026, the Executive Chair and the CEO have elected to waive their LTIP opportunity. In addition, the current CFO, Duncan Magrath will not receive a 2026 LTIP award.

The LTIP opportunity for the COO Officer will be increased from 100% to 150% of salary, reflecting the significant contribution made to the Company's operational and financial performance. Under the Remuneration Policy, 150% of salary represents the maximum LTIP opportunity. Following vesting, awards will be subject to a two-year holding period, after which the entirety of any vested award will be released.

The Committee has approved the use of TSR and EPS as the performance measures for the 2026 LTIP, with equal weighting applied to each. The EPS targets have been set by reference to growth metrics based on the prior year's actual EPS performance.

For the TSR measure, the comparator group comprises the constituents of the FTSE 250, excluding investment trusts. Median performance over the three-year performance period will result in 25% vesting, with 100% vesting for upper-quartile performance. Threshold vesting for both TSR and EPS will be 25% of maximum, with straight-line vesting applying between threshold and maximum for each element.

Remuneration Committee Report *continued*

Measure	Description	Weighting	Threshold/target	Maximum target
2026				
Total shareholder return (TSR)	Measured with reference to the FTSE 250 Cap index excluding investment trusts and the Company	50%	Median	Upper quartile
Earnings per share (EPS)	Measured with reference to EPS performance in the year ending 31 December 2028	50%	11.7p	13.9p

Non-Executive Directors' remuneration

The table below sets out what each Non-Executive Director was paid for the year ended 31 December 2025, relative to the previous financial year. There have been no changes to the Board or its Committees for the year ended 31 December 2025.

£'000s	2024	2025
Steve Breach	65	65
Adrian Chamberlain	65	65
Charlotte de Metz	55	55
Reena Raichura	32	55
Chris Sullivan	65	65

Non-Executive Directors' fees

The Non-Executive Director fees were agreed on appointment. Non-Executive Directors do not participate in any of the Company's share incentive arrangements, nor do they receive any benefits. Fees for Non-Executive Directors are typically reviewed annually and are set by the Chair and the Executive Directors. Following the annual review of Non-Executive Director fees, no changes are proposed for 2026. Peter George, who was appointed as a Non-Executive Director on 1 January 2026, will receive a fee of £55,000.

Fee levels for 2025 and 2026:

£'000	2025	2026
Base fee	55	55
Senior Independent Director*	10	10
Audit and Risk Committee Chair	10	10
Remuneration Committee Chair	10	10

* There is no additional fee payable to the Chair of the Nomination Committee.

Remuneration Committee Report *continued*

Share interest and share awards (audited)

Shareholding requirements and the number of shares held by Directors at 31 December 2024 and at 31 December 2025 are set out in the table below:

	Shares owned outright at 31 December 2024	Sharesave without conditions ²	Interests in share incentive schemes which are performance-tested but unvested ³	Interests in share incentive schemes with performance conditions	Shares owned outright at 31 December 2025	Shareholding requirement (% of requirement achieved) ¹
Andrew Page	153,769,534	-	-	-	153,769,534	achieved
Andrew Denton	7,695,747	-	-	-	7,695,747	achieved
Matthew White	351,301	11,302	125,852	262,796	451,241	achieved
Duncan Magrath	844,012	11,302	235,972	489,576	1,004,431	achieved
Chris Sullivan	251,317	-	-	-	251,317	n/a
Steve Breach	43,983	-	-	-	43,983	n/a
Adrian Chamberlain	14,380	-	-	-	14,380	n/a
Charlotte de Metz	-	-	-	-	-	n/a
Reena Raichura	-	-	-	-	-	n/a

1. Calculated using the share price of 223.6 pence (the three-month average to 31 December 2025).

2. Duncan Magrath and Matthew White elected to join the Alfa 2025 Sharesave share scheme for which an option to acquire 11,302 ordinary shares at an option exercise price of 162.8 pence per ordinary share was granted on 8 May 2025. Subject to certain conditions being satisfied, the entitlement to exercise the Sharesave option arises during the period 1 June 2028 to 31 December 2028.

3. The 2023 LTIP awards (which vest based on performance to 31 December 2025) will vest on the third anniversary of grant on 6 April 2026.

Executive shareholding

Executive Directors are required to build and hold Alfa shares of at least 200% of their annual salary to align with the long-term interests of shareholders, with a requirement to retain 50% of any share awards vesting until the 200% requirement is met.

Remuneration in context

The Committee takes into consideration the reward, incentives and conditions available to colleagues when considering the remuneration of Executive Directors and senior management. Our remuneration principles are consistent for all our employees. The key difference in our executive remuneration, compared to the approach to remuneration across our workforce, is that executive remuneration is heavily weighted towards achieving financial and strategic objectives, with elements deferred to support retention and aligned with share price performance.

Alfa's approach to remuneration

The Committee recognises the importance of understanding workforce pay and conditions when setting executive remuneration, in line with the principles of the Code. During the year, the Committee did not undertake formal consultation with employees or shareholders on executive or wider workforce remuneration. Instead, the Committee considered workforce remuneration outcomes by reviewing pay structures and increases across the Group to ensure an appropriate level of alignment.

Salaries for Executive Directors, senior managers and the wider workforce are determined by reference to the same core factors, including technical expertise, experience and individual performance. Salary increases across these populations are reviewed collectively to ensure they remain broadly aligned and reflective of market practice.

Remuneration Committee Report *continued*

The Committee also took an active role in determining remuneration outcomes for the Corporate Leadership Team (CLT), having regard to pay and reward arrangements across the wider workforce. Further information on key initiatives for our people, and what makes Alfa distinctive as an employer, is set out in the People section on pages 24 and 25. In addition to a competitive base salary, most employees are eligible to participate in a discretionary profit share scheme and benefit from private medical care, a matched-contribution pension and death-in-service life assurance. The CLT and certain other employees are also eligible to participate in long-term incentive arrangements.

Alfa's approach to remuneration

Salary	Set considering market rates, roles, skills, experience and individual performance. Alfa continues to review salaries Company-wide to ensure that we remain a competitive employer within the local market.
Allowances and benefits	Alfa provides a number of financial benefits and allowances, including travel insurance, life assurance, private medical insurance, smart working allowance and Company loan scheme.
Pension	Alfa offers employees access to a Self Invested Personal Pension, in which Alfa will match employee contributions up to 6% of salary.
Annual incentives	Alfa operates a discretionary profit share bonus scheme which reflects the Alfa ethos that we are all striving towards the same goal and share in the profits of the Company.
Long-term incentives	Senior grades participate in a long-term incentive arrangement, with performance shares, recognising the markets in which we compete for talent. At other levels, awards are typically made in restricted shares only.

CEO pay ratio

The table below sets out the CEO pay ratios relative to the pay of employees at the lower quartile, median and upper quartile of the UK employee population, calculated on a full-time equivalent (FTE) basis. The ratios have been calculated in accordance with the Companies (Miscellaneous Reporting) Requirements 2018. CEO pay ratio data will continue to be built upon annually until a rolling ten-year dataset has been established.

The methodology adopted for calculating the pay ratios was 'Option A'. This involved calculating the total FTE pay and benefits for all UK employees included on the 2024 payroll. Employees were then ranked by FTE remuneration, from lowest to highest, in order to identify those positioned at the 25th, 50th (median) and 75th percentile points. The CEO's single total figure of remuneration (STFR) was measured against these percentiles to derive the three pay ratios. Option A was selected as it is considered the most statistically robust method for the purposes of this disclosure. The Company undertakes annual salary reviews and annual reviews of benefits packages, with salary awards determined by reference to the outcomes of industry benchmarking exercises. In line with the relevant guidance, employees who left part way through the year and employees on secondment were excluded from the dataset and analysis.

Pay ratio table

Year	Method	25th percentile (lower quartile)	50th percentile (median)	75th percentile (upper quartile)
2025	A	0.4:1	0.3:1	0.2:1
2024	A	0.5:1	0.3:1	0.3:1
2023	A	0.5:1	0.3:1	0.2:1
2022	A	0.6:1	0.4:1	0.3:1
2021	A	6.1:1	4.0:1	3.2:1
2020	A	5.7:1	4.3:1	3.2:1
2019	A	5.7:1	4.4:1	3.2:1

Remuneration Committee Report *continued*

Year	£'000s	25th percentile	50th percentile	75th percentile
2025	Total remuneration	76.9	106.6	130.8
	Salary only	70.4	91.6	125
2024	Total remuneration	64.7	96.5	119.3
	Salary only	58.4	88.9	104.3
2023	Total remuneration	58.8	88.2	118.2
	Salary only	52.0	80.3	100.7
2022	Total remuneration	51.4	78.2	108.4
	Salary only	47.2	70.0	91.5
2021	Total remuneration	50.9	77.1	96.7
	Salary only	46.8	72.2	86.2
2020	Total remuneration	59.5	78.5	106.7
	Salary only	55.1	73.2	98.1
2019	Total remuneration	59.0	76.2	106.3
	Salary only	57.1	71.2	95.7

This is the seventh financial year in which the Company has reported information on the ratio between the CEO's pay and average employee pay, in accordance with the amendments to the Companies (Miscellaneous Reporting) Regulations 2018. The pay ratio has decreased significantly, reflecting the CEO's decision to reduce his salary to the minimum level with effect from December 2021. As a result, the CEO's single total figure of remuneration (STFR) for 2022-2025 is lower than in previous years. In addition, the CEO has waived his entitlement to any bonuses and long-term incentive plan (LTIP) awards; accordingly, the value of any employee equivalents has been excluded from the employee remuneration figures used in the calculation. Total remuneration includes benefits receivable during the relevant financial year, principally life assurance, travel insurance and private medical insurance.

Relative importance of spend on pay

The table below illustrates Alfa's returns to shareholders by way of dividends and share buy-backs in relation to spend on pay for all employees for the period and last financial year.

	2025	2024	Change
Total personnel costs (£m) (note 7 to the consolidated financial statements)	62.2	53.4	16.5%
Average number of employees (note 7 to the consolidated financial statements)	516	485	6.4%
Returns to shareholders (£m) (see note 31 for total dividends)	26.0	22.1	17.6%
Returns to shareholders (£m) (see note 27 for value of shares purchased during the year)	0.9	0.7	28.6%

Remuneration Committee Report *continued*

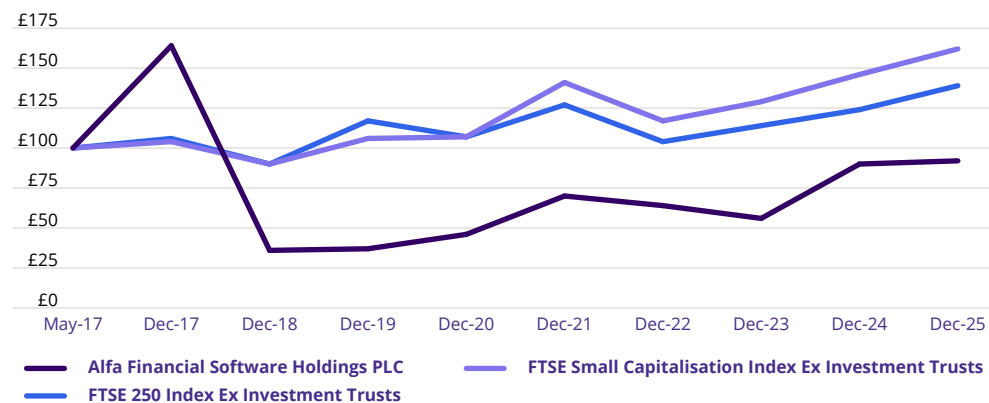
Total shareholder return (for the period from 25 May 2017 to 31 December 2025)

The graph below shows Alfa's TSR performance from Admission in May 2017 to 31 December 2025 against the TSR performance of the FTSE SmallCap index and FTSE 250 index (excluding investment trusts).

The second graph shows the rebased TSR performance from 1 January 2023 to 31 December 2025. The graphs show the total shareholder return generated by both the movement in share value and the reinvestment over the same period of dividend income. These graphs have been calculated in accordance with the Directors' Remuneration Reporting Regulations.

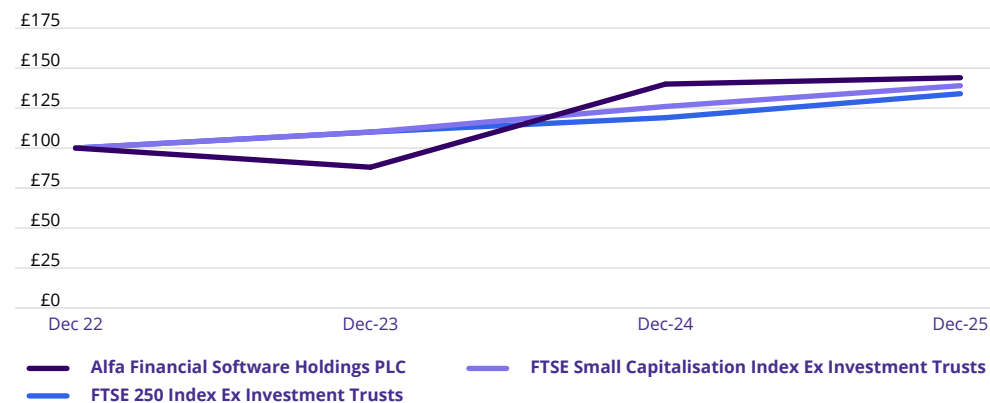
Total Shareholder Return (for the period from 25 May 2017 to 31 December 2025)

Value (£) (rebased)



Total Shareholder Return (for the period from 1 January 2023 to 31 December 2025)*

Value (£) (rebased)



* The starting point is based on the value on 31 December and not a three month average.

Remuneration Committee Report *continued*

Total CEO single figure of remuneration and variable pay outcome

The table below shows the CEO single figure of total remuneration during financial years from 2017 to 2025.

	CEO single figure of remuneration	Annual bonus pay-out (as a % of maximum opportunity) ¹	LTIP vesting (as a % of maximum opportunity) ²
2025	£31,524	n/a	n/a
2024	£29,996	n/a	n/a
2023	£27,814	n/a	n/a
2022	£26,998	n/a	n/a
2021 ³	£310,236	n/a	n/a
2020	£337,174	n/a	n/a
2019	£338,129	n/a	n/a
2018	£337,944	n/a	n/a
2017	£349,478	n/a	n/a

1. The CEO waived any eligibility for a bonus from 2017 to 2025.

2. The CEO waived any eligibility to participate in the long-term incentive awards in respect of the 2017 to 2025 performance years.

3. The CEO agreed to a reduction in salary effective 1 December 2021.

Other information

External appointments

Executive Directors are allowed to accept one appointment outside the Company, with the prior approval of the Board. Any fees may be retained by the Director, although this is at the discretion of the Board. During 2025 and up to the date of this report, none of the Executive Directors who held office during the year under review held external appointments for which they received a fee.

Payments for loss of office and payments to past Directors

There were no payments for loss of office or to former Directors during the year.

Advice to the Remuneration Committee

During the year, the Remuneration Committee and the Company retained an independent external advisor to assist on various aspects of the Company's remuneration and share schemes. The Company has continued to retain the services of Ellason LLP as external advisors to the Committee for executive remuneration advice and updates on market practice. Ellason's fees for 2025 were £22,800 (2024: £16,680). Ellason does not provide any other services to the Group or any of the Directors, and the Committee is satisfied that it remains independent. Ellason is a member and signatory to the Remuneration Consultants Group's Code of Conduct, which requires that its advice be objective and impartial, and does not have any other connection with the Company or its Executive Directors.

Remuneration Committee Report [continued](#)

Remuneration Committee membership

All current members of the Committee are deemed to be independent. Accordingly, the Committee continues to comply with the independence requirements set out in the Code. During 2025, there were three formal meetings of the Remuneration Committee. The attendance is noted at the beginning of the Remuneration Committee Report. The responsibilities of the Committee are set out in the Corporate governance section on page 61.

The Executive Directors and the CPO may be invited to attend meetings to assist the Committee in its deliberations, as appropriate. No person is present during any discussion relating to their own remuneration or is involved in deciding their own remuneration.

Shareholder voting in 2025

The 2024 Directors' Remuneration Report was approved by shareholders at the 2025 AGM. The Directors' Remuneration Policy was approved by shareholders at the 2024 AGM. The votes cast were as follows:

	For	Against	Votes withheld
Directors' Remuneration Report (FY2024)	99.53%	0.47%	0
Directors' Remuneration Policy	99.98%	0.02%	0

Consideration of shareholder views

As ever, the Committee welcomes any enquiries or feedback shareholders may have on the Policy or any aspect of the work of the Committee.

Adrian Chamberlain

Chair, Remuneration Committee

11 March 2026

Remuneration Committee Report *continued*

Directors' Remuneration Policy – a summary

Introduction

The Alfa Directors' Remuneration Policy (the 'Policy') was approved with over 99% of shareholders' support at the AGM held on 1 May 2024. It is intended that the Policy will apply for a period of up to three years and will need to be reapproved at the 2027 AGM at the latest. The full Policy was published in the 2023 Annual Report.

Fixed elements of remuneration for Executive Directors

Salary

Purpose and link to strategy

To attract, retain and motivate Executive Directors of the calibre required to deliver the Company's strategy and drive business performance.

Operation

Base salaries will be reviewed at least annually, and assessed, taking into account the scope and requirements of the role, experience of the incumbent and the total remuneration package. Any increases will typically be effective from 1 January.

Account will also be taken of the performance of the business, the salary increases awarded to the wider employee population and remuneration arrangements in other listed companies of comparable scale and sector.

Maximum opportunity

There is no overall maximum for, or increase to, salary levels. Any increase in Executive Director salaries will generally be no higher in percentage terms than that for the broader employee population. In appropriate circumstances, the Committee may award increases outside this range.

These may include:

- A change in role and/or responsibilities;
- Performance and/or development in the role of the Executive Director; and
- A significant change in the Company's size, composition and/or complexity.

In addition, where an Executive Director has been appointed to the Board at a starting salary which is lower than the typical market rate, larger increases may be awarded as their experience develops, if the Committee considers such increases to be appropriate.

Performance

Personal performance will be taken into consideration when determining any salary increases.

Benefits

Purpose and link to strategy

To provide market competitive benefits which help to recruit and retain high-calibre Executive Directors.

Operation

The Committee's policy is to provide Executive Directors with competitive levels of benefits, taking into consideration the benefits provided to Alfa's employees and those offered by its peers. Benefits are in line with those for the broader workforce and currently include (but are not limited to) private medical insurance for individual and family, (if applicable); and death-in service life assurance. The Company may award additional benefits where the Committee considers it appropriate (e.g. travel, accommodation and subsistence allowances). These may include national and international relocation benefits such as (but not limited to) accommodation, family relocation support and travel in line with our policy for other employees in similar situations.

Maximum opportunity

Given that the cost of benefits depends on the Executive Director's individual circumstances, there is no prescribed maximum monetary value.

The cost of the benefits provision will be reviewed by the Committee on a periodic basis to ensure it remains appropriate.

Other payments such as legal fees or outplacement costs may be paid if it is considered appropriate.

Performance

There are no performance conditions.

Remuneration Committee Report [continued](#)

Directors' Remuneration Policy [continued](#)

Pension	
Purpose and link to strategy	To encourage and assist with responsible, secure retirement provisions, thereby facilitating the recruitment of high-calibre Executive Directors to deliver the Company's strategy.
Operation	May be provided by way of contribution into a Company pension scheme or a cash supplement in lieu of pension contributions into this scheme (or such other arrangement the Committee determines has the same economic effect).
Maximum opportunity	The maximum Company contribution for Executive Directors will not exceed the contribution (as a percentage of salary) available to the broader employee population (currently 6% of salary).
Performance	There are no performance conditions.

Variable elements of remuneration for Executive Directors

Annual bonus and Deferred Bonus Share Plan (DBSP)

Purpose and link to strategy	<p>Incentivises and rewards the achievement of annual financial and non-financial objectives integral to the Company's strategy.</p> <p>The part deferral of earned bonus into shares provides alignment with shareholders' long-term interests.</p>
Operation	<p>The Committee will set the performance measures, their weighting and targets annually to reflect the key financial and non-financial priorities for the business in the relevant year.</p> <p>Annual bonus outcomes will be determined by the Committee, and the Committee may use its discretion at the end of the performance period to adjust the final bonus outcome if it considers that the outcome does not reflect the underlying performance of the business during the year, or if it considers the payment is not appropriate in the context of unforeseen, unexpected or exceptional circumstances.</p> <p>Where exercised, the rationale for this discretion will be fully disclosed to shareholders in the relevant Annual Report.</p> <p>Not less than 50% of any bonus will normally be satisfied by way of an award of shares under the DBSP.</p> <p>Deferred shares will be subject to a three-year holding period from the date of the award, but no further performance conditions will apply. Directors may sell sufficient shares to satisfy the respective tax liability but must retain the net number of shares until the end of this three-year period.</p> <p>Malus and clawback provisions will apply (see explanatory notes in full policy).</p>
Maximum opportunity	<p>The maximum bonus opportunity may be up to 150% of salary for the Executive Directors for each financial year. On-target performance will typically pay out up to 50% of the maximum opportunity.</p> <p>Full details on the annual bonus for Executive Directors will be set out in the Annual Report on Remuneration in respect of the relevant year.</p>
Performance	<p>Performance measures will comprise a combination of financial and non-financial objectives, and the measures may vary from year to year. At least half of the annual bonus will be based on financial measures. The non-financial performance measures may include a combination of strategic and/or personal objectives.</p> <p>Further details on, and the rationale for, the measures used in the annual bonus will be disclosed in the relevant Annual Report (and the targets set will normally be disclosed retrospectively, subject to these being considered not to be commercially sensitive).</p>

Remuneration Committee Report [continued](#)

Directors' Remuneration Policy [continued](#)

Long-Term Incentive Plan (LTIP)

Purpose and link to strategy

Incentivises and rewards the achievement of the Company's long-term strategic objectives for the business, through the use of share-based awards. Encourages long-term shareholdings to retain Executive Directors and provide alignment with shareholders' interests.

Operation

Awards granted under the LTIP vest subject to the achievement of applicable performance conditions measured over at least a three-year period. LTIPs may be made as conditional share awards or in other forms (e.g. nil-cost options) if it is considered appropriate.

The Committee may use its discretion at the end of the performance period to adjust the final vesting outcomes if it considers that the formulaic outcome does not reflect the underlying performance of the business during the performance period, or if it considers the payment is not appropriate in the context of unforeseen, unexpected or exceptional circumstances. Where exercised, the rationale for this discretion will be fully disclosed to shareholders in the relevant Annual Report.

Awards that vest are subject to a further two-year holding period after the vesting date. Directors may sell sufficient shares to satisfy the respective tax liability but must retain the net number of shares until the end of this two-year period.

The Committee retains the discretion to allow dividends to accrue over the vesting period in respect of any awards that vest (see explanatory notes in full policy).

Maximum opportunity

The maximum value of shares (at grant) which can be made under an award to an individual in respect of a financial year is 150% of salary.

Performance

Performance measures will be determined by the Committee at the time of making each award to ensure alignment with the long-term success of the business.

The performance conditions may include, but are not limited to, market measures, financial measures and strategic long-term objectives.

For performance between threshold and maximum, awards vest on a straight-line basis. 100% of an award will vest for maximum performance and typically 25% will vest at threshold.

All-employee share plans

Purpose and link to strategy

All-employee share plans are designed to encourage share ownership across the wider workforce.

Operation

Executive Directors are eligible to participate in any all-employee share plan, on identical terms to other participants. In the case of UK tax qualifying plans, these will be operated in line with HMRC guidance.

Maximum opportunity

Participation in any approved all-employee share plans will be subject to the same limits as for other eligible employees and, in the case of any UK tax qualifying plan, will be subject to the maximum limits permitted by the relevant tax legislation.

Performance

The Committee may apply conditions to participation in all-employee share plans, which will apply to all employees.

Shareholding requirement

Purpose and link to strategy

To drive long-term, sustainable decision-making for the benefit of the Company and our shareholders.

Operation

The Executive Directors are required to build up a shareholding equivalent to 200% of salary to align with the long-term interests of shareholders. Until the requirement is met, 50% of any share awards vesting (after any sales to cover tax liabilities) should be retained.

Maximum opportunity

Executive Directors are required to hold shares equivalent to 200% of their salary in value.

Post-employment, Executive Directors will normally be expected to maintain a minimum shareholding of 200% of salary (or actual shareholding if lower) for two years. The Committee retains discretion to waive this guideline if it is not considered to be appropriate in the specific circumstance.

Performance

There are no performance conditions.

Remuneration Committee Report [continued](#)

Directors' Remuneration Policy [continued](#)

Non-Executive Director remuneration

Fees paid to the Non-Executive Directors

Purpose and link to strategy	Fees are set at a level to reflect the amount of time and level of involvement required in order to carry out duties as members of the Board and its Committees, and to attract and retain Non-Executive Directors of the highest calibre with relevant commercial and other experience.
Operation	<p>Fees for Non-Executive Directors will be determined by the Chairman and the Executive Directors.</p> <p>Additional fees are payable for acting as Senior Independent Director, Committee Chairs, or for undertaking other duties. Fee levels will be reviewed (though not necessarily increased) annually and set with reference to the time commitment and responsibility of the position as well as taking into consideration market data for roles in other companies of a similar size and complexity.</p> <p>Benefits appropriate to the role may be provided. The Non-Executive Directors will have the benefit of a qualifying third party indemnity from the Company and appropriate Directors' and Officers' liability insurance. Travel and reasonable expenses incurred (including any tax gross-up) in the course of performing their duties may be paid by the Company or reimbursed.</p>
Maximum opportunity	Details of the current fee levels for the Non-Executive Directors are set out in the Annual Report on Remuneration. There is no prescribed maximum annual increase. Total fees will not exceed the maximum amount provided in the Company's Articles of Association.
Performance	There are no performance conditions.

Discretion, malus and clawback

Our incentive plans provide the Committee with discretion in respect of vesting outcomes that affect the actual level of reward payable to individuals. Such discretion would only be used in exceptional circumstances and, if exercised, the rationale for this discretion will be fully disclosed to shareholders in the relevant Annual Report. Variable pay awards may be subject to adjustment events. At the discretion of the Committee, an award may be adjusted before delivery (malus) or reclaimed after delivery (clawback) if an adjustment event occurs. Malus will apply to awards under the DBSP and the LTIP.

The Committee has the discretion to invoke these provisions in the following circumstances:

- Where there is a material misstatement of any Company financial results;
- Where an error in assessing performance conditions is discovered;
- Where there is misconduct on the part of the individual; and
- Where a material failure of risk management by the Company is identified, or in the event of serious reputational damage to the Company.

The full Policy also includes further information on:

- | | | |
|--|---|--|
| <ul style="list-style-type: none"> • Performance conditions • Shareholding requirement • Recruitment remuneration | <ul style="list-style-type: none"> • Service contracts and appointment letters • Termination of office • Change of control | <ul style="list-style-type: none"> • Shareholders' views • Employment conditions in the Company • External appointments |
|--|---|--|

Directors' report

The Directors of Alfa present their report and the audited financial statements for the year ended 31 December 2025. This report includes information required by the Companies Act 2006 and the UK Financial Conduct Authority's UK Listing Rules (UKLR) and forms part of the management report as required by the Disclosure and Transparency (DTR) Rule 4. Additional information which is incorporated by reference into this Directors' report can be located by reference in the tables below. As permitted by the Companies Act 2006, the Directors' report includes the disclosures in the Strategic report on:

Subject matter	Location in Annual Report (page)
Performance and future development in the business affecting the Group since the financial year	1 to 53
Climate change emission reporting	28 to 33
Long-term viability statement	52 to 53
Stakeholder engagement	45 to 47
Employee engagement and involvement	45
Directors who held office during the year	62

The Group is required to disclose certain information under UKLR 6.6 in the Directors' report or advise where such relevant information is contained. This information can be found in the following sections of the Annual Report and Accounts:

Listing rule requirement	Location in Annual Report (page)
Details of any long-term incentive schemes	90 to 92
Details of waiver of Director emoluments and future emoluments	86, 87, 89 and 91
Shareholder waiver of dividends and future dividends	104
Details of any contract of significance	105
Board statement in respect of the Relationship Agreement with the controlling shareholder	105

Principal activities

The principal activity of the Alfa Group is the provision of software and software-related services to the auto and equipment finance industry. Alfa is a public company limited by shares and is incorporated and domiciled in England. Its shares are listed on the London Stock Exchange. The registered office is Moor Place, 1 Fore Street Avenue, London, EC2Y 9DT, United Kingdom. Alfa's registration number is 10713517. The principal activity of the Company is that of a holding company.

The Company's registrar is Equiniti Limited situated at Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA.

Directors' interests

The Directors' interests in and options over ordinary shares in the Company are shown in the Directors' Remuneration Report on page 93. There has been no change in Directors' interests from the end of the financial year and to the date of this report.

In line with the requirements of the Companies Act, each Director has notified the Company of any situation in which they have, or could have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company (a situational conflict). These were considered and approved by the Board in accordance with the Articles and each Director was informed of the authorisation and any terms on which it was given. All Directors are aware of the need to consult with the Company Secretary should any possible situational conflict arise, so that prior consideration can be given by the Board as to whether or not such conflict will be approved.

Corporate governance statement

The Company's statement on corporate governance can be found on page 56 of the corporate governance report. The report forms part of this Directors' report and is incorporated by cross-reference.

2026 Annual General Meeting

The Company's AGM will be held on Thursday, 30 April 2026 at 3pm at Alfa's head office at Moor Place, 1 Fore Street Avenue, London, EC2Y 9DT. The Notice of Meeting setting out the resolutions to be proposed at the 2026 AGM, together with explanatory notes, will be sent to shareholders as a separate document and made available on the Company's website www.alfasystems.com/en-eu/investors/shareholder-information.

Shareholders' voting rights

All members who hold ordinary shares are entitled to attend and vote at the AGM. On a show of hands at a general meeting, every member present in person shall have one vote and on a poll, every member present in person or by proxy shall have one vote for every ordinary share held. No shareholder holds ordinary shares carrying special rights relating to the control of the Company and the Directors are not aware of any agreements between holders of the Company's shares that may result in restrictions on voting rights.

Amendment of the Articles

The Articles may only be amended by a special resolution of the Company's shareholders in a general meeting.

Financial risk management

The financial risk management objectives and policies of the Group and the Company and the exposure of the Group and the Company to price risk, credit risk, liquidity risk and cash flow risk are disclosed in note 3 to the financial statements.

Directors' report [continued](#)

Diversity data as at 31 December 2025

Our gender identity and ethnicity data is in accordance with UK Listing Rule 6.6.6(9) in the format set out in UKLR 22 Annex 1. Data is collected by self-disclosure directly from the individuals concerned.

Gender identity or sex

	No. of Board members	% of the Board	No. of senior positions on the Board (CEO, CFO, SID and Chair)	No. in CLT ¹	% of CLT
Men	7	78%	4	3	75%
Women	2	22%	–	1	25%
Not specified/prefer not to say	–	–	–	–	–

1. The CLT composition data excludes the three Executive Directors who are part of the CLT.

Ethnic background

	No. of Board members	% of the Board	No. of senior positions on the Board (CEO, CFO, SID and Chair)	No. in CLT ¹	% of CLT
White British or other					
White (including minority-white groups)	8	89%	4	4	100%
Mixed/Multiple Ethnic Groups	–	–	–	–	–
Asian/Asian British	1	11%	–	–	–
Black/African/Caribbean/Black British	–	–	–	–	–
Other ethnic group, including Arab	–	–	–	–	–
Not specified/prefer not to say	–	–	–	–	–

1. The CLT composition data excludes the three Executive Directors who are part of the CLT.

Internal controls

Further details of our internal control framework can be found in the Audit and Risk Committee Report on page 75.

Profits and dividends

The consolidated profit after tax for the year ended 31 December 2025 was £30.1m (2024: £25.6m). The results are discussed in greater detail in the Financial review on pages 20 to 23. Information on dividends is shown in note 30 of the financial statements and is incorporated into this report by reference. Subject to approval at the AGM on 30 April 2026, a 2025 final dividend of 1.5 pence per share will be paid on 26 June 2026 to holders on the register on 29 May 2026. The ordinary shares will be quoted ex-dividend on 28 May 2026.

In addition, the Board has decided to declare a special dividend of 3.1 pence per share, with an ex-dividend date of 30 April 2026, a record date of 1 May 2026 and a payment date of 29 May 2026. This follows the payment of two special dividends of 2.4 pence and 5.0 pence on 30 May 2025 and 7 November 2025 respectively.

Interest capitalised in the period

No interest has been capitalised by Alfa in the year ended 31 December 2025 or at 31 December 2024.

Directors' insurance and indemnities

Each Director of the Company has the benefit of a qualifying indemnity, as defined by section 236 of the Companies Act, and as permitted by the Articles, as well as Directors' and Officers' liability insurance.

Shares held in the Employee

Benefit Trust

During the year, the trustees of the Employee Benefit Trust, which operates in connection with the Company's share plans, waived its rights to receive dividends on any shares held by it. Details of the trust can be found in note 27 of the financial statements.

Share capital

The Company's ordinary shares are listed on the London Stock Exchange. The authorised share capital of the Company as at 31 December 2025 was made up of 300,000,000 ordinary shares of 0.1 pence each, of which it held 3,369,802 shares in Treasury. Further information regarding the Company's issued share capital can be found in note 25 of the Company financial statements on page 142.

Restrictions on transfer of ordinary shares

The Articles do not contain any restrictions on the transfer of ordinary shares in the Company other than the usual restrictions applicable where any amount is unpaid on a share. All issued share capital of the Company at the date of this Annual Report is fully paid. Certain restrictions are also imposed by laws and regulations (such as insider trading and market abuse requirements relating to close periods) and requirements of the Listing Rules whereby Directors and certain employees of the Company require Board approval to deal in the Company's securities.

Directors' report [continued](#)

Authority to purchase own shares

Subject to authorisation by shareholder resolution, the Company may purchase its own shares in accordance with the Companies Act 2006. Any shares bought back may be held as treasury shares or cancelled immediately on completion of the purchase. At the 2025 AGM, the Company was generally and unconditionally authorised by its shareholders to purchase in the market up to 10% of the ordinary shares of the Company (29,534,394 ordinary shares). This authority is renewable annually, and a special resolution will be proposed at the 2026 AGM to request shareholders to renew it.

Transactions with related parties

There is an existing material relationship with the controlling shareholder, a related party, which is governed by a Relationship Agreement.

The relationship between the Company and the controlling shareholder of the Company (the 'Controlling Shareholder'), CHP Software and Consulting Holdings Limited, is governed by a Relationship Agreement (dated 26 May 2017, as amended by deeds of adherence dated 10 January 2024 and 15 January 2024).

Subject to a certain minimum shareholding, the Relationship Agreement details the rights the Controlling Shareholder has to representation on the Board and Nomination Committee and to appoint observers to the Nomination Committee (if not represented on the Committee). The Controlling Shareholder also undertakes not to operate, establish, own or acquire a competing business during the terms of the agreement.

Any transactions between Alfa and the Controlling Shareholder will be at arm's length and on normal commercial terms.

In accordance with the requirements of UKLR, the Board confirms that the Company has complied with its obligations under the Relationship Agreement, including in respect of the independence provisions and, so far as the Company is aware, the Controlling Shareholder has complied with the provisions of the Relationship Agreement (including the independence and non-compete provisions set out therein), at all times since the Agreement was entered into. Other related party transactions are detailed in note 31.3 to the consolidated financial statements. There are no further transactions with related parties.

Compensation for loss of office and change of control

There are no agreements between the Company and its Directors or Alfa team members providing for additional compensation for loss of office or employment (whether through resignation, redundancy or otherwise) that occurs because of a takeover bid. The only significant agreement, to which the Company is a party that takes effect, alters or terminates upon a change of control of the Company following a takeover bid, and the effect thereof, is the Relationship Agreement.

The Relationship Agreement with the Controlling Shareholder contains a provision under which it will terminate upon the earlier of: (i) the Controlling Shareholder and its associates ceasing to have the entitlement to exercise or control the exercise of 10% or more of the voting

rights in the Company; or (ii) the Company's ordinary shares ceasing to be admitted to the listing on the Official List of the FCA.

Appointment and retirement of a Director

The Articles of Association of the Company set out the rules governing the appointment and removal of a Director. The Articles of Association may be amended by a special resolution of the shareholders.

CHP Software and Consulting Holdings Limited, has the right to appoint one Non-Executive Director to the Board for so long as the Controlling Shareholder holds 10% or more but less than 20% of the voting rights in respect of the Company's shares.

If none of the Controlling Shareholders are members of the Nomination Committee, the Controlling Shareholder can appoint an observer to the Nomination Committee. Andrew Page is designated as the first appointed Director of the Controlling Shareholder. Andrew Denton has not been appointed as a designated Director by the Controlling Shareholder. It has been agreed that for as long as the Controlling Shareholder has the right to appoint two Directors to the Board, and whilst Andrew Denton is a Director of the Company, the Controlling Shareholder will not exercise its right to appoint a second Director to the Board.

In accordance with the recommendations of the 2024 Code, all Directors will stand for re-election at the 2026 AGM.

Powers of the Directors

Specific powers relating to the allotment and issuance of ordinary shares and the ability of the Company to purchase its own securities are also included within the Articles and such authorities are submitted for approval by the shareholders at the AGM each year.

The Directors have the authority to allot shares or grant rights to subscribe for or to convert any security into shares in the Company. Further details of the proposed authorities are set out in the notice of the AGM.

The Board of Directors

The names and full biography of the current Directors are provided on pages 58 to 59. There were no changes to the Board during 2025. On 1 January 2026, Peter George was appointed to the Board of Directors, his biography is set out on page 59.

Streamlined Energy and Carbon Reporting (SECR)

A breakdown of our greenhouse gas (GHG) emissions in accordance with our regulatory obligation to report GHG emissions pursuant to section 7 of the Companies Act 2006 (Strategic report and Directors' report) Regulations 2013, can be found on pages 28 and 29.

Disability

The Group gives full and fair consideration to applications from disabled persons based on their aptitudes and abilities and seeks, where practicable, to retain, train and support the career development of employees who are or become disabled.

Directors' report [continued](#)

Political donations

The Group made no political donations and incurred no political expenditure during the year (2024: £nil). The Company's policy remains not to make political donations nor incur political expenditure. At the 2025 AGM, the Directors were generally and unconditionally authorised by the Company's shareholders to make limited political donations of up to £50,000, in order to protect against any inadvertent breaches of the relevant provisions of the Companies Act 2006 which are very broad in nature. The Board has no intention of using this authority.

Research and development

The Group continued to invest in research and development during the year, focused on enhancing its products and services to meet customer and market requirements. Research and development costs expensed are disclosed in note 6, with capitalised amounts included within Other intangible assets in note 15 of the consolidated financial statements.

Subsidiaries

The Group has subsidiaries in the USA, Germany, Australia and New Zealand. Further details of these can be found in note 31.2 to the Financial Statements on page 146.

Significant shareholdings

As at 31 December 2025 and 28 February 2026 (being the latest practicable date of this report), the Company had been notified, in accordance with chapter 5 of the Disclosure Guidance and Transparency Rules, of the following voting rights as a shareholder of the Company:

Name of shareholder	No. of ordinary shares at 31 December 2025	% of total voting rights at 31 December 2025	No. of ordinary shares at 28 February 2026	% of total voting rights at 28 February 2026	Nature of holding
CHP Software and Consulting Holdings Limited	161,454,782	54.43	161,454,782	54.43	Direct
BlackRock	17,137,624	5.78	17,515,646	5.90	Indirect
Liontrust Asset Management	16,964,659	5.72	16,864,659	5.69	Indirect
aberdeen	14,629,989	4.93	14,500,332	4.89	Indirect

Disclosure of information to the auditor

Each of the Directors of the Company at the date the Directors' report is approved confirms that:

- So far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- Each Director has taken all reasonable steps to ascertain any relevant audit information and to establish that the Group and Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006. RSM UK Audit LLP, the Group's auditor, has indicated its willingness to continue in office and, on the recommendation of the Audit and Risk Committee and in accordance with section 489 of the Companies Act of 2006, a resolution to reappoint it will be put to the 2026 AGM.

Board approval of the Directors' report

The Directors' report was approved by the Board on 11 March 2026 and signed on its behalf by:

Andrew Denton
Chief Executive Officer

Statement of Directors' responsibilities

The Directors are responsible for preparing the Strategic report and the Directors' report, the Directors' Remuneration Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare Group and Company financial statements for each financial year. The Directors have elected under company law and are required under the UK Listing Rules of the Financial Conduct Authority to prepare Group financial statements in accordance with UK-adopted International Accounting Standards. The Directors have elected under company law to prepare the Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

The Group financial statements are required by law and UK-adopted International Accounting Standards to present fairly the financial position and performance of the Group; the Companies Act 2006 provides in relation to such financial statements that references in the relevant part of that Act to financial statements giving a true and fair view are references to their achieving a fair presentation.

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.

In preparing each of the Group and Company financial statements, the Directors are required to:

- a. Select suitable accounting policies and then apply them consistently;
- b. Make judgements and accounting estimates that are reasonable and prudent;
- c. For the Group financial statements, state whether they have been prepared in accordance with UK-adopted International Accounting Standards;
- d. For the Company financial statements, state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the Company financial statements; and
- e. 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 Group's and 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 and the Directors' Remuneration Report comply with 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.

Directors' statement pursuant to the Disclosure and Transparency Rules

Each of the Directors, whose names and functions are listed on pages 58 to 59 confirm that, to the best of each person's knowledge:

- a. The financial statements, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit of the Company and the undertakings included in the consolidation taken as a whole; and

- b. The Strategic report contained in the Annual Report includes a fair review of the development and performance of the business and the position of the Company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Alfa Financial Software Holdings PLC website.

Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The Directors consider the Annual Report and Accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's and the Company's position, performance, business model and strategy.

This responsibility statement was approved by the Board of Directors on 11 March 2026 and is signed on its behalf by:

Andrew Denton
Chief Executive Officer

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Independent auditor's report to the members of Alfa Financial Software Holdings PLC

Opinion

We have audited the financial statements of Alfa Financial Software Holdings PLC (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2025 which comprise Consolidated Statement of Profit or Loss and Comprehensive Income, Consolidated Statement of Financial Position, Consolidated Statement of Changes in Equity, Consolidated Statement of Cash Flows, Company Statement of Financial Position, Company Statement of Changes in Equity and notes to the financial statements, including 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 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (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 at 31 December 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 public interest 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.

Summary of our audit approach

Key audit matters	<p>Group</p> <ul style="list-style-type: none"> • Revenue recognition – Software Engineering and Delivery revenue from implementation projects <p>Parent Company</p> <ul style="list-style-type: none"> • None
Materiality	<p>Group</p> <ul style="list-style-type: none"> • Overall materiality: £2.00m (2024: £1.70m) • Performance materiality: £1.50m (2024: £1.27m) <p>Parent Company</p> <ul style="list-style-type: none"> • Overall materiality: £1.99m (2024: £1.69m) • Performance materiality: £1.49m (2024: £1.26m)
Scope	Our audit procedures covered 100% of revenue, total assets and profit before tax.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the group financial statements of the current period 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 group financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Independent auditor's report to the members of Alfa Financial Software Holdings PLC *continued*

Revenue recognition – Software Engineering and Delivery revenue from implementation projects

Key audit matter description The group's operations include complex Software Engineering and Delivery activities. The delivery of customer contracts typically extends over more than one reporting period, and often the original project plans are amended. In recognising customised licence revenue, management has to apply a number of judgements to allocate the overall transaction price across the multiple performance obligations that have been identified within these projects. In addition, the business often negotiates specific contractual terms with its customers which require judgement to be applied to determine how these should be accounted for in line with IFRS 15 'Revenue from contracts with customers.'

We consider revenue recognition for Software Engineering and Delivery to be a key audit matter due to:

- The level of judgement involved in the identification of distinct performance obligations and subsequent measurement and timing of recognition of customised licence revenue;
- The level of judgement involved in respect of contract-specific judgements for all revenue streams;
- The potential risk of fraud in revenue recognition;
- The allocation of audit resources and effort.

Further details on revenue recognition are included in the financial statements in note 1.5 "Accounting policies – Revenue recognition", note 2 "Critical accounting judgements, estimates and assumptions" and note 5 "Revenue from contracts with customers".

How the matter was addressed in the audit In response to this key audit matter, the audit procedures we performed included:

- Updating our understanding of the processes and controls around revenue recognition;
- Examining the group's revenue recognition policy, including supporting accounting papers, to assess whether performance obligations have been appropriately identified and revenue recognised in line with IFRS 15;
- For Software Engineering and Delivery revenue from implementation projects we:
 - Assessed management's analysis of the performance obligations within individual contracts and of how the five steps in IFRS 15 should be applied;
 - Audited the revenue recognition calculations for a sample of the most significant contracts to assess whether the methodology applied was consistent with the group's revenue recognition policy and across projects. This included testing inputs in the calculations to supporting evidence;
 - Examined a sample of underlying contracts to confirm the relevant contract terms had been appropriately identified;
 - Verified the explanations and data provided by management by holding discussions with project managers regarding the key assumptions and judgements made;
 - Tested the completeness and accuracy of timesheet data as some performance obligations are recognised based on days worked;
 - Challenged management on the appropriateness of estimates made in IFRS 15 calculations for customised licence revenue;
 - Assessed specific contract key judgements and whether these were recognised appropriately in line with IFRS 15.
- Auditing the disclosures in the financial statements and evaluating whether the policy for revenue recognition is appropriately explained and critical judgements are appropriately disclosed.

Key observations Based on the results of the audit procedures outlined above, we have no observations to report. The impacts of the key judgements applied in respect of revenue recognition are disclosed in note 2 to the financial statements.

No key audit matters were identified in respect of the parent company.

Independent auditor's report to the members of Alfa Financial Software Holdings PLC *continued*

Our application of materiality

When establishing our overall audit strategy, we set certain thresholds which help us to determine the nature, timing and extent of our audit procedures. When evaluating whether the effects of misstatements, both individually and on the financial statements as a whole, could reasonably influence the economic decisions of the users we take into account the qualitative nature and the size of the misstatements. Based on our professional judgement, we determined materiality as follows:

	Group	Parent company
Overall materiality	£2.00m (2024: £1.70m)	£1.99m (2024: £1.69m)
Basis for determining overall materiality	5% of profit before tax (2024: 5% of profit before tax)	0.5% of net assets, capped at 99% of group overall materiality (2024: 1% of net assets, capped at 99% of group overall materiality)
Rationale for benchmark applied	Profit before taxation is considered the most appropriate benchmark for users of the financial statements.	Net assets is considered to be the most appropriate benchmark for the parent company as it is primarily a holding company.
Performance materiality	£1.49m (2024: £1.27m)	£1.49m (2024: £1.26m)
Basis for determining performance materiality	75% of overall materiality	75% of overall materiality
Reporting of misstatements to the Audit Committee	Misstatements in excess of £0.10m and misstatements below that threshold that, in our view, warranted reporting on qualitative grounds.	Misstatements in excess of £0.10m and misstatements below that threshold that, in our view, warranted reporting on qualitative grounds.

An overview of the scope of our audit

The group has operations located in the following countries:

- United Kingdom
- United States of America
- Germany
- Australia
- New Zealand
- Poland
- Portugal

Although the structure of the group is made up of a number of legal entities, we have assessed that the group is a single component for the purposes of our audit because financial information is presented to management and the Board on a consolidated basis and the group's financial statements report a single segment and do not disclose any specific divisional information. The group's principal activity is consistent across all locations with a commonality of operations and there is operational interdependence across the group.

Our audit approach covers 100% of profit before tax, revenue and total assets. All audit work was completed by the group audit team and no component auditors were used in our audit.

Independent auditor's report to the members of Alfa Financial Software Holdings PLC *continued*

The impact of climate change on the audit

In planning our audit, we considered the potential impact of the possible risks arising from climate change on the Group's and the Company's financial statements and obtained an understanding of how management identifies and responds to climate-related risks. Further information on management's risk assessment, progress and commitments is provided in the Group's climate-related risk disclosures on pages 24 to 33 of the annual report.

We performed risk assessment procedures including making enquiries of management, reading board minutes and applying our knowledge of the Group and the Company and the sector within which it operates, to assess the potential impact on the financial statements.

Taking account of the nature of the business, the extent of the headroom in impairment testing, and insensitivity of useful economic lives of tangible and intangible assets to changing regulation, weather patterns or business activities, we have not assessed climate-related risk to be significant to our audit. There was also no impact on our key audit matters.

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 group's and parent company's ability to continue to adopt the going concern basis of accounting included:

- Checking the arithmetic accuracy of the forecasts that form the basis of the directors' going concern assessment and Viability statement;
- Corroborating the cash balance that is used as the starting point for the forecasts by confirming to bank confirmations;
- Challenging management's forecasts and comparing the 2026 budget to YTD results and order book;
- Assessing the assumptions made in management's stress-testing;
- Completing further sensitivity analysis and stress-testing of management's forecasts;
- Auditing the disclosures in the financial statements in respect of going concern and viability.

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 or the parent company'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.

In relation to the entity reporting on how they have applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the directors' statement in the financial statements about whether the directors considered it appropriate to adopt the going concern basis of accounting.

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 contained within 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 course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, the part of the directors' remuneration report to be audited has been properly prepared in accordance with 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.

Independent auditor's report to the members of Alfa Financial Software Holdings PLC *continued*

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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements and the part of the directors' remuneration report to be audited 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.

Corporate governance statement

We have reviewed the directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the parent company's compliance with the provisions of the UK Corporate Governance Code specified for our review by the Listing Rules.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements and our knowledge obtained during the audit:

- Directors' statement as regards the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on page 23;
- Directors' explanation as to their assessment of the group's prospects, the period this assessment covers and why the period is appropriate set out on pages 52 to 53;
- Director's statement on whether it has a reasonable expectation that the group will be able to continue in operation and meets its liabilities set out on page 52;
- Directors' statement on fair, balanced and understandable set out on page 79;
- Board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on page 34;
- Section of the annual report that describes the review of effectiveness of risk management and internal control systems set out on page 79; and
- Section describing the work of the audit committee set out on pages 75 to 81.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 107, 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's responsibilities for the audit of the financial statements

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

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

Independent auditor's report to the members of Alfa Financial Software Holdings PLC *continued*

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the group audit engagement team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory frameworks that the group and parent company operate in and how the group and parent company are complying with the legal and regulatory frameworks;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

The most significant laws and regulations were determined as follows:

Legislation/Regulation	Additional audit procedures performed by the Group audit engagement team included:
UK adopted IAS, FRS 102 and Companies Act 2006	<ul style="list-style-type: none"> Review of the financial statement disclosures and testing to supporting documentation; Completion of disclosure checklists to identify areas of non-compliance.
Tax compliance regulations	<ul style="list-style-type: none"> Inspection of advice received from internal/external tax advisors; Inspection of correspondence with local tax authorities; Consultation with a tax specialist regarding the approach taken to the audit of tax; Consideration of whether any matter identified during the audit required reporting to an appropriate authority outside the entity.

The areas that we identified as being susceptible to material misstatement due to fraud were:

Risk	Audit procedures performed by the audit engagement team included:
Revenue recognition	<p>The audit procedures performed in relation to revenue recognition are documented in the key audit matter section of our audit report for Software Engineering and Delivery revenue from implementation projects. In respect of ongoing Software Engineering and Delivery revenue our procedures included:</p> <ul style="list-style-type: none"> • Recalculation of the revenue recognised in the year for a sample of customers based on time worked and other supporting information; • Examining disclosures made in the financial statements to determine if these have been made in line with IFRS 15 'Revenue from contracts with customers'.
Capitalisation of development costs	<ul style="list-style-type: none"> • Examining the Investment Committee meeting minutes for any projects which may indicate the understatement of amounts capitalised during the period; • Interviewing relevant personnel to understand the projects capitalised in the period and the nature of projects not capitalised; • Verifying the amounts capitalised during the year by reference to underlying payroll records and timesheet data; and • Examining for a sample of projects whether these had been accounted for in line with IAS 38 'Intangible assets'.
Management override of controls	<ul style="list-style-type: none"> • Testing the appropriateness of journal entries and other adjustments; • Assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and • Evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

Independent auditor's report to the members of Alfa Financial Software Holdings PLC *continued*

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

Other matters which we are required to address

Following the recommendation of the audit committee, we were appointed by management in July 2020 to audit the financial statements for the year ending 31 December 2020 and subsequent financial periods.

The period of total uninterrupted consecutive appointments is 5 years, covering the years ending 31 December 2020 to 31 December 2024.

The non-audit services prohibited by the FRC's Ethical Standard were not provided to the group or the parent company and we remain independent of the group and the parent company in conducting our audit.

Our audit opinion is consistent with the additional report to the audit committee in accordance with ISAs (UK).

Use of our report

This report is made solely to the 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 company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

As required by the Financial Conduct Authority (FCA) Disclosure Guidance and Transparency Rules, these financial statements will form part of the Annual Financial Report prepared in Extensible Hypertext Markup Language (XHTML) format and filed on the National Storage Mechanism of the UK FCA. This auditor's report provides no assurance over whether the annual financial report has been prepared in XHTML format.

David Clark (Senior Statutory Auditor)

For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
25 Farringdon Street
London
United Kingdom
EC4A 4AB

11 March 2026

Consolidated statement of profit or loss and comprehensive income

£m	Note	2025	2024
Continuing operations			
Revenue	5	126.7	109.9
Cost of sales		(46.0)	(39.0)
Gross profit		80.7	70.9
Sales, general and administrative expenses		(41.0)	(36.6)
Other income		0.4	–
Operating profit	6	40.1	34.3
Finance income	10	0.7	0.5
Finance expense	10	(0.7)	(0.7)
Profit before taxation		40.1	34.1
Taxation	11	(10.0)	(8.5)
Profit for the financial year		30.1	25.6
Other comprehensive income:			
Items that may be reclassified to profit or loss:			
Exchange differences on translation of foreign operations	26	(0.2)	(0.1)
Other comprehensive (loss) net of tax		(0.2)	(0.1)
Total comprehensive income for the year		29.9	25.5
Earnings per share (in pence)			
Basic	12	10.19	8.68
Diluted	12	10.14	8.56

The above consolidated statement of profit or loss and comprehensive income should be read in conjunction with the accompanying notes.

Consolidated statement of financial position

£m	Note	2025	2024
Assets			
Non-current assets			
Goodwill	14	24.7	24.7
Other intangible assets	15	12.5	9.3
Property, plant and equipment	16	0.7	0.7
Right-of-use assets	17	6.7	7.7
Deferred tax assets	18	0.4	0.5
Total non-current assets		45.0	42.9
Current assets			
Trade receivables	19	8.5	8.6
Accrued income	20	5.5	4.7
Prepayments	20	4.4	4.9
Other receivables	20	0.2	0.3
Corporation tax recoverable	20	0.7	2.8
Cash and cash equivalents	21	26.4	20.5
Total current assets		45.7	41.8
Total assets		90.7	84.7
Liabilities and equity			
Current liabilities			
Trade and other payables	22	13.2	11.7
Lease liabilities	23	1.2	0.1
Provisions for other liabilities	24	0.3	-
Contract liabilities	22	13.9	15.7
Total current liabilities		28.6	27.5
Non-current liabilities			
Lease liabilities	23	8.1	9.2
Provisions for other liabilities	24	0.6	0.8
Deferred tax liabilities	18	1.7	1.0
Total non-current liabilities		10.4	11.0
Total liabilities		39.0	38.5
Capital and reserves			
Share capital	25	0.3	0.3
Translation reserve	26	(0.1)	0.1
Own shares	27	(6.5)	(7.9)
Retained earnings		58.0	53.7
Total equity		51.7	46.2
Total liabilities and equity		90.7	84.7

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

The consolidated financial statements on pages 116 to 147 were approved and authorised for issue by the Board of Directors on 11 March 2026 and signed on its behalf by:

Andrew Denton
Chief Executive Officer

Duncan Magrath
Chief Financial Officer

Consolidated statement of changes in equity

£m	Note	Share capital	Own shares	Translation reserve	Retained earnings	Equity attributable to owners of the parent
Balance as at 1 January 2024		0.3	(8.7)	0.2	50.2	42.0
Profit for the financial year		-	-	-	25.6	25.6
Other comprehensive (loss)		-	-	(0.1)	-	(0.1)
Total comprehensive income for the year		-	-	(0.1)	25.6	25.5
Transactions with owners in their capacity as owners:						
Equity-settled share-based payment schemes	28	-	-	-	1.1	1.1
Equity-settled share-based payment schemes – deferred tax impact	18	-	-	-	0.4	0.4
Dividends	30	-	-	-	(22.1)	(22.1)
Own shares distributed	27	-	1.5	-	(1.5)	-
Own shares acquired	27	-	(0.7)	-	-	(0.7)
Balance as at 31 December 2024		0.3	(7.9)	0.1	53.7	46.2
Profit for the financial year		-	-	-	30.1	30.1
Other comprehensive (loss)		-	-	(0.2)	-	(0.2)
Total comprehensive income for the year		-	-	(0.2)	30.1	29.9
Transactions with owners in their capacity as owners:						
Equity-settled share-based payment schemes	28	-	-	-	1.6	1.6
Equity-settled share-based payment schemes – deferred tax impact	18	-	-	-	0.1	0.1
Dividends	30	-	-	-	(26.0)	(26.0)
Own shares distributed	27	-	2.3	-	(1.5)	0.8
Own shares acquired	27	-	(0.9)	-	-	(0.9)
Balance as at 31 December 2025		0.3	(6.5)	(0.1)	58.0	51.7

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Consolidated statement of cash flows

£m	Note	2025	2024
Cash flows from operating activities			
Profit before tax		40.1	34.1
Net finance costs		-	0.2
Operating profit		40.1	34.3
Adjustments:			
Depreciation	6/16/17	1.5	1.7
Amortisation	6/15	1.8	1.0
Share-based payment charge	28	1.6	1.1
RDEC tax (credit)/charge	6	(0.4)	0.1
Increase in provisions	24	0.1	0.1
Movements in working capital:			
(Decrease)/increase in contract liabilities	22	(1.8)	1.5
(Increase) in trade and other receivables	19/20	(0.1)	(4.2)
Increase in trade and other payables (excluding contract liabilities)	22	1.7	1.7
Cash generated from operations		44.5	37.3
Interest element on lease payments	10/23	(0.7)	(0.6)
Other interest paid	10	-	(0.1)
Income taxes paid		(6.6)	(8.2)
Net cash generated from operating activities		37.2	28.4
Cash flows from investing activities			
Payments for purchases of property, plant and equipment	16	(0.4)	(0.3)
Payments for internally developed software	15	(5.0)	(5.3)
Payments in relation to direct costs associated with lease extensions		-	(0.3)
Interest received	10	0.7	0.5
Net cash outflow from investing activities		(4.7)	(5.4)
Cash flows from financing activities			
Dividends paid to Company shareholders	30	(26.0)	(22.1)
Payments of lease liabilities (principal)	23	(0.1)	(1.3)
Purchase of own shares	27	(0.9)	(0.7)
Sale of own shares		0.6	-
Cash used in financing activities		(26.4)	(24.1)
Net increase/(decrease) in cash		6.1	(1.1)
Cash and cash equivalents at the beginning of the year	21	20.5	21.8
Effect of foreign exchange rate changes on cash and cash equivalents		(0.2)	(0.2)
Cash and cash equivalents at the end of the year	21	26.4	20.5

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

Notes to the consolidated financial statements for the year ended 31 December 2025

1. Summary of significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of these consolidated financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements are for the Group, consisting of Alfa Financial Software Holdings PLC (Alfa or the Company) and its subsidiaries, and are presented to the nearest £0.1m unless otherwise stated.

The principal activity of the Group is to develop, implement and support software and SaaS solutions to the auto and equipment finance industry in the United Kingdom, Europe, Africa, Americas, and Australasia.

1.1 Basis of preparation

Compliance with IFRS

The consolidated financial statements of the Group have been prepared in accordance with the Companies Act 2006 and with United Kingdom adopted International Accounting Standards.

Historical cost convention

The consolidated financial statements have been prepared under the historical cost convention, other than the revaluation of financial assets and financial liabilities recorded at fair value through profit or loss.

Going concern

The financial statements are prepared on the going concern basis. The Group continues to be cash-generative and the Directors believe that the Group has a resilient business model. The Group meets its day-to-day working capital requirements through its cash reserves generated from operating activities. The Group's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the Group has sufficient cash reserves to continue to operate for a period of not less than 12 months from the date of these financial statements.

The going concern assessment also includes downside stress testing in line with FRC guidance which demonstrates that even in the most extreme downside conditions considered reasonably possible, given the existing level of cash held, the Group would continue to be able to meet its obligations as they fall due.

On this basis, the Directors consider it appropriate to continue to adopt the going concern basis of accounting in preparing the financial statements.

New and amended standards adopted by the Group

The Group has not adopted any new and amended standards in the current financial year that have had any material impact on the disclosures or on the amounts reported in these financial statements.

New standards, amendments and interpretations not yet adopted

At the date of authorisation of these financial statements, the Group has not applied the following new and revised IFRS Standards that have been issued but are not yet effective:

- IFRS 18 – 'Presentation and Disclosures in Financial Statements' (effective 1 January 2027)
- UK Sustainability Reporting Standards – UK SRS S1 'General Requirements for Disclosure of Sustainability-related Financial Information' and UK SRS S2 'Climate-related Disclosures' (published in February 2026 and available for voluntary use in the UK)

The Directors have not yet completed a detailed assessment of the impact of these new and revised standards. IFRS 18 is not expected to have a material impact on the recognition and measurement of the Group's assets and liabilities but is expected to affect the presentation and disclosures in future periods. UK SRS S1 and UK SRS S2 are expected to impact the nature and extent of the Group's sustainability-related and climate-related disclosures rather than the amounts recognised in the consolidated financial statements.

1.2 Group structure

Basis of consolidation

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. Unless otherwise stated, subsidiaries have share capital consisting solely of ordinary shares, and the proportion of ownership interests held equals the voting rights held by the Group. The country of incorporation or registration is also each subsidiary's principal place of business.

All intra-group transactions, balances, income and expenses are eliminated on consolidation. All subsidiaries have a 31 December year end. The Group exercises control over the employee benefit trust (EBT) because it is exposed to, and has a right to, variable returns from this EBT and is able to use its power over the EBT to affect those returns. The EBT is therefore consolidated by the Group.

Notes to the consolidated financial statements for the year ended 31 December 2025 continued

1. Summary of significant accounting policies continued

1.3 Segment reporting

Operating and reporting segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM). The Group's Chief Executive Officer (CEO), who is responsible for allocating resources and assessing performance, has been identified as the CODM.

The CODM regularly reviews the Group's operating results in order to assess performance and to allocate resources. The CODM considers the business from a product perspective and, therefore, recognises one operating and reporting segment, being the sale of software and related services. The Group splits revenue by type of activity but reports operating results on a consolidated basis, as presented to the CODM, along with the required entity-wide disclosures.

The Group discloses revenue split by type of activity, being Subscription, Software Engineering and Delivery.

- a. Subscription revenues include recurring revenues paid on a monthly or annual basis, including subscription licence revenues, maintenance and cloud hosting.
- b. Software Engineering revenues include revenues from development, the recognition of customised licence revenue, and any one-off licence fees.
- c. Delivery revenues are revenues from any work done for customers including pre-implementation, implementation work and ongoing services.

See note 1.5 for details of our revenue recognition accounting policy and note 2 for the critical accounting judgements in relation to revenue recognition.

1.4 Foreign currency translation

Functional currency

Items included in the consolidated financial statements of each of the Group's subsidiaries are measured using their functional currency. The functional currency of the parent and each subsidiary is the currency of the primary economic environment in which the entity operates. See applicable exchange rates used in 2025 and 2024 below:

	2025		2024	
	Closing	Average	Closing	Average
USD	1.35	1.32	1.25	1.28
EUR	1.15	1.17	1.21	1.18
NZD	2.34	2.27	2.24	2.11
AUD	2.02	2.05	2.02	1.94

Presentation currency

The consolidated financial statements are presented in pounds sterling. The Company's functional and presentation currency is pounds sterling.

Group companies

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities for each consolidated statement of financial position presented are translated at the closing rate at the date of that consolidated statement of financial position.
- Income and expenses for each statement of profit or loss and statement of comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions).
- All resulting exchange differences are recognised in other comprehensive income.

Notes to the consolidated financial statements for the year ended 31 December 2025 continued

1. Summary of significant accounting policies continued

1.4 Foreign currency translation continued

On consolidation, exchange differences arising from the translation of any net investment in foreign entities are recognised in other comprehensive income. When a foreign operation is sold, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currencies using the exchange rates prevailing at the dates of the transactions. Foreign exchange differences arising from the settlement of such transactions and from the translation at the reporting date of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss. See applicable exchange rates used by the Group above.

1.5 Revenue recognition

The Group derives revenue by type of activity being Subscription, Software Engineering and Delivery (as disclosed in note 1.3).

- i Subscription revenue includes the periodic rights to use Alfa Systems, periodic maintenance, and subscription (including cloud hosting).
- ii Software Engineering revenue includes chargeable development revenue, customised licence revenue, options over the right to use Alfa Systems, and one-off licence fees.
- iii Delivery revenue includes software implementation services.

The Group provides the right to use, software development services, core implementation services and ongoing support of its product, Alfa Systems. The Group's contractual arrangements contain multiple deliverables or services, such as the development or customisation of the software to the customer's requirements, implementation services such as migration of data and testing, and certain project management services.

Alfa assesses whether there are distinct performance obligations at the start of each contract and throughout the performance of the implementation, development and services projects and maintenance period. These performance obligations are laid out in this note.

Any one contract may include a single performance obligation or a combination of those listed below:

1.5.1 Software implementation services

Where implementation services are considered to be distinct, i.e. when relatively straightforward, do not require additional development services and could be performed by an external third party, the implementation services are accounted for as a separate performance obligation from any development services.

When a customer is in the process of implementing the software, the transaction price is allocated to this based on the stand-alone selling prices (derived from standard day rates) and is recognised over time based on the effort incurred, limited to the amount to which Alfa has a right to payment. For customers under the Group's subscription-based contracts that are undergoing implementation, revenue for software implementation services is deemed to be distinct from any other performance obligation. Recognition over time is appropriate because customers simultaneously receive and consume the benefits provided. A percentage-of-completion basis is used to estimate progress towards completion of the performance obligation over time. To calculate the percentage-of-completion, data is derived from timesheets for the days worked for the customer on implementation work and compared with the latest forecast of total implementation days to be completed on the project. When the type of services provided are ongoing services, the transaction price is deemed to be the actual day rate, and revenue is recognised at a point in time as the service is provided.

1.5.2 Development services and licence services (the customised licence)

Another performance obligation is the granting of a right to use Alfa Systems, which includes the delivery of the related software licence and any development efforts which change the underlying code. During the initial phase of implementing the software, the total revenue attributable to this performance obligation is estimated at the outset of the relevant software implementation project and recognised as the effort is expended, on a percentage-of-completion basis, limited to the amount of revenue to which Alfa has the right to payment. See note 5.6 for the accounting policy for variable consideration.

Recognition over time is appropriate because customers obtain the ability to benefit from the product from the start of the implementation project; the development or customisation of the asset is tailored to the customer's specific requirements; and the customer is entitled to the benefits of the efforts as at the date the efforts are delivered. A percentage-of-completion basis is used to estimate progress towards completion of the performance obligation over time. To calculate the percentage-of-completion, data is derived from timesheets for the days worked for the customer on development work and compared with the latest forecast of total development days to be completed on the project.

Notes to the consolidated financial statements for the year ended 31 December 2025 continued

1. Summary of significant accounting policies continued

1.5 Revenue recognition continued

Revenue attributable to development services is valued using the residual value method as there are no stand-alone selling prices which are observable, as each project is customised. For customers under the Group's subscription-based contracts that are undergoing implementation, revenue for development services is deemed to be distinct from any other performance obligation and is recognised based on a percentage-of-completion basis.

Once the customer is already using the software, and the services provided are ongoing development, the transaction price is deemed to be the actual day rate and revenue is recognised at a point in time as the development service is provided.

1.5.3 Option over the right to use Alfa Systems

In the event that perpetual licence customers have to pay periodic maintenance fees in order to keep using Alfa Systems, a component of these future maintenance fees is attributable to the right to use the software. In these circumstances, the licence granted by Alfa is considered to renew in future periods. There may be a material right in respect of discounts in future periods. In order to ascribe a value to this option, management annualises the value of the customised licence performance obligation and compares it to the annual right to use software performance obligation post-go-live.

The value of this option is built up from the start of the implementation project in line with the percentage-of-completion of development revenue described in note 1.5.2 above. Following the completion of the implementation project, the value of this option is recognised evenly over the expected remaining customer life.

1.5.4 Periodic right to use Alfa Systems

When a customer pays its maintenance fee annually, this performance obligation represents the proportion of this fee which relates to the periodic option to renew the right to use Alfa Systems. If there is the right of clawback of the annual right to use, such amounts are recognised throughout the annual period. If there is no right of clawback, then the annual right to use amount is recognised in full when there is a right of collection.

When a customer pays for its maintenance fee as part of a subscription contract (see note 1.5.6 below), it will not be treated as a separate performance obligation (and will instead be part of the subscription amount).

1.5.5 Periodic maintenance amounts

This represents the stand-alone selling price of the ongoing support or maintenance of Alfa Systems which is recognised throughout the period over which the services are delivered.

1.5.6 Subscription amounts

Certain of the Group's implementation and service contracts include a subscription payment mechanism. This represents a monthly fee charged to the customer covering one or more of the following performance obligations: the provision of monthly hosting services; the monthly periodic right to use Alfa Systems; and the provision of monthly maintenance services (when this becomes applicable to the customer). The monthly payments are recognised as revenue in the period to which they relate. This reflects the underlying performance obligations of the Group and termination rights of the customer.

1.5.7 One-off revenue amounts

From time to time, the Group is entitled to receive one-off licence revenue from its customers as they increase the number of contracts on their version of Alfa Systems. Additionally, there are times when catch-up periodic maintenance amounts are entitled to be received by the Group, also as a result of the increased number of contracts. Generally, this revenue is recognised at the point in time it is invoiced, or becomes contractually payable, reflecting the fact that the Group has no remaining performance obligations to satisfy.

Costs to obtain contracts

The Group incentivises its sales force for securing sales. In line with IFRS 15, these costs are capitalised and are amortised in line with the percentage-of-completion of the software implementation project to which they relate.

Costs to fulfil contracts

The Group has recognised an asset in relation to employee costs to fulfil its long-term development contracts (as disclosed in note 20). These costs relate directly to the contracts, generate or enhance resources to be used to satisfy performance obligations in the future and are expected to be recovered. This asset is presented within prepayments in the statement of financial position. These costs are amortised within cost of sales in line with the percentage-of-completion of the development project to which they relate.

Notes to the consolidated financial statements for the year ended 31 December 2025 continued

1. Summary of significant accounting policies continued

1.6 Operating expenses

Operating expenses include items such as personnel costs (including training and recruitment), cost of software not capitalised, research and development costs, and other infrastructure expenses. These items have been grouped into the following categories for disclosure purposes:

- Cost of sales – this includes salaries and other direct costs associated with satisfying customer contracts (including hosting costs) and for developing software.
- Sales, general and administrative expenses – this includes all the residual operating costs.

1.7 Income tax

Taxation expense for the year comprises current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. Current or deferred taxation assets and liabilities are not discounted.

Under the R&D Expenditure Credit (also referred to as the 'RDEC') scheme, the Group has received a tax credit based on qualifying R&D expenditure. This tax credit is recognised within pre-tax income, as 'Other Income'.

Current tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the reporting date in the countries where the Group and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Group's consolidated financial statements. However, deferred income tax assets and liabilities are not recognised on the initial recognition of an asset or liability in a transaction other than a business combination which, at the time of the transaction, affects neither accounting nor taxable profit and does not give rise to equal taxable and deductible temporary differences.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes, assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

1.8 Leases

The Group enters into lease contracts in respect of various properties and motor vehicles. These rental contracts are typically made for fixed periods of two to ten years, and sometimes have extension options. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. In accordance with IFRS 16, leases are recognised as a right-of-use asset with a corresponding liability, at the date at which the leased asset is available for use by the Group. These assets and liabilities are initially measured on a present value basis (as set out in more detail below), with each subsequent lease payment allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Alfa assesses whether a contract is, or contains, a lease at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability, with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months, or less) and leases of low-value assets. For these leases, the Group recognises the lease payments as an expense on a straight-line basis over the term of the lease, unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

Lease liabilities

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

Notes to the consolidated financial statements for the year ended 31 December 2025 continued

1. Summary of significant accounting policies continued

1.8 Leases continued

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

- Fixed lease payments (including in substance fixed payments), less any lease incentives;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented in separate lines, split between current and non-current liabilities, in the consolidated statement of financial position. It is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed, or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- The lease payments change due to changes in an index, or rate, or a change in expected payment under a guaranteed residual value. In these cases, the lease liability is remeasured by discounting the revised lease payments, using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used); and
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

Right-of-use assets

The right-of-use assets comprise:

- The initial measurement of the corresponding lease liability;
- Lease payments made at, or before, the commencement day;
- Any initial direct costs; and
- Restoration costs.

The right-of-use assets are presented as a separate line in the consolidated statement of financial position.

The right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses (if applicable). They are depreciated from the commencement date of the lease and over the shorter period of the lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset, or the cost of the right-of-use asset reflects an expectation that the Group will exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. Currently, the Group does not have any leases that include a purchase option, or transfer ownership of the underlying asset.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located, or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37.

Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the lessee. During the current financial period, there have been no changes in such assessments.

Variable rents that do not depend on an index, or rate, are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included as an expense in the consolidated statement of profit or loss and comprehensive income.

1.9 Impairment of non-financial assets

Goodwill is tested annually for impairment. The carrying amount is allocated to the cash-generating unit (CGU) that is expected to benefit from investment and which represents the lowest level at which the goodwill is monitored for internal management purposes. The carrying value of the CGU is then compared to the higher of its fair value less costs of disposal and its value in use. Any impairment attributed to the goodwill is recognised immediately as an expense and is not subsequently reversed.

Notes to the consolidated financial statements for the year ended 31 December 2025 continued

1. Summary of significant accounting policies continued

1.9 Impairment of non-financial assets continued

Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount might not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (CGUs). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

1.10 Cash and cash equivalents

Cash and cash equivalents include cash at bank and in hand as well as short-term deposits with original maturities of three months or less.

1.11 Financial assets

Recognition and derecognition

Financial assets are recognised in the statement of financial position when the Group becomes party to the contractual provision of the instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred.

Classification and initial measurement of financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with IFRS 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable). Financial assets, other than those designated and effective as hedging instruments, are classified into the following categories:

- Amortised cost;
- Fair value through profit or loss (FVTPL); and
- Fair value through other comprehensive income (FVOCI).

In the periods presented, the Group does not have any material financial assets categorised as FVTPL or FVOCI. The classification is determined by both:

- The entity's business model for managing the financial asset; and
- The contractual cash flow characteristics of the financial asset.

All income and expenses relating to financial assets that are recognised in profit or loss, where material, are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within sales, general and administrative expenses.

Subsequent measurement of financial assets

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVTPL):

- They are held within a business model whose objective is to hold the financial assets and collect their contractual cash flows; and
- The contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Group's trade and most other receivables (notes 19 and 20) and cash and cash equivalents (note 21) fall into this category of financial instruments.

Impairment of financial assets

Under IFRS 9, the requirements are to use forward-looking information to recognise expected credit losses – the 'expected credit loss (ECL) model'. The Group considers a broad range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, and reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

1.12 Trade receivables

Trade receivables are amounts due from customers for licences sold or services performed in the ordinary course of business. They are generally due for settlement within 30 days of the invoice date and are therefore all classified as current. Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

Notes to the consolidated financial statements for the year ended 31 December 2025 continued

1. Summary of significant accounting policies continued

1.12 Trade receivables continued

The Group has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue. The expected impairment loss is recognised in the consolidated statement of profit or loss and comprehensive income within sales, general and administrative expenses, and subsequent recoveries are credited to the same account previously used to recognise the impairment charge. During the current and prior period, the result of the above was immaterial and no impairment loss has been recognised.

The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivable mentioned above. The credit qualities of these receivables are periodically assessed by reference to external credit ratings (if available) or to historical information about their default rates. The Group does not hold any collateral as security.

As the total carrying amount of the current portion of the trade and other receivables is due within the next 12 months after the reporting date, the impact of applying the effective interest method is not significant and, therefore, the carrying amount equals the contractual amount or the fair value initially recognised.

1.13 Property, plant and equipment

Property, plant and equipment is stated at historical cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the item. Depreciation on assets is calculated using the straight-line method to allocate their cost over their estimated useful lives, as follows:

- Fixtures and fittings: 3-10 years
- IT equipment: 2-5 years

The assets' residual values and useful lives are reviewed and adjusted if necessary at each reporting date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Repairs and maintenance are charged to the consolidated statement of profit or loss and comprehensive income as incurred. Any gains or losses on disposals are recognised within sales, general and administrative expenses in the consolidated statement of profit or loss and comprehensive income unless otherwise specified.

Property, plant and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount,

which is the higher of an asset's fair value less costs to sell and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows.

1.14 Goodwill and other intangible assets

Goodwill

Goodwill arose on the acquisition of subsidiaries in 2012 and represents the excess of the consideration transferred over the fair value of the identifiable assets acquired and the liabilities and contingent liabilities assumed.

The Group assesses whether goodwill has suffered any impairment on an annual basis in accordance with the accounting policy stated in note 1.9 above. There is one CGU, being the Group, as its geographical operations do not have separate or distinct cash inflows. The recoverable amount of goodwill has been determined based on value-in-use calculations using cash flow projections from financial budgets and forecasts.

Budgeted cash flow projections are based on the expectation of signing new customers in the Group's sales pipeline as well as ongoing projects with existing customers. Budgeted gross margin is based on historical evidence and the expectations of market development and efficiency leverage. Management believes that any reasonable change in any of the key assumptions on which the recoverable amount is based would not cause the reported carrying amount to exceed the recoverable amount of the CGU. The discount rate used reflects the Group's pre-tax weighted average cost of capital (WACC), as adjusted for region-specific risks and other factors as required by IFRS.

Intangible assets

Internally generated intangible assets are initially measured at cost, and only qualify for capitalisation if the Group can demonstrate all of the following:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete the intangible asset and use or sell it;
- Its ability to use or sell the intangible asset, including how the intangible asset will generate probable future economic benefits;
- The existence of a market or, if it is to be used internally, the usefulness of the intangible asset;
- The availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- Its ability to measure reliably the expenditure attributable to the intangible asset during development.

Notes to the consolidated financial statements for the year ended 31 December 2025 continued

1. Summary of significant accounting policies continued

1.14 Goodwill and other intangible assets continued

The cost for internally generated intangible assets is based on the time spent by staff on product development activities, to which a day rate based on salary cost is applied. Development expenditure incurred on minor or major upgrades, or other changes in software functionality, does not satisfy the criteria, where it is considered that the product is not substantially new in its design or functional characteristics. Such expenditure is therefore recognised as an expense. The Group continually assesses the eligibility of development costs for capitalisation on a project-by-project basis. See note 15 for disclosure of development costs which have met the criteria of IAS 38 for recognition.

Externally acquired intangible assets are initially recorded at historical cost. Historical cost includes expenditure that is directly attributable to the acquisition of the item.

The Group amortises intangible assets with a limited useful life, using the straight-line method over the following periods:

- Computer software: licence period or 10 years as applicable
- Internally generated software: 3-5 years

Amortisation is presented within sales, general and administrative expenses.

Research and development costs which do not meet the criteria set out above are recognised as an expense when incurred. Development costs previously recognised as an expense are not recognised as an asset in subsequent periods.

1.15 Trade and other payables

Trade payables are obligations to pay for goods or services which have been acquired in the ordinary course of business from suppliers. Trade payables are recognised initially at fair value and subsequently measured at amortised costs using the effective interest rate method. As the total carrying amount is due within the next 12 months from the reporting date, the impact of applying the effective interest method is not significant and, therefore, the carrying amount equals the contractual amount or the fair value initially recognised.

The Group's financial liabilities include trade and other payables and lease liabilities. Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Group designated a financial liability at fair value through profit or loss. Subsequently, financial liabilities are measured at amortised cost using the effective interest method. All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income. The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or expired.

Trade and other payables and lease liabilities are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

1.16 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made. When the effect of the discounting is material, provisions are measured at the present value of the expenditures expected to be required to settle the obligation.

1.17 Employee benefits

The Group provides a range of benefits to employees, including paid holiday arrangements and defined contribution pension plans.

Short-term benefits

Short-term benefits, including health cover and other similar non-monetary benefits, are recognised as an expense in the period in which the service is received.

Post-employment benefits

The Group operates various defined contribution plans for its employees. A defined contribution plan is a pension plan where the Group pays fixed contributions into a separate independent entity. The Group has no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to the employee's service in the current and prior periods.

Notes to the consolidated financial statements for the year ended 31 December 2025 continued

1. Summary of significant accounting policies continued

Employee share scheme expense

The Group makes equity-settled share-based payments to certain employees, which are measured at fair value at the date of grant and expensed on a straight-line basis over the vesting period, based on the Group's estimate of shares that will eventually vest. For those share schemes with market-related vesting conditions, the fair value is determined using the Monte Carlo model at the grant date. For share options issued with non-market performance vesting conditions, the fair value of the underlying vehicle is equal to the grant date share price discounted by the expected dividend yield to reflect the lack of dividend accrual over the vesting period. For all other share awards, those with pure employment conditions attached, the fair value is determined by reference to the market value of the shares at the grant date or (where they have an exercise price) by using the Black Scholes model. For all share schemes with non-market vesting conditions, the likelihood of vesting has been taken into account when determining the relevant charge. Vesting assumptions are reviewed during each reporting period to ensure they reflect current expectations.

1.18 Equity

Ordinary shares

Ordinary shares are classified as equity. There are no restrictions on the distribution of capital and the repayment of capital.

Cumulative translation reserve

Exchange differences arising on translation of foreign subsidiaries are recognised in other comprehensive income and accumulated in a separate reserve within equity. The cumulative amount would be reclassified to profit or loss if the entity was disposed of.

Own shares

Own shares represent the shares of the parent company Alfa Financial Software Holdings PLC that are either held by the EBT, or acquired by the Group as part of its share buy-back programme (see note 27).

Own shares are recorded at cost and deducted from equity.

1.19 Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to equity holders of Alfa by the weighted average number of ordinary shares outstanding during the year (excluding own shares held).

Diluted earnings per share

Diluted earnings per share is calculated in line with the basic earnings per share calculation above except that the weighted average number of shares includes all potentially dilutive options granted by the reporting date as if those options had been exercised on the first day of the accounting period or the date of the grant, if later. The shares have no right to voting or to dividends while held in trust.

2. Critical accounting judgements, estimates and assumptions

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Group's accounting policies.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted in future periods due to estimates and assumptions turning out to be wrong. Detailed information about each of these estimates and judgements is included in other notes, together with information about the basis of calculation for each affected line item in the financial statements.

2.1 Critical judgements in applying the Group's accounting policies

Revenue recognition

Critical judgements specific to customised licence revenue:

The Group is required to make an assessment as to whether the implementation process, which includes customised licence and implementation revenue streams as well as any maintenance fees during this phase, forms one or a number of performance obligations. Since the residual value method is used for the customised licence revenue (as explained in note 1.5), the estimation of fair value of implementation revenue will impact the contract consideration assigned to the customised licence.

Notes to the consolidated financial statements for the year ended 31 December 2025 continued

2. Critical accounting judgements, estimates and assumptions continued

In addition, the Group is also required to make an assessment as to whether each contract contains an expectation to deliver multiple separate instances of the customised licence which may form separate groups of distinct performance obligations. In doing the above, the Group assesses each software implementation contract as to whether the underlying software requires significant modification or customisation by the Group in order to meet the customer's requirements before Alfa Systems can be utilised by the customer. Therefore, judgement is required in determining which efforts relate to the implementation process and which efforts could be determined to be development services which change or enhance the underlying code. In making this judgement, the Group assesses the contractual terms and the original project plan for the implementation but also uses historical evidence of what constitutes core implementation work.

Critical judgements applicable to all revenue:

Judgements are made when the Group enters into new contracts with existing customers and also when there are changes to existing contracts with customers that include the addition of new customer-specific contractual terms. For these, the Group assesses the contractual terms both individually and in the context of the wider arrangement and applies the guidance in IFRS 15 to determine the appropriate accounting.

Internally generated software development – Assessing whether a project meets criteria of IAS 38

The Group is required to make an assessment of each ongoing project in order to determine at what stage (if at all) a project meets the criteria outlined in the Group's accounting policies. Such assessment may, in certain circumstances, require significant judgement. In making this judgement, the Group evaluates, amongst other factors, the stage at which technical feasibility has been achieved, management's intention to complete and use or sell the product, the likelihood of success, the availability of technical and financial resources to complete the development phase and management's ability to measure reliably the expenditure attributable to the project. Research and product development expenditure incurred on minor or major upgrades, or other changes in software functionality, does not satisfy the criteria where it is considered that the product is not substantially new in its design or functional characteristics. Such expenditure is therefore recognised as an expense. Judgement is also required with respect to when an asset is ready to be amortised – in making this judgement, the Group considers, amongst other factors, when the asset is available for use in the manner intended by management.

3. Financial risk management

In common with all other businesses, the Group is exposed to risks that arise from its use of financial instruments. This note describes the Group's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

Area	Exposure arising from	Measurement	Management
Market risk – foreign exchange	Contracted revenue and costs denominated in a currency other than the entity's functional currency; and Monetary assets and liabilities denominated in a currency other than the entity's functional currency	Cash flow forecasting and foreign exchange sensitivity	Natural hedging from localised cost base and conversion of foreign currency cash balances into pounds sterling; and Use of forward contracts to manage some of the foreign exchange risk (these are not hedge accounted)
Credit risk – cash balances	Cash and cash equivalents	Credit ratings	Diversification of bank deposits
Credit risk – customer receivables	Trade receivables and accrued income	Ageing analysis Credit ratings	Credit checks and contractual payment terms
Liquidity	Cash and cash equivalents	Daily cash reporting	Cash forecasting and managing maturity of cash deposits

The Group's overall risk management policy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The Group has used financial instruments to hedge certain risk exposures in the past. Risk management is carried out by the finance function under policies approved by the Board. The finance function identifies, evaluates and mitigates financial risks when deemed necessary.

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders, and maintain an optimal capital structure.

Notes to the consolidated financial statements for the year ended 31 December 2025 continued

3. Financial risk management continued

3.1 Foreign exchange risk

The Group operates internationally and is exposed to foreign exchange risks arising from various currencies, primarily with respect to those described below. Revenue is predominantly denominated in pounds sterling and US dollars. Operating costs are influenced by the currencies of the countries where the Group's subsidiaries are based, and pounds sterling and the US dollar are the currencies in which most operating costs are denominated.

The split by currency in relation to trade receivables is set out in note 19.

The Group's exposure to foreign currency risk in relation to revenue is set out in note 5.4.

The Group utilised forward contracts in both 2025 and 2024 to hedge against foreign currency exposure. The Group has no outstanding commercial foreign exchange contracts at 31 December 2025 (2024: three outstanding with £(0.1)m fair value). No hedge accounting has been applied in the current or prior year.

A 10% increase in the USD:GBP exchange rate in the year ended 31 December 2025 would have increased revenue and profit by 4% and 9% respectively (2024: 4% and 9% respectively). Management believes that 10% is a reasonable sensitivity given historical exchange rate movement.

3.2 Credit risk

a. Credit risk related to transactions with financial institutions

Credit risk with financial institutions is managed by the Group's finance function in accordance with a Board-approved treasury policy. Management is not aware of any significant risks associated with financial institutions as a result of cash and cash equivalents deposits (including short-term investments) and financial derivative transactions.

b. Credit risks related to customer trade receivables

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, change of strategy and default or delinquency in payments are considered indicators that a trade receivable could be impaired. Given the complexity, the size and the length of certain software implementation of related projects, a delay in the settlement of an open trade receivable does not necessarily constitute objective evidence that the trade receivable is irrecoverable.

The Group's customer base predominantly consists of large financial institutions that are financially sound. The responsibility for customer credit risk management rests with management of the Group. Payment terms are set in accordance with practices in the different geographies and end markets served, typically being 30 days from the date of the invoice. Trade receivables are actively monitored and managed. Collection risk is mitigated through prompt submission of invoices. Historically, there has been a de minimis level of customer default as a result of the long history of dealing with the Group's customer base and an active credit monitoring function. Where applicable, credit limits may be established based on internal or external rating criteria, which take into account such factors as the financial condition of the customers, their credit history and the risk associated with their industry segment.

The Group applies the IFRS 9 simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance for all trade receivables and accrued income. To measure the expected credit losses, trade receivables and accrued income have been grouped based on shared credit risk characteristics and the days past due. The accrued income relates to unbilled work in progress and has substantially the same risk characteristics as the trade receivables for the same types of contracts, other than where the Group has collected upfront payments in the form of licence fees at the start of a software implementation contract.

The expected loss rates of trade receivables are based on the payment profiles of customer invoices over a period of 36 months before 31 December 2025 (2024: 31 December 2024), and the corresponding historical credit losses experienced within this period. The historical loss rates are then adjusted to reflect current or forward-looking information in relation to any macroeconomic factors affecting the ability of the customers to settle the receivables. The same approach is applied to both trade receivables and accrued income expected credit loss provisions.

The Group has not identified any current factors or forward-looking information which would be relevant to the historical loss rates. On this basis, the loss allowance as at 31 December 2025 and 31 December 2024 was nil for both trade receivables and accrued income.

See note 19 – Trade receivables for the ageing of trade receivables and significant customer credit risk exposure.

Notes to the consolidated financial statements for the year ended 31 December 2025 continued

3. Financial risk management continued

3.3 Liquidity risk

The Group's principal objectives when managing capital are to ensure that funds are available to support its growth strategy and to safeguard the Group's ability to continue as a going concern.

The capital structure of the Group consists of cash and cash equivalents (note 21) and equity attributable to equity holders of the parent.

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due.

The Group manages its exposure to liquidity risk through short and long-term forecasts and by seeking to align the maturity profiles of its financial assets with its financial liabilities. The Group's policy is to maintain an adequate level of liquidity to meet its liabilities expected to be settled in the short or near term, under both normal and stressed conditions.

The following table details the remaining contractual maturity of the Group's financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows.

£m	31 December 2025					
	Total	Less than 6 months	Between 6 to 12 months	Between 1 to 2 years	Between 2 to 5 years	More than 5 years
Trade and other payables	9.4	9.4	-	-	-	-
Lease liabilities – future lease payments	12.7	0.9	0.9	1.8	3.4	5.7

£m	31 December 2024					
	Total	Less than 6 months	Between 6 to 12 months	Between 1 to 2 years	Between 2 to 5 years	More than 5 years
Trade and other payables	8.4	8.4	-	-	-	-
Lease liabilities – future lease payments	13.4	0.5	0.3	1.8	4.8	6.0

4. Segments and principal activities

4.1 Revenue by stream

The Group assesses revenue by type of activity, being Subscription, Software Engineering and Delivery, as summarised below:

£m	2025	2024
Subscription	43.6	37.5
Software Engineering	19.6	17.4
Delivery	63.5	55.0
Total revenue	126.7	109.9

4.2 Non-current assets geographical information

Non-current assets attributable to each geographical market:

£m	2025	2024
EMEA*	43.5	40.9
Americas*	0.6	0.8
Rest of World	0.5	0.7
Total non-current assets	44.6	42.4

* The breakdown of non-current assets geographical information has been changed to better reflect the operations of the Group. The total remains unchanged.

Revenue by geographical market is contained within note 5.3. The table above excludes deferred tax assets for both 2025 and 2024.

5. Revenue from contracts with customers

5.1 Customer concentration

There were no customers with revenue accounting for more than 10% of total revenue in 2025 and 2024.

5.2 Timing of revenue

The Group derives revenue from the transfer of goods and services as follows over time and at a point in time in the following revenue streams:

Notes to the consolidated financial statements for the year ended 31 December 2025 continued

5. Revenue from contracts with customers continued

5.2 Timing of revenue continued

2025

£m	Subscription	Software Engineering	Delivery	Total revenue
At a point in time – time and materials	–	7.2	38.8	46.0
At a point in time – fixed price	0.1	0.9	–	1.0
Over time – time and materials	–	9.8	23.9	33.7
Over time – fixed price	43.5	1.7	0.8	46.0
Total revenue	43.6	19.6	63.5	126.7

2024

£m	Subscription	Software Engineering	Delivery	Total revenue
At a point in time – time and materials	–	7.5	43.8	51.3
At a point in time – fixed price	–	0.8	–	0.8
Over time – time and materials	–	7.6	11.2	18.8
Over time – fixed price	37.5	1.5	–	39.0
Total revenue	37.5	17.4	55.0	109.9

All goods and services are sold directly to customers.

5.3 Revenue geographical information

Revenue attributable to each geographical market based on where the customer mainly utilises its instance of Alfa, or where the service is rendered, is as follows:

£m	2025	2024
EMEA*	62.1	55.6
Americas*	56.8	46.1
Rest of World	7.8	8.2
Total revenue	126.7	109.9

* The breakdown of revenue by geography has been changed to better reflect the operations of the Group. Previously named UK and rest of EMEA have been combined into EMEA. The other categories and total remains unchanged.

Revenue attributable to the UK is £34.9m (2024: £32.0m) and this is included within the EMEA revenue.

5.4 Revenue by currency

Revenue by contractual currency is as follows:

£m	2025	2024
GBP	47.9	40.4
USD	54.6	46.5
EUR	16.4	14.8
Other	7.8	8.2
Total revenue	126.7	109.9

5.5 Liabilities from contracts with customers

£m	2025	2024
Contract liabilities – deferred licence and fees	9.2	8.1
Contract liabilities – deferred maintenance	4.7	7.6
Total contract liabilities	13.9	15.7

Contract liabilities – deferred licence

Where a customer purchases a perpetual software licence, this is generally invoiced upfront at the commencement of the implementation project. Customers generally require additional development efforts over the life of the implementation project in order to customise the underlying code within Alfa Systems. Together, these two elements form the Group's customised licence performance obligation. The fair value of this performance obligation is determined using the residual method as set out in note 1.5.2 and this fair value is recognised as the development effort is expended, on a percentage-of-completion basis.

As such, the deferred licence contract liability balance as at 31 December 2025 and 31 December 2024 represents any amounts received in advance for the customised licence performance obligation being satisfied (including any unrecognised software licence amounts that were received upfront).

Additionally, where an option over the right to use Alfa Systems in the future exists, the value of this is also included within the deferred licence contract liability. The contract liability relating to the material right value is increased over the life of the implementation project in line with the percentage of completion of the development efforts and then released on a straight-line basis over the expected remaining customer life post-completion of the implementation project.

Notes to the consolidated financial statements for the year ended 31 December 2025 continued

5. Revenue from contracts with customers continued

5.5 Liabilities from contracts with customers continued

The deferred licence contract liability balance will increase during the year as a result of:

- Any new upfront software licence payments;
- Any write back in previously recognised revenue as a result of project extensions or re-plans;
- Decreasing percentage-of-completion of development efforts; and
- Any additional material right balances that are added during the year.

The deferred licence contract liability balance will decrease during the year as a result of:

- Increasing percentage-of-completion of development efforts; and
- Any release of material right balances following the completion of the implementation project.

Contract liabilities – deferred maintenance

A number of the Group's customers are invoiced annually in advance for the maintenance and support service provided by the Group. As such, the deferred maintenance contract liability balance will increase as a result of billing and invoices becoming due, and will decrease as the Group satisfies its associated performance obligations. The deferred maintenance contract liability balance as at 31 December 2025 and 31 December 2024 therefore represents the Group's unsatisfied maintenance performance obligation for which the revenue has been invoiced in advance.

5.6 Unsatisfied performance obligations

The Group has unsatisfied or partially satisfied performance obligations at 31 December 2025 that relate to the licence customisation for some customers that have ongoing implementation projects. This performance obligation includes the delivery of the related software licence and any development efforts which will change the underlying code. Linked to certain of these ongoing and future projects, and also to certain implementation projects completed during 2025, the Group also has unsatisfied or partially satisfied performance obligations at 31 December 2025 that relate to the option over the right to use Alfa Systems, and in particular any material right in respect of discounts to be received by customers in future periods.

The above includes certain amounts recognised as contract liabilities. The transaction price allocated to these unsatisfied or partially satisfied performance obligations as at 31 December 2025 is £7.2m (2024: £9.9m). This amount is expected to be recognised over the remaining life of the implementation projects, in respect of the licence and development efforts, and over the expected customer life (following the completion of the implementation project) in respect of the option over the right to use Alfa Systems. Of the £7.2m, it is expected that £3.3m will be recognised in 2025, with the remainder being recognised in subsequent years.

These unsatisfied or partially satisfied performance obligations are based on management's best judgement and may be impacted in the future by a number of factors including:

- Any possible contract modifications;
- Currency fluctuations;
- External market factors; and
- Changes to the overall forecast project plan including the overall life of the implementation project and any required development efforts.

The Group applies the practical expedient in paragraph 121 of IFRS 15 and does not disclose information about the unsatisfied performance obligations that have original expected durations of one year or less. This includes those performance obligations linked to ongoing services for all project types (i.e. subscription, software engineering and delivery).

The Group also applies the practical expedient in paragraph B16 of IFRS 15 and does not disclose the amount of the transaction price allocated to the unsatisfied contract performance obligations where consideration will be received directly corresponding to the value of the performance obligation in the future and this consideration aligns to the value received to date for the corresponding performance obligation. This includes those performance obligations linked to our software implementation services.

The disclosures above for unsatisfied or partially satisfied performance obligations are not relevant to our subscription performance obligations as these are typically satisfied on a monthly basis in line with the termination rights of the customers (see note 1.5.6).

The Group has variable consideration in the form of contract banding for its licence and maintenance volumes. It is included in the transaction price only to the extent that it is highly probable that a significant reversal of revenue will not occur when the uncertainty associated with the variable consideration is subsequently resolved. Discounts or rebates are allocated proportionately to all performance obligations unless there is observable evidence that they relate entirely to one or more specific performance obligations, in which case they are allocated accordingly, in line with IFRS 15.

Contract modifications are accounted for as a separate contract when the scope of the contract increases due to the addition of distinct goods or services and the price reflects their stand-alone selling prices. In all other cases, modifications are accounted for as part of the existing contract, with revenue recognised on a cumulative catch-up basis or prospectively, as appropriate, in accordance with IFRS 15.

Notes to the consolidated financial statements for the year ended 31 December 2025 continued

6. Operating profit

The following items have been included in arriving at operating profit:

£m	2025	2024
Research and development costs	2.8	2.3
Depreciation of property, plant and equipment	0.4	0.6
Depreciation of right-of-use lease assets	1.1	1.1
Amortisation of intangible assets	1.8	1.0
Foreign exchange loss/(gain)	0.7	(0.2)
Realised and unrealised net (gain) on forward contracts	(1.5)	(0.3)
Share-based payments (including social security contributions)	1.9	1.4
RDEC*	(0.4)	0.1

* The Company has claimed credits under the UK RDEC regime in respect of 2023 and 2024 and intends to claim for 2025. The amount of the estimated RDEC credit is required to be recognised as both other income (which is taxable) and as a recoverable. In 2025, following the finalisation of the 2023 tax return, the RDEC benefit for 2023 was increased by £0.2m. In addition, an estimated £0.2m RDEC benefit was recognised for 2025, resulting in recognition of £0.4m in 2025.

7. Personnel-related costs

£m	2025	2024
Wages and salaries	50.4	44.4
Social security contributions (on wages and salaries)	5.8	5.2
Pension costs	4.1	3.5
Less: capitalisation	(5.0)	(5.3)
	55.3	47.8
Profit share pay*	5.0	4.2
Share-based payments (including social security contributions)	1.9	1.4
Total employment costs	62.2	53.4

* Profit share pay refers to a pool of money (that equates to approximately 10% of the Group's pre-tax profits) which is shared amongst the employees, excluding Directors and some other senior managers, as a percentage of basic salary. The amount disclosed includes the related social security contributions.

Average monthly number of people employed based on location (including Executive Directors)

	2025	2024
EMEA*	367	357
Americas*	119	99
Rest of World	30	29
Total average monthly number of people employed	516	485

* The split of employees has been changed to better reflect the operations of the Group. The UK headcount, as disclosed previously, is included within the EMEA headcount. The total remains unchanged.

At 31 December 2025, the Group had 527 employees (2024: 502).

8. Key management

Key management compensation (including Directors):

£m	2025	2024
Wages, salaries and short-term benefits	2.5	2.3
Social security contributions	0.5	0.3
Share-based payments (including social security contributions)	1.2	0.5
Total key management compensation	4.2	3.1

Key management personnel consist of the Company Leadership Team and the Executive and Non-Executive Directors. Directors' remuneration is detailed in the Remuneration Report from page 82.

Notes to the consolidated financial statements for the year ended 31 December 2025 continued

9. Auditor's remuneration

The Group obtained the following services from the Group's auditor as detailed below:

£m	2025	2024
Audit fees		
RSM UK Audit LLP		
Audit of the consolidated financial statements	0.2	0.2
Audit of subsidiaries	0.2	0.2
Total audit fees	0.4	0.4
Audit-related assurance fees		
Review of interim financial report	0.1	0.1
Total audit-related assurance fees	0.1	0.1
Non-audit services	-	-
Total audit and non-audit-related services	0.5	0.5

10. Finance income and expense

£m	2025	2024
Finance income		
Interest income on cash or short-term bank deposits	0.7	0.5

£m	Note	2025	2024
Finance expense			
Interest on lease liabilities	23	(0.7)	(0.6)
Other interest expense		-	(0.1)
Total finance expense		(0.7)	(0.7)

11. Income tax expense

Analysis of charge for the year

£m	2025	2024
Current tax:		
Current tax on profit for the year	8.5	6.8
Adjustment in respect of prior years	(0.1)	(0.2)
Foreign tax on profit of subsidiaries for the year	0.8	0.7
Current tax charge	9.2	7.3
Deferred tax:		
Deferred tax on profits for the year	0.9	1.2
Other	(0.1)	-
Deferred tax charge	0.8	1.2
Total tax charge in the year	10.0	8.5

The effective tax rate for 2025 and 2024 is in line with the standard rate of corporation tax in the UK. The effective tax rate for the year ended 31 December 2025 was 24.9% (2024: 24.9%).

The overall tax charge for the year is reconciled as follows:

Analysis of charge for the year

£m	2025	2024
Profit on ordinary activities before taxation	40.1	34.1
Profit on ordinary activities at the standard rate of corporation tax 25% (2024: 25%)	10.0	8.5
Tax effects of:		
Adjustment in respect of prior years	(0.1)	(0.2)
Impact of expenses not deductible for tax purposes	0.1	-
Other	-	0.2
Total tax charge for the year	10.0	8.5

Notes to the consolidated financial statements for the year ended 31 December 2025 continued

12. Earnings per share

	2025	2024
Profit attributable to equity holders of Alfa (£m)	30.1	25.6
Weighted average number of shares outstanding during the year	295,778,634	294,925,812
Basic earnings per share (pence per share)	10.19	8.68
Weighted average number of shares outstanding including potentially dilutive shares	297,234,511	298,962,970
Diluted earnings per share (pence per share)	10.14	8.56

The weighted average number of ordinary shares in issue excludes 4,221,366 (2024: 5,074,188) shares held by the Group cumulatively under the EBT and as a result of the share buy-back programme.

The diluted number of ordinary shares outstanding, including share awards, is calculated on the assumption of conversion of 1,455,878 (2024: 4,037,158) potentially dilutive ordinary shares.

13. Financial assets and liabilities

£m	Note	2025	2024
Financial assets			
Financial assets at amortised cost:			
Trade receivables	19	8.5	8.6
Other financial assets at amortised cost	20	5.7	5.0
Cash and cash equivalents	21	26.4	20.5
Total financial assets		40.6	34.1
Financial liabilities			
Financial liabilities at amortised cost:			
Trade and other payables	22	9.4	8.4
Lease liabilities	23	9.3	9.3
Total financial liabilities		18.7	17.7

14. Goodwill

£m	2025	2024
Cost		
At 1 January	24.7	24.7
At 31 December	24.7	24.7

The recoverable amount of goodwill has been determined based on value-in-use calculations using cash flow projections from financial budgets and forecasts for a five-year period using a pre-tax discount rate of 11.1% (2024: 10.4%) which is based on the CGU's weighted average cost of capital. Cash flows beyond these periods have been extrapolated using a steady 2.5% (2024: 2.5%) average growth rate which is reflective of management's best estimate at the time.

Management believes that any reasonable change in any of the key assumptions on which the recoverable amount is based would not cause the reported carrying amount to exceed the recoverable amount of the CGU.

Notes to the consolidated financial statements for the year ended 31 December 2025 continued

15. Other intangible assets

£m	Computer software	Internally generated software	Total
Cost			
At 1 January 2024	1.7	7.1	8.8
Additions	-	5.3	5.3
Disposals	(0.7)	-	(0.7)
At 31 December 2024	1.0	12.4	13.4
Amortisation			
At 1 January 2024	1.1	2.7	3.8
Charge for the period	0.2	0.8	1.0
Disposal	(0.7)	-	(0.7)
At 31 December 2024	0.6	3.5	4.1
Net book value			
At 31 December 2024	0.4	8.9	9.3
Cost			
At 1 January 2025	1.0	12.4	13.4
Additions	-	5.0	5.0
At 31 December 2025	1.0	17.4	18.4
Amortisation			
At 1 January 2025	0.6	3.5	4.1
Charge for the period	0.1	1.7	1.8
At 31 December 2025	0.7	5.2	5.9
Net book value			
At 31 December 2025	0.3	12.2	12.5

Significant movement in other intangible assets

During 2025, Alfa developed new internally generated software at a cost of £5.0m (2024: £5.3m). This software will be amortised over three to five years.

The total research and product development expense for the period was £2.8m (2024: £2.3m).

16. Property, plant and equipment

£m	Fixtures and fittings	IT equipment	Total
Cost			
At 1 January 2024	1.6	3.2	4.8
Additions	-	0.3	0.3
Disposals	(0.1)	(1.7)	(1.8)
At 31 December 2024	1.5	1.8	3.3
Depreciation			
At 1 January 2024	1.1	2.7	3.8
Charge for the year	0.2	0.4	0.6
Disposals	(0.1)	(1.7)	(1.8)
At 31 December 2024	1.2	1.4	2.6
Net book value			
At 31 December 2024	0.3	0.4	0.7
Cost			
At 1 January 2025	1.5	1.8	3.3
Additions	-	0.4	0.4
Disposals	-	(0.4)	(0.4)
At 31 December 2025	1.5	1.8	3.3
Depreciation			
At 1 January 2025	1.2	1.4	2.6
Charge for the year	0.1	0.3	0.4
Disposals	-	(0.4)	(0.4)
At 31 December 2025	1.3	1.3	2.6
Net book value			
At 31 December 2025	0.2	0.5	0.7

Notes to the consolidated financial statements for the year ended 31 December 2025 continued

17. Right-of-use assets

£m	Motor vehicles	Property	Total
Cost			
At 1 January 2024	0.7	10.9	11.6
Additions	0.3	2.4	2.7
Disposals	(0.3)	–	(0.3)
At 31 December 2024	0.7	13.3	14.0
Depreciation			
At 1 January 2024	0.5	5.0	5.5
Charge for the year	0.1	1.0	1.1
Disposals	(0.3)	–	(0.3)
At 31 December 2024	0.3	6.0	6.3
Net book value			
At 31 December 2024	0.4	7.3	7.7
Cost			
At 1 January 2025	0.7	13.3	14.0
Additions	0.1	–	0.1
Disposals	(0.1)	(0.3)	(0.4)
At 31 December 2025	0.7	13.0	13.7
Depreciation			
At 1 January 2025	0.3	6.0	6.3
Charge for the year	0.2	0.9	1.1
Disposals	(0.1)	(0.3)	(0.4)
At 31 December 2025	0.4	6.6	7.0
Net book value			
At 31 December 2025	0.3	6.4	6.7

The Group recognised the following amounts in the consolidated statement of profit or loss and comprehensive income in relation to leases under IFRS 16:

£m	2025	2024
Depreciation	(1.1)	(1.1)
Interest expense	(0.7)	(0.6)

18. Deferred income tax

The provision for deferred tax consists of the following deferred tax assets/(liabilities) relating to accelerated capital allowances and short-term timing differences in relation to accruals and share-based payments.

£m	2025	2024
Balance as at 1 January	(0.5)	0.3
Deferred income taxes recognised in the consolidated statement of profit or loss and comprehensive income	(0.9)	(1.2)
Deferred tax on share-based payments recognised in reserves	0.1	0.4
Balance as at 31 December	(1.3)	(0.5)
Consisting of:		
Depreciation in excess of capital allowances	–	0.1
Capital allowances in excess of depreciation	(0.1)	–
Other timing differences	(1.2)	(0.6)
Balance as at 31 December	(1.3)	(0.5)

At the reporting date, the provision for deferred tax comprised net deferred tax assets relating to overseas group companies of £0.4m (2024: £0.5m) and net deferred tax liabilities relating to the UK of £(1.7)m (2024: £(1.0)m). The table above shows the net of these balances, being deferred tax liabilities of £1.3m (2024: deferred tax liabilities of £0.5m).

Deferred income tax liabilities have not been recognised for the withholding tax and other taxes that would be payable on the unremitted earnings of certain subsidiaries as the Group is able to control the timing of these temporary differences and it is probable that they will not reverse in the foreseeable future. Unremitted earnings totalled £4.5m at 31 December 2025 (2024: £2.7m).

Notes to the consolidated financial statements for the year ended 31 December 2025 continued

19. Trade receivables

£m	2025	2024
Trade receivables	8.5	8.6
Provision for impairment	-	-
Trade receivables - net	8.5	8.6

Ageing of trade receivables

£m	2025	2024
Within agreed terms	7.8	8.1
Past due 1-30 days	0.7	0.5
Past due 31-90 days	-	-
Past due 91+ days	-	-
Trade receivables - net	8.5	8.6

The Group believes that the amounts that are past due are fully recoverable, all overdue amounts have been received by signing date, and there are no indicators of future delinquency or potential litigation.

Currency of trade receivables

£m	2025	2024
GBP	3.0	3.0
USD	4.7	4.8
Other	0.8	0.8
Trade receivables - net	8.5	8.6

Trade receivables due from significant customers

There were no customers with revenue accounting for more than 10% of total revenue in 2025 and 2024.

Impairment and risk exposure

Information about the impairment of trade receivables and the Group's exposure to market risk (specifically foreign currency risk) and credit risk can be found in note 3.

20. Other receivables held at amortised cost

£m	2025	2024
Accrued income	5.5	4.7
Prepayments	4.4	4.9
Corporation tax recoverable	0.7	2.8
Other receivables	0.2	0.3
Total other receivables held at amortised cost	10.8	12.7

Accrued income represents fees earned, but not invoiced, at the reporting date, which have no right of offset with contract liabilities – deferred licence amounts.

Prepayments include £0.7m of deferred costs in relation to costs to fulfil contracts (2024: £1.0m) and £0.3m in relation to costs to obtain contracts (2024: £0.4m). During the year £0.4m (2024: £0.3m) relating to costs to fulfil contracts has been recognised within cost of sales and £0.1m (2024: £0.1m) in relation to costs to obtain contracts has been recognised within sales, general and administrative expenses.

Corporation tax recoverable at the reporting date of £0.7m (2024: £2.8m) represents predominately UK tax of £0.3m (2024: £2.3m), and an amount of £0.4m (2024: £0.4m) relating to RDEC recoverable.

21. Cash and cash equivalents

£m	2025	2024
Cash at bank and in hand	26.4	20.5
Cash and cash equivalents	26.4	20.5

Currency of cash and cash equivalents

£m	2025	2024
GBP	12.5	8.6
USD	8.5	6.1
AUD	2.0	2.1
EUR	2.4	2.5
Other	1.0	1.2
Cash and cash equivalents	26.4	20.5

Cash and cash equivalents are all held with banks and other financial institutions which must fulfil credit rating and investment criteria approved by the Board.

Notes to the consolidated financial statements for the year ended 31 December 2025 continued

22. Current and non-current liabilities

£m	2025	2024
Trade payables	0.8	1.0
Other payables	12.4	10.7
Contract liabilities – deferred licence and fees	9.2	8.1
Contract liabilities – deferred maintenance	4.7	7.6
Deferred tax liability	1.7	1.0
Lease liabilities (note 23)	9.3	9.3
Provisions for other liabilities (note 24)	0.9	0.8
Total current and non-current liabilities	39.0	38.5
Less non-current portion	(10.4)	(11.0)
Total current liabilities	28.6	27.5

Other payables includes amounts relating to other tax and social security of £3.8m (2024: £3.3m). Of the remainder, £6.8m (2024: £5.8m) relates to amounts due as part of payroll.

23. Lease liabilities

The following table sets out the reconciliation of the lease liabilities from 1 January 2024 to the amount disclosed at 31 December 2025:

£m	Total
Lease liabilities recognised at 1 January 2024	8.2
Additions	2.4
Interest charge	0.6
Payments made on lease liabilities	(1.9)
At 31 December 2024	9.3
Additions	0.1
Interest charge	0.7
Payments made on lease liabilities	(0.8)
At 31 December 2025	9.3

Additions to lease liabilities include extensions to existing lease agreements. In 2024 there was an extension of the lease (a lease modification) to the UK office at Moor Place, 1 Fore Street Avenue, London, EC2Y 9DT, UK.

Total lease payments in 2025 were £0.8m (2024: £1.9m).

23. Lease liabilities continued

Below is the maturity analysis of the lease liabilities:

£m	2025	2024
Non-current	8.1	9.2
Current	1.2	0.1
Total lease liabilities	9.3	9.3
No later than one year	1.8	0.8
Between one year and five years	5.2	6.6
Later than five years	5.7	6.0
Total future lease payments	12.7	13.4
Total future interest payments	(3.4)	(4.1)
Total lease liabilities	9.3	9.3

The movement during the year in lease liabilities is set out above. Movements in cash and cash equivalents are set out in the cash flow statement. These are the only changes in liabilities arising from financing activities in the year.

24. Provision for other liabilities

£m	
At 1 January 2024	0.7
Provided in the period	0.4
Utilised in the period	(0.3)
Released in the period	–
At 31 December 2024	0.8
Provided in the period	0.4
Utilised in the period	(0.3)
Released in the period	–
At 31 December 2025	0.9

Provisions for other liabilities comprise amounts for office dilapidations and employer taxes on share-based payments. It is expected that these will be utilised as follows: £0.3m in 2025 and £0.6m over various years.

Notes to the consolidated financial statements for the year ended 31 December 2025 *continued*

25. Share capital

	2025		2024	
	Shares	£m	Shares	£m
Issued and fully paid				
Ordinary shares – 0.1 pence	300,000,000	0.3	300,000,000	0.3
Balance as at 31 December	300,000,000	0.3	300,000,000	0.3

No additional shares have been issued or cancelled in 2025 or 2024.

26. Translation reserve

£m	2025	2024
At 1 January	0.1	0.2
Currency translation of subsidiaries	(0.2)	(0.1)
At 31 December	(0.1)	0.1

27. Own shares

£m	2025	2024
Balance at 1 January	7.9	8.7
Acquired in the year	0.9	0.7
Distributed on exercise of options	(2.3)	(1.5)
Balance at 31 December	6.5	7.9

The own shares reserve represents the cost of shares in Alfa Financial Software Holdings PLC that have been:

- Purchased in the market and held by the Group's EBT to satisfy options under the Group's share options plans. The number of shares held as at 31 December 2025 was 539,667 (31 December 2024: 83,904); and
- Purchased in the market and held by the Group as a result of the share buy-back programme that was launched on 18 January 2022 and ended on 30 June 2023. The number of shares held at 31 December 2025 was 3,369,802 (31 December 2024: 4,775,119).

Own shares distributed relates to shares distributed to employees from the EBT for bonus awards under share schemes. As at 31 December 2025, the Group held 1.30% (31 December 2024: 1.62%) of its own called-up share capital.

Notes to the consolidated financial statements for the year ended 31 December 2025 continued

28. Share awards

The Group recognised total expenses relating to share-based payment of £1.9m (2024: £1.4m) in the current year. Of this, £1.7m (2024: £1.1m) relates to equity-settled LTIP schemes and £0.2m (2024: £0.3m) relates to Employee ShareSave schemes. See further detail below.

The outstanding share schemes are made up of the following:

Grant date	Condition type	Plan	Vesting date	Exercise price	Share options 31 December 2025	Share options 31 December 2024
November 2021	Service Only	UK Employee ShareSave	January 2025	153.6p	3,515	168,146
April 2022	Service and Performance	LTIP	April 2025	0p	-	741,162
April 2022	Service Only	LTIP	April 2025	0p	3,656	231,290
May 2022	Service Only	UK Employee ShareSave	June 2025	132.8p	4,066	211,673
September 2022	Service Only	LTIP	September 2025	0p	-	5,917
April 2023	Service and Performance	LTIP	April 2026	0p	913,963	913,963
April 2023	Service Only	LTIP	April 2026	0p	353,418	374,948
April 2023	Service Only	UK Employee ShareSave	June 2026	109.6p	837,787	841,071
April 2023	Service Only	US Employee ShareSave	June 2025	116.5p	-	54,960
April 2024	Service and Performance	LTIP	April 2027	0p	720,024	720,024
April 2024	Service Only	LTIP	April 2027	0p	325,718	342,774
April 2024	Service Only	US Employee ShareSave	June 2026	146.0p	27,675	30,274
May 2024	Service Only	UK Employee ShareSave	June 2027	137.4p	191,958	194,657
September 2024	Service Only	LTIP	September 2027	0p	3,164	3,164
April 2025	Service and Performance	LTIP	April 2028	0p	561,593	-
April 2025	Service Only	LTIP	April 2028	0p	358,670	-
April 2025	Service Only	US Employee ShareSave	June 2027	173.0p	64,899	-
May 2025	Service Only	UK Employee ShareSave	June 2028	162.8p	391,860	-
October 2025	Service Only	LTIP	October 2028	0p	866	-

Notes to the consolidated financial statements for the year ended 31 December 2025 continued

28. Share awards continued

The weighted average share price at the date of exercise for share options exercised during the period was 214.1 pence (2024: 177.4 pence). The options outstanding at 31 December 2025 had a weighted average exercise price of 41.7p pence (2024: 38.0 pence), and a weighted average remaining contractual life of 1.1 years (2024: 1.5 years).

The opening weighted average exercise price at 1 January 2025 was 38.0 pence (1 January 2024: 34.7 pence). The weighted average exercise price of options forfeited and exercised during the year was 134.7 pence (31 December 2024: 146.5 pence). The expected price volatility is based on the historical volatility adjusted for any expected changes to future volatility due to publicly available information.

The weighted average exercise price of options granted in the period is 51.5 pence (2024: 24.1 pence).

The total share-based payment charge relating to Alfa Financial Software Holdings PLC shares for the year is split as follows:

£m	2025	2024
Employee share schemes – value of services	1.6	1.1
Expense in relation to fair value of social security liability on employee share schemes	0.3	0.3
Total cost of employee share schemes	1.9	1.4

Details of the share options outstanding during the year are as follows:

	2025	2024
Outstanding at 1 January	4,834,023	4,782,079
Conditionally awarded in year	1,472,311	1,290,893
Exercised	(1,308,035)	(977,712)
Forfeited or expired in year	(235,467)	(261,237)
Outstanding at 31 December	4,762,832	4,834,023
Exercisable at the end of the year	-	-

28.1 LTIPs

The 2022 April and 2022 September LTIP awards vested during the year. The exercise of these awards had a net impact of £1.5m on own shares and £1.5m on retained earnings.

The 2023 April and 2024 April LTIP awards (service and performance conditions) are conditional on performance conditions, 50% based on EPS performance (non-market condition) and 50% on TSR (market condition) as well as a three-year employment fulfilment. The fair value of these awards has been determined using the Monte Carlo model. An estimate is made for the awards which are linked to EPS based on the expectation of achievement of EPS conditions at the end of each accounting period.

The 2023 April LTIP awards, the 2024 April LTIP awards, and the September 2024 LTIP awards (service conditions) are conditional on employment only. The fair value of these awards is equal to the closing share price on the date of grant, discounted by the expected 12-month dividend yield to reflect the lack of dividend accrual over the vesting period. The expected price volatility is based on the historical volatility (based on the remaining life of the scheme), adjusted for any expected changes to future volatility due to publicly available information.

The 2025 April LTIP awards (service and performance conditions plan) are granted conditional on performance conditions, 50% based on EPS performance (non-market condition) and 50% on TSR (market condition) as well as a three-year employment fulfilment. For those awards with market-related vesting conditions, the fair value has been determined using the Monte Carlo valuation model at the grant date. For awards issued with EPS (non-market) performance vesting conditions, the fair value of the underlying option is equal to the grant date share price discounted by the expected dividend yield to reflect the lack of dividend accrual over the vesting period. An estimate is made for the awards which are linked to EPS based on the expectation of achievement of EPS conditions at the end of each accounting period. The following table lists the inputs to the model used for the awards granted in the year ended 31 December 2025 based on information at the date of grant:

LTIP awards (granted in April)	TSR element	EPS element
Share price at date of grant	205.5p	205.5p
Award price	0p	0p
Volatility	38.5%	-
Embedded TSR	(4.3)%	-
Average correlation	25.0%	-
Life of award	3 years	3 years
Risk-free rate	3.77%	-
Fair value per award	116.2p	181.8p

Notes to the consolidated financial statements for the year ended 31 December 2025 continued

28. Share awards continued

28.1 LTIPs continued

In April 2025, the Group awarded to certain employees an LTIP conditional on employment only. The fair value of these awards on the date of grant is 181.8 pence, discounted by the expected 12-month dividend yield to reflect the lack of dividend accrual over the vesting period (three years).

In October 2025, the Group awarded to certain employees an LTIP conditional on employment only. Given the small number of share options awarded in these awards, the fair value of these awards on the date of grant was assumed to be the same as that for the April 2025 awards mentioned above, i.e. 181.8 pence.

All of these Company schemes, as well as any non-cyclical awards, are equity-settled by award of ordinary shares.

28.2 Employee ShareSave Scheme

The Group has in place an Employee ShareSave Scheme – the Save As You Earn (SAYE) scheme in the UK and Employee Stock Purchase Plan (ESPP) scheme in the USA. Under these schemes, eligible employees can save up to a set limit each month. At the end of the savings period (three years for SAYE and two years for ESPP), employees can choose whether or not they wish to buy the shares at the option price or take back their savings as cash. The option price is the share price at the start of the plan with a 20% discount for the UK scheme and 15% discount for the US scheme. The fair value of these awards has been determined using the Black Scholes model at the grant date.

	31 December 2025			
	SAYE		ESPP	
	Number of share options	Exercise price	Number of share options	Exercise price
Outstanding at beginning of year	1,415,547	122.1p	85,234	127.0p
Conditionally awarded in year	391,860	162.8p	64,899	173.0p
Exercised during the year	(364,106)	142.2p	(50,786)	116.5p
Forfeited or expired in year	(14,115)	128.3p	(6,773)	127.8p
Outstanding at the end of the year*	1,429,186	128.1p	92,574	164.9p
Exercisable at the end of the year	7,581	142.4p	-	-

* The exercise price is a weighted average.

The inputs used in the calculation of the fair value of options granted in the year were as follows:

	SAYE 31 December 2025	ESPP 31 December 2025
Share price	240.5p	205.5p
Exercise price	162.8p	173.0p
Expected volatility	38.6%	39.8%
Expected life	36 months	24 months
Risk-free rate	3.67%	3.74%
Expected dividend yields	4.0%	4.0%
Fair value per award	87.9p	55.9p

29. Unrecognised items

29.1 Contingencies and commitments

The Group has no capital commitments, no material contingent liabilities and no contingent assets.

29.2 Events occurring after the reporting period

There have been no reportable subsequent events.

30. Dividends

A special dividend of 2.4 pence per share was paid on 30 May 2025 amounting to £7.1m (2024: £5.9m at 2.0 pence per share).

An ordinary dividend of 1.4 pence per share was paid on 27 June 2025 amounting to £4.1m (2024: £3.8m at 1.3 pence per share).

A special dividend of 5.0 pence per share was paid on 7 November 2025 amounting to £14.8m (2024: £12.4m at 4.2 pence per share).

Subject to approval at the AGM on 30 April 2026, a 2025 final dividend of 1.5 pence per share will be paid on 26 June 2026 to holders on the register on 29 May 2026. The ordinary shares will be quoted ex-dividend on 28 May 2026. In addition, the Board has decided to declare a special dividend of 3.1 pence per share, with an ex-dividend date of 30 April 2026, a record date of 1 May 2026 and a payment date of 29 May 2026.

Notes to the consolidated financial statements for the year ended 31 December 2025 continued

31. Related parties

31.1 Controlling shareholder

The ultimate parent undertaking as at 31 December 2025 was CHP Software and Consulting Holdings Limited (the 'ultimate parent'), being the parent undertaking of the smallest and largest group in relation to these consolidated financial statements. The ultimate controlling party is Andrew Page.

31.2 Basis of consolidation

The principal subsidiaries and joint ventures of the Group and the Group percentage of equity capital are set out below. All these are consolidated within the Group's financial statements with the exception of Alfa iQ which is accounted for using the equity method.

			Held by Company 2025	Held by Group 2025	Held by Company 2024	Held by Group 2024
	Registered address and country of incorporation	Principal activity				
Alfa Financial Software Group Limited	Moor Place, 1 Fore Street Avenue, London, EC2Y 9DT, UK	Holding company	100%	100%	100%	100%
Alfa Financial Software Limited	Moor Place, 1 Fore Street Avenue, London, EC2Y 9DT, UK	Software and services	–	100%	–	100%
Alfa Financial Software Inc	124 E Hudson Ave, Royal Oak, MI 48067, United States	Software and services	–	100%	–	100%
Alfa Financial Software Australia Pty Limited	Lisgar House, Level 3, 32 Carrington Street, Sydney, NSW, 2000, Australia	Services	–	100%	–	100%
Alfa Financial Software NZ Limited	Level 1 Building B, 600 Great South Road, Greenlane, Auckland 1051, New Zealand	Services	–	100%	–	100%
Alfa Financial Software GmbH	Bockenheimer Landstraße. 20, 60323 Frankfurt am Main, Germany	Software and services	–	100%	–	100%
Alfa Financial Software International Limited	Moor Place, 1 Fore Street Avenue, London, EC2Y 9DT, UK	Software and services	–	100%	–	100%
Alfa AI Limited	Moor Place, 1 Fore Street Avenue, London, EC2Y 9DT, UK	Services	–	100%	–	100%
Alfa iQ Limited*	30 Finsbury Square, London, EC2A 1AG, UK	Software and services	–	–	–	51%

* The activity in the Alfa iQ joint venture ceased in late 2023 and the company was placed into Members Voluntary Liquidation in 2024. The registered address prior to the liquidation was Moor Place, 1 Fore Street Avenue, London, EC2Y 9DT, UK.

Notes to the consolidated financial statements for the year ended 31 December 2025 *continued*

31. Related parties *continued*

31.3 Transactions with related parties

Full details of the Directors' compensation and interests are set out in the Directors' Remuneration Report from page 82. See note 8 for further detail on remuneration of key management (including Directors).

Dividends to the amount of £14.2m were paid to the ultimate parent (2024: £12.4m).

Dividends of 2.4 pence, 1.4 pence and 5.0 pence per share were paid to all shareholders in 2025 (2024: 2.0 pence, 1.3 pence and 4.2 pence per share). Directors and other key management received dividends based on their beneficial interest in the shares of the Company. Directors' beneficial interests in the shares of the Company are disclosed in the Remuneration Report on page 93.

In 2020 the Group invested £0.4m in Alfa iQ consisting of: a capital contribution of £0.3m; and an interest-free loan fair valued at £0.1m. In 2023, the activity in the Alfa iQ joint venture ceased and the company was placed into Members Voluntary Liquidation in 2024. Therefore, at 31 December 2025 the investment is carried at £nil (2024: £nil) and the loan is carried at £nil (2024: £nil).

In 2024 Alfa Financial Software Limited paid expenses of £0.1m on behalf of Alfa iQ Limited. There were no transactions with Alfa iQ Limited in 2025.

In 2024, expenses relating to property of £0.02m were paid on behalf of the ultimate parent and these were fully recharged back to the ultimate parent at no mark up. There have been no transactions in 2025.

The balances outstanding from the ultimate parent at 31 December 2025 and 2024 were £nil and £nil respectively.

There were no other outstanding balances from related parties at the end of the reporting period.

Company statement of financial position

£m	Note	2025	2024
Assets			
Non-current assets			
Investment in subsidiary companies	4	431.8	430.7
Total non-current assets		431.8	430.7
Current assets			
Amounts owed by subsidiaries	7	0.7	0.6
Other receivables	5	0.4	0.5
Cash and cash equivalents	6	0.1	0.1
Total current assets		1.2	1.2
Total assets		433.0	431.9
Liabilities and equity			
Current liabilities			
Trade and other payables	8	0.8	0.8
Accruals		0.5	0.4
Total current liabilities		1.3	1.2
Non-current liabilities			
Provisions	8	0.2	0.2
Total non-current liabilities		0.2	0.2
Total liabilities		1.5	1.4
Capital and reserves			
Ordinary shares	9	0.3	0.3
Own shares	10	(6.5)	(7.9)
Retained earnings		437.7	438.1
Total equity		431.5	430.5
Total liabilities and equity		433.0	431.9

Retained earnings includes a profit of £25.5m for the 2025 financial year (2024: £24.1m). See the statement of changes in equity on the next page for further detail.

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 above Company statement of financial position should be read in conjunction with the accompanying notes.

The Company financial statements on pages 148 to 154 were approved and authorised for issue by the Board of Directors on 11 March 2026 and signed on its behalf by:

Andrew Denton
Chief Executive Officer

Duncan Magrath
Chief Financial Officer

Alfa Financial Software Holdings PLC – Registered number: 10713517

Company statement of changes in equity

£m	Note	Called-up share capital	Own shares	Retained earnings	Total equity
Balance as at 1 January 2024		0.3	(8.7)	436.5	428.1
Total comprehensive profit for the period		-	-	24.1	24.1
Employee share schemes – value of employee services	11	-	-	1.1	1.1
Dividends	12	-	-	(22.1)	(22.1)
Own shares distributed	10	-	1.5	(1.5)	-
Own shares acquired	10	-	(0.7)	-	(0.7)
Balance as at 31 December 2024		0.3	(7.9)	438.1	430.5
Profit for the period		-	-	25.5	25.5
Employee share schemes – value of employee services	11	-	-	1.6	1.6
Dividends	12	-	-	(26.0)	(26.0)
Own shares distributed	10	-	2.3	(1.5)	0.8
Own shares acquired	10	-	(0.9)	-	(0.9)
Balance as at 31 December 2025		0.3	(6.5)	437.7	431.5

The above Company statement of changes in equity should be read in conjunction with the accompanying notes.

Notes to the Company financial statements for the year ended 31 December 2025

1. Summary of significant accounting policies

Alfa Financial Software Holdings PLC is a public company limited by shares and is incorporated and domiciled in England. These financial statements are the separate financial statements for the Company.

The registered office is Moor Place, 1 Fore Street Avenue, London, EC2Y 9DT, United Kingdom. The registered number of Alfa is 10713517.

The principal activity of the Company is as a holding company.

1.1 Statement of compliance and basis of preparation

The financial statements of Alfa Financial Software Holdings PLC have been prepared in compliance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland (FRS 102) and the Companies Act 2006.

The principal accounting policies applied in the preparation of these financial statements are set out in note 1 to the consolidated financial statements. These policies have been consistently applied to the years presented, unless otherwise stated.

These financial statements have been prepared on a going concern basis, under the historical cost convention. The Directors have used the going concern principle on the basis that the current profitable financial projections of the Company and its subsidiaries indicate they will continue in operation for the foreseeable future. As described in note 1.1 to the consolidated financial statements, this assessment includes downside stress testing in line with FRC guidance.

The Company financial statements have been prepared in pounds sterling which is the functional and presentational currency of the Company and have been presented to the nearest £0.1m unless otherwise stated.

As permitted by FRS 102, the Company has taken advantage of the disclosure exemptions available under that standard in relation to financial instruments, presentation of a cash flow statement, share-based payments, the aggregate remuneration of key management personnel and related party transactions with other wholly owned members of the Group.

The Company meets the definition of a qualifying entity under FRS 102. Where required, equivalent disclosures are given in the Group accounts of Alfa Financial Software Holdings PLC.

The Company exercises control over the EBT because it is exposed to, and has a right to, variable returns from this trust and is able to use its power over the trust to affect those returns. Therefore, the trust is consolidated by the Company.

1.2 Investments in subsidiaries

Subsidiaries are all entities over which the Company has control. The Company controls an entity when the Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Unless otherwise stated, subsidiaries have share capital consisting solely of ordinary shares, and the proportion of ownership interests held equals the voting rights held by the Company. The country of incorporation or registration is also each subsidiary's principal place of business.

Investments in subsidiary undertakings are stated at cost, including those costs associated with the acquisitions, less provision for any impairment in value. Where events or changes in circumstances, including an adverse movement in the share price, indicate that the carrying amount of an investment may not be recoverable, an impairment review is performed. An impairment write-down is recognised to the extent that the carrying amount of the asset exceeds the higher of the fair value less cost to sell and value in use.

Any subsidiary undertakings sold or acquired during the year are included up to, or from, the dates of change of control. Where control of a subsidiary is lost, it is recognised in the profit or loss.

Amounts due to and from subsidiaries are unsecured, interest-free and repayable on demand. The carrying amounts of such payables and receivables are considered to be the same as their fair values due to their short-term nature.

1.3 Financial assets

Basic financial assets, including trade and other receivables, cash and bank balances and other receivables, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction.

At the end of each reporting period, financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

Notes to the Company financial statements for the year ended 31 December 2025 *continued*

1. Summary of significant accounting policies *continued*

1.4 Financial liabilities

Basic financial liabilities, including trade and other payables and trading balances and loans from subsidiaries, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or expired.

Other payables are initially recorded at fair value and subsequently measured at amortised cost. As the total carrying amount is due within the next 12 months from the balance sheet date, the impact of applying the effective interest method is not significant and, therefore, the carrying amount equals the contractual amount or the fair value initially recognised.

Payables are classified as current liabilities if payment is due within one year or less.

1.5 Equity

Ordinary shares

Ordinary shares are classified as equity. There are no restrictions on the distribution of capital and the repayment of capital.

Own shares

Own shares represent the shares of Alfa Financial Software Holdings PLC that are either held by the EBT, or acquired by the Company as part of its share buy-back programme (see note 27 to the consolidated financial statements). Own shares are recorded at cost and deducted from equity.

1.6 Employee share schemes

Grants made to subsidiary employees will not result in a charge recognised in the income statement. Any charges for share-based payments are recognised as an increase in the cost of investment in subsidiaries (as a capital contribution). For full details of the Group's share-based payments, refer to note 28 to the consolidated financial statements.

1.7 Dividends

Dividends are recognised through equity when approved by Alfa's shareholders or on payment, whichever is earlier.

2. Critical accounting judgements and key sources of estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The resulting accounting estimates will, by definition, seldom equal the related actual results.

The inputs applied in the impairment review for the value-in-use calculation for the investments in subsidiaries are considered to be a key source of estimation uncertainty. Refer to note 4 for more details.

There were no other critical accounting judgements that would have a significant effect on the amounts recognised in the parent company financial statements or key sources of estimation uncertainty at the reporting date that would have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

3. Financial risk management

The Company's exposure to financial risks is managed as part of the Group's financial risk management. Full details about the Group's exposure to financial risks and how these risks could affect the Group's future financial performance are given in note 3 to the consolidated financial statements.

Notes to the Company financial statements for the year ended 31 December 2025 *continued*

4. Investments in subsidiaries

£m	2025	2024
Cost		
As at 1 January	430.7	429.8
Capital contributions to subsidiaries (see note 1.6)	1.1	0.9
As at 31 December	431.8	430.7

The carrying amount of the investment is £431.8m at 31 December 2025 (2024: £430.7m). The recoverable amount of the investment was determined based on value-in-use calculations using cash flow projections of the Company and its subsidiaries from financial budgets and forecasts for a five-year period using a pre-tax discount rate of 11.1% (2024: 10.4%). Cash flows beyond these periods have been extrapolated using a steady 2.5% (2024: 2.5%) average growth rate which is reflective of management's best estimate at the time. In addition, the market capitalisation of the Company as at 31 December 2025 was £628m. As the recoverable amount is in excess of the carrying amount of the investment, no impairment charge has been recognised during the current financial year.

5. Other receivables

At 31 December 2025, other receivables relate to prepayments of £0.3m (2024: £0.4m) and VAT receivables of £0.1m (2024: £0.1m).

6. Cash and cash equivalents

£m	2025	2024
Cash and cash equivalents	0.1	0.1

7. Amounts owed by and to subsidiaries

£m	2025	2024
Amounts owed by subsidiaries	0.7	0.6
Total amounts owed by subsidiaries	0.7	0.6

All amounts owed by subsidiaries are current. They relate primarily to recharges to Alfa Financial Software Limited from the Company for expenses incurred.

£m	2025	2024
Amounts owed to subsidiaries	-	-
Total amounts owed to subsidiaries	-	-

8. Payables and provision for other liabilities

Trade and other payables relate to trade creditors of £0.1m (2024: £0.2m) and salary costs of £0.7m (2024: £0.6m).

The long-term provision relates to the employer national insurance liability of £0.2m for the share schemes (2024: £0.2m).

9. Called-up share capital

Each ordinary share has a par value of 0.1 pence. All shares are fully paid and have equal voting rights.

Issued and fully paid	Shares – ordinary	£m
At 31 December 2025	300,000,000	0.3
At 31 December 2024	300,000,000	0.3

Notes to the Company financial statements for the year ended 31 December 2025 *continued*

10. Own shares

£m	2025	2024
Balance at 1 January	7.9	8.7
Acquired in the year	0.9	0.7
Distributed on exercise of options	(2.3)	(1.5)
Balance at 31 December	6.5	7.9

The own shares reserve represents the cost of shares in Alfa Financial Software Holdings PLC purchased in the market and held by the Company's EBT and by the Company as a result of its share buy-back programme (see note 1.2 of the consolidated financial statements).

The number of own shares held by the EBT at 31 December 2025 was 539,667 (2024: 83,904). The number of own shares held at 31 December 2025 by the Company as a result of its share buy-back programme was 3,369,802 (2024: 4,775,119).

As at 31 December 2025, the Company held 1.30% (2024: 1.62%) of its own called-up share capital.

11. Employee share schemes

Under the rules of the Company's LTIP plans, selected employees of the Company's subsidiary were granted awards in the form of nil cost options over ordinary shares in Alfa.

In addition, employees of the Company's subsidiary that met the set criteria were invited to join a ShareSave Scheme – the SAYE scheme for the UK employees and the ESPP scheme for the US employees. Under these schemes, eligible employees can save up to a set limit each month and, at the end of the vesting period, can use these savings to buy ordinary shares in Alfa (at a discount) or take these back as cash.

Refer to note 28 of the consolidated financial statements for more detail on these schemes. The cost of the share-based remuneration is passed to the relevant subsidiary.

12. Dividends

A special dividend of 2.4 pence per share was paid on 30 May 2025 amounting to £7.1m (2024: £5.9m at 2.0 pence per share).

An ordinary dividend of 1.4 pence per share was paid on 27 June 2025 amounting to £4.1m (2024: £3.8m at 1.3 pence per share).

A special dividend of 5.0 pence per share was paid on 7 November 2025 amounting to £14.8m (2024: £12.4m at 4.2 pence per share).

Subject to approval at the AGM on 30 April 2026, a 2025 final dividend of 1.5 pence per share will be paid on 26 June 2026 to holders on the register on 29 May 2026. The ordinary shares will be quoted ex-dividend on 28 May 2026. In addition, the Board has decided to declare a special dividend of 3.1 pence per share, with an ex-dividend date of 30 April 2026, a record date of 1 May 2026 and a payment date of 29 May 2026.

Notes to the Company financial statements for the year ended 31 December 2025 *continued*

13. Directors' remuneration

The Company has no employees other than the Directors. Full details of the Directors' compensation and interests are set out in the Directors' Remuneration Report from page 82.

14. Events occurring after the reporting period

There have been no reportable subsequent events.

15. Related party and ultimate controlling party

The Company has taken advantage of the exemption under FRS 102:33.1A from disclosing transactions with other members of the Group.

The immediate and ultimate parent undertaking as at 31 December 2025 was CHP Software and Consulting Holdings Limited, which was the parent undertaking of the smallest and largest group to consolidate these financial statements.

The registered office of the immediate and ultimate parent undertaking is Moor Place, 1 Fore Street Avenue, London EC2Y 9DT and copies of the financial statements of the ultimate parent can be obtained from this address. The ultimate controlling party is Andrew Page.

See a full listing of the Company's subsidiaries and joint venture in note 31.2 of the consolidated financial statements.

Five-year history

Income

	2025	2024	2023	2022	2021
Revenue £m	126.7	109.9	102.0	93.3	83.2
Operating profit £m	40.1	34.3	30.1	29.6	24.7
Operating profit margin %	32%	31%	30%	32%	30%
EBITDA £m	43.4	37.0	32.6	32.6	27.8
EBITDA margin %	34%	34%	32%	35%	33%
Profit before tax £m	40.1	34.1	29.6	28.9	23.8
Tax £m	(10.0)	(8.5)	(6.1)	(4.4)	(4.6)
Profit for the year £m	30.1	25.6	23.5	24.5	19.2
Operating free cash flow conversion %	97%	89%	115%	102%	114%

Capital employed

	2025	2024	2023	2022	2021
Equity £m	51.7	46.2	42.0	42.0	43.4
Cash £m	26.4	20.5	21.8	18.7	23.1
Capital employed £m	62.1	57.2	49.5	50.9	60.0

Statistics

	2025	2024	2023	2022	2021
TCV £m	227.5	221.3	165.3	142.9	133.1
EPS (Basic) pence	10.19	8.68	7.99	8.24	6.49
EPS (Diluted) pence	10.14	8.56	7.90	8.09	6.39
Ordinary dividends – paid in the year – pence	1.4	1.3	1.2	1.1	1.0
Special dividends – paid in the year – pence	7.4	6.2	5.5	6.5	10.0
Ordinary dividends – paid in the year – £m	4.1	3.8	3.5	3.3	3.0
Special dividends – paid in the year – £m	21.9	18.3	16.2	19.3	29.7

Shareholder information

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Alfa Annual Report

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