

## Chairman's introduction to governance

# Corporate governance for the next stage of growth

### Dear Shareholder

I am pleased to report on the corporate governance procedures undertaken by D4t4 for the financial year 2023, with a continuation of our increased reporting to provide stakeholders with greater visibility into the workings of the Board, its Committees and the Group overall.

### The role of the Board in good governance and business success

The Board recognises the importance of high standards of corporate governance for delivering long-term success to the Group and acknowledges its role in setting the culture, values and ethics of the Group (as outlined in Principle 8) and communicating these to all the Group's stakeholders. This requirement is set out formally on page 29. The Board meets regularly to discuss the monitoring and promotion of a healthy corporate culture. The Chairman has ultimate responsibility for corporate governance matters and has overseen the preparation of this governance statement accordingly.

AIM Rule 26 requires all AIM companies to disclose details of a recognised corporate governance code that its Board of Directors has decided to apply, how the Group complies with that code and, where it departs from its chosen corporate governance code, an explanation of the reasons for doing so.

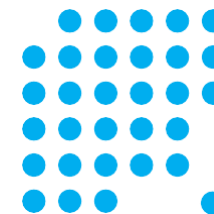
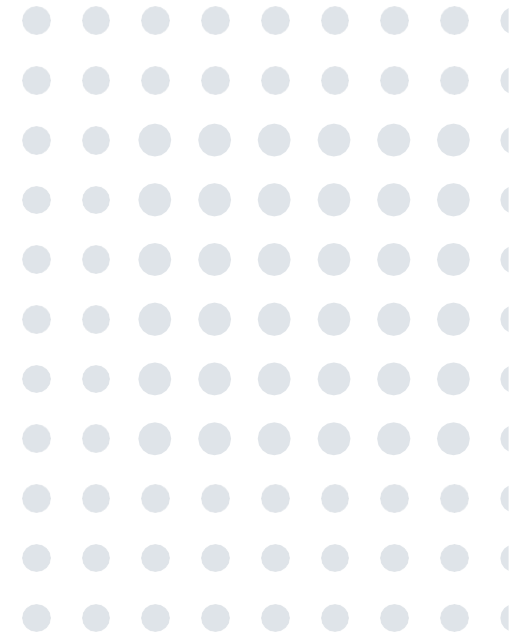
The Board believes the Quoted Companies Alliance Corporate Governance Code 2018 ('QCA Code') is the most applicable set of principles for governance considering the size, resource and current development stage the Company is in. Board discussions are conducted openly and transparently, which creates an environment for sustainable and robust debate. In the year, the Board has constructively and proactively challenged management on Group strategies, proposals, operating performance and key decisions, as part of its ongoing work to assess and safeguard the position and prospects of the Group.

### Exceptions to the application of the QCA Code

The QCA Code requires the Board to contain the necessary mix of experience, skills, personal qualities (including gender balance) and capabilities to deliver the Group's strategy over the medium to long term. We believe our Board has a strong mix of experience as evidenced in the table on page 43. In the technology industry there is a longstanding gender bias which is changing slowly. For our part, we have women in key roles such as VP Marketing, Head of Fraud, Director of Finance, Head of HR, People and Culture, Director of Professional Services and Head of Brand Development.

By order of the Board

**Peter Simmonds**  
Non-executive chairman  
11 July 2023



# Corporate governance statement

## Board operation

The Board's principal role is to provide effective leadership of the Group and to establish and align the Group's purpose, strategy, values and culture. It is responsible to shareholders for delivering shareholder value by developing the overall strategy and supporting the development of the direction of the Group. The Board is also responsible for overseeing the Group's external financial and other reporting and for ensuring that appropriate risk management and internal control systems are implemented and maintained.

The Matters Reserved for the Board document (available on the Group's website) specifies certain matters which must come to the Board for formal approval. These include the matters listed below.

- strategy and long-term objectives;
- financial statements, dividend payments and accounting policies and practices;
- approval of the Group budget;
- capital structure;
- internal controls and risk management;
- acquisitions and disposals;
- major capital expenditure;
- legal (including major contracts), health and safety and insurance issues;
- approval of policies adopted by the Group; and
- board structure and the appointment of advisers.

However, the Board delegates certain powers to its Committees allowing them to deal with those matters in detail and report back to the Board with their considerations and outputs. The Board has three principal Committees: the Audit Committee, the Remuneration Committee and the Nomination Committee. Their responsibilities are set out in formal terms of reference for each committee, which are reviewed annually and are available on the Group's website.

## Audit Committee

The committee is responsible for overseeing the Group's external financial reporting and associated announcements, considering risk management, internal controls procedures and the work of the external and internal auditors. Full details of the work of the Committee are set out in the Audit Committee Report on page 55.

## Nomination Committee

The Nomination Committee is responsible for leading the Board appointments process and for considering the size, structure and composition of the Board. Full details of the work of the Committee are set out in the Nomination Committee Report on page 56.

## Remuneration Committee

The main role of the remuneration committee is to set the company's remuneration policy, determine each executive director's total individual remuneration package and set the targets for performance-related pay, so as to be able to recruit, retain and motivate individuals of the highest calibre. The details of the Committee's work are set out on pages 57 to 61.

The Board meets as often as necessary to discharge its duties and the number of Board meetings held during the year, together with the Directors' attendance records, is set out on page 53. Details on the number of Committee meetings held during the year together with the Directors' attendance records can be found on page 53.

Board meetings are held in person at the Company's offices in Sunbury, or by video conference.

The Directors have access to the advice and services of the Company Secretary, James Thorne, who has over 25 years' experience, and is responsible for ensuring that the Board and its Committees' procedures and applicable rules and regulations are met. The Directors all have access to the Group's key advisers. If required in the performance of their duties, Directors may take independent professional advice at the Company's expense.

Appropriate insurance cover is in place in respect of legal action against the Directors. The Group has adopted and maintained a share dealing code for Directors and employees in accordance with the Market Abuse Regulations.

Board and Committee papers are circulated approximately one week in advance of meetings to enable the Board to review and consider the materials provided.

The Chair ensures that input is sought and obtained from any Director who is unable to attend a Board meeting and provides a verbal update following the meeting to complement the minutes. There is ongoing contact between the chair, executive directors and non-executive directors between Board meetings.

A Board calendar is prepared on an annual basis, and Operations Board members and other staff are regularly invited to attend to present an update on their areas of the business. This is highly valuable in providing further detail to support strategic decisions. In addition, the Board meets on an ad hoc basis as necessary to consider specific issues, such as potential corporate activity, supported by detailed Board papers circulated in advance analysing relevant aspects of the topic under discussion.

## Corporate governance statement continued

### Board roles and responsibilities

The roles of the Chair and the Chief Executive Officer are separate and defined in writing. This provides a clear division of responsibilities between the running of the Board and the executive responsibility for running the business. The key responsibilities of the Chair, the Chief Executive Officer and Chief Financial Officer are set out below:

#### The Chair's responsibilities include:

- chairing the Board, the Nomination Committee and shareholder meetings (including the AGM);
- providing leadership of the Board and ensuring the effectiveness of all aspects of the Board's role;
- providing challenge to the Executive Directors and working closely with the Chief Executive Officer on key strategic decisions;
- maintaining a dialogue with major shareholders on governance and other strategic matters, as appropriate;
- setting the Board agenda and ensuring all Directors have the opportunity to maximise their contribution to the Board by encouraging open and honest debate and constructive challenge of the Executive Directors; and
- undertaking the periodic evaluation of the Board and the Directors and building an effective Board.

The Chief Executive Officer and Chief Financial Officer are responsible for the implementation of the approved strategic and financial objectives of the Group.

### The Chief Executive Officer's responsibilities include:

- the day-to-day running of the business, accountable for the Group's financial and operational performance;
- developing and reviewing the Group strategy;
- maintaining close contact with major customers, suppliers and shareholders;
- chairing the Group Operations Board to direct and co-ordinate the management of the Group's business generally, including sales and marketing, customer delivery and satisfaction and product development;
- with the Chief Financial Officer, approving the divisional budgets; and
- monitoring the performance of senior managers.

### The Chief Financial Officer responsibilities include:

- supporting the Chief Executive in developing and implementing the Group strategy;
- producing the annual budget and long-term strategic and financial plan;
- analysing operations and performance to ensure maximisation of shareholder value over the long term;
- ensuring effective financial reporting, processes and controls are in place;
- leading the finance, HR and admin function;
- monitoring the Group's principal financial risks, and safeguarding its assets; and
- overseeing the Company's relationships with the investment community

The non-executive directors provide independent, constructive challenge and insight to the executive team, forming an integral part of the Board's decision-making process together with the monitoring of management and business performance. The non-executive directors play a key role in developing and reviewing proposals on strategy, actively participating in the regular strategy forums. They strengthen governance through leading and participating in the Board Committees, providing a wide range of experience and independence. This aids the Board in developing a broader understanding and in evaluating the implications, risks and consequences of decisions.

### Board effectiveness

The Board undertakes a periodic assessment of its effectiveness. Further information is shown under Principle 7 of the Corporate Governance statement.

### Board composition and changes

The Board is satisfied that the size of the Board and its Committees and the balance of executive and non-executive members is such that no individual or small group of individuals can unduly influence its decisions.

When considering Board appointments, a wide variety of factors is taken into account, including the balance of skills, experience, independence, knowledge of the Group and diversity, including gender.

The directors have a broad range of international business knowledge and experience, as well as specific skills in the digital technology, growth companies, finance, corporate transactions, investor relations, and risk management. A skills matrix reflecting this experience is included in the Directors' biographies on page 43.

## Corporate governance statement continued

### KEY TOPICS CONSIDERED BY THE BOARD IN 2022/23

- Review, debate and challenge of the corporate strategy and plan
- Presentations on from each member of the Operational Board on matters such as product roadmap, risks and information security, sales and marketing plans, HR strategy, financial planning
- Group Business Plan and Budget
- Search for a new NED/Chair of Audit Committee and a new Chair of the Board.
- Investor engagement and analyst coverage
- The Group's cash balance, profitability, investment into growth and dividend policy
- Acquisition opportunities
- HR presentation on an all-employee Company survey
- Sales presentation on the improvements to the sales approach
- ESG Reporting and Carbon Footprint Audit
- Sale of the Sunbury office and the move to a new office location
- Risk management and internal controls, including a robust assessment of the principal risks
- Understanding the new Finance system and the benefits arising from it
- Financial results announcements, presentations, report and accounts and market updates
- Review of working practices and a move to hybrid working
- Review of employee remuneration and the impact of inflation

### Group Operations Board

The day-to-day operations of the Group are run by the Group Operations Board. This meets weekly and now comprises the following roles;

- Chief Executive Officer.
- Chief Financial Officer.
- Chief Technical Officer.
- Chief Security Officer.
- Director of Managed Services.
- Director of Professional Services.
- Director of Partnerships.
- Head of HR.
- VP – Marketing
- VP – Global Sales.

### Risk management

Key risks and uncertainties affecting the business are regularly assessed and updated. The Board challenges management to ensure appropriate risk mitigation measures are in place. An outline of the Group's key risks and uncertainties is shown on pages 39 to 41.

In light of the new and emerging risks or uncertainties arising from the Group's strategic growth plans and the wider economic, political and market conditions, a rolling risk review process has been implemented which seeks to ensure that risks are constantly monitored, assessed and quantified, so that action may be prioritised by the Board accordingly. This process is undertaken by the Risk Committee which reports to the Board on a regular basis.

### Internal control

The Board has ultimate responsibility for the Group's internal control arrangements and for reviewing their effectiveness, which guide and direct the Group's activities to support delivery of its strategic, financial, operational and other objectives and safeguard shareholders' investment and the Group's assets. The Board recognises that a system of internal control reduces, but cannot eliminate, the likelihood and impact of poor judgement in decision-making, human error, deliberate circumvention of control processes by employees and others, management override of controls and the occurrence of unforeseeable circumstances.

The Board sets policies and seeks and obtains on an ongoing basis, both directly and through the Audit Committee, assurance regarding the existence and operation of appropriate internal controls to mitigate key strategic, financial, operational, compliance and reputational risks.

The Board and Audit Committee consider any significant control matters raised in reports from management and the external auditor, and they monitor the progress of remedial actions.

The key features of the Group's overall control frameworks, all of which were in place throughout the year and up to the date of approval of this report, are set out below:

- delegated limits of authority in place;
- an appropriate finance function across the Group with suitably qualified and experienced professionals;
- segregation of duties, authorisation limits and other key internal controls are designed into both system-based and manual processes;
- a comprehensive monthly financial and operational performance reporting system which covers, amongst other things, operating results, cash flow, balance sheet information, forecasts and comparisons against budgets;
- a risk committee meeting on a regular basis to review and monitor risk and mitigating controls across the Group; and
- regular updates to the Board from management on insurance, litigation, human resources, sustainability and health and safety matters.



## Corporate governance statement continued

These arrangements are reviewed periodically by management to ensure they remain appropriate.

The Group has extensive internal quality assurance processes in critical areas of the business and there are functions within the Group that provide assurance and advice covering specialist areas, such as information security.

The Group's businesses hold an ISO certifications for ISO 27001: Information Security across its UK, US and India locations. The Group continues to review and make improvements to the implementation of these standards.

### Financial planning and monitoring

The Group sets annual budgets, which are subject to Board approval. Financial information, including actual performance versus budget and expected future performance, is provided to all Board members as part of the Board papers. The monthly reporting cycle includes a rolling forecast.

The key policies and documented procedures in place include:

- Group delegated authority limits;
- Group treasury policy;
- Group share dealing code;
- Group anti-bribery and corruption policy;
- Group human resource and staff welfare policies;
- Group health, safety and environmental policies;
- Group code of ethics and standards of business conduct;
- Group data governance policy;
- Group information security policy;
- Group anti-fraud policy; and
- Group whistleblowing policy.

The Group whistleblowing procedures include a confidential reporting hotline operated by an external, independent service provider. The policy and reporting hotline continue to be internally promoted. All employees are required to acknowledge that they have read and understood the policy and procedures.

### Directors' responsibilities

A statement of the Directors' responsibilities in respect of the accounts is set out on page 64 of the Annual Report.

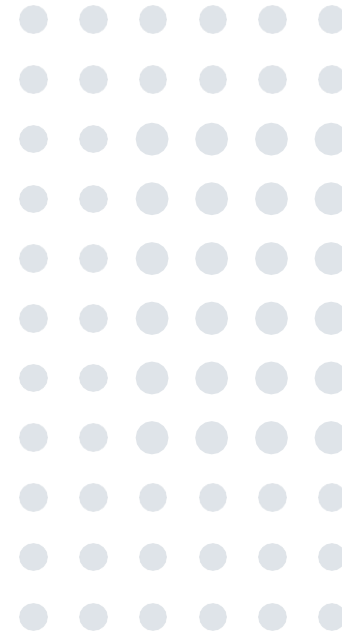
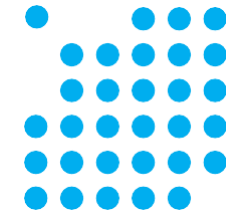
### Stakeholder engagement

The Board continues to engage with stakeholders and welcomes ongoing dialogue throughout the year. Further information is contained in our Stakeholder Engagement Report on pages 24 to 28.

### Conflicts of interest

Directors have a legal duty to avoid conflicts of interest. Prior to appointment, conflicts of interest are disclosed and assessed to ensure that there are no matters which would prevent that person from taking on the appointment. Disclosure of Directors' interests is a standing item on the Board meeting agenda and any new interests, whether conflicting or not, are disclosed during that item.

If any potential conflict arises subsequently, the Articles of Association permit the Board to authorise the conflict, subject to such conditions or limitations as the Board may determine. In situations where a potential conflict arises, the Director concerned will not be permitted to remain present in any meeting or discussion concerning that conflict, and all material in relation to that matter will be restricted, including Board papers and minutes.



# Application of the QCA Corporate Governance Code

This section describes how D4t4 Solutions plc has applied and complied with the main and supporting principles of the QCA Corporate Governance Code (2018).

In last year's Statement of Corporate Governance there was one area where the Group was not fully compliant with the ten key principles of the QCA Code. This has been addressed as far as possible during the year, and is shown below followed by a review of each of the principles in turn.

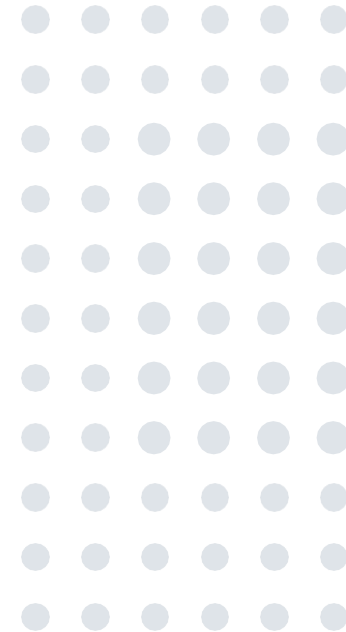
No significant corporate governance matters arose during the period covered by the Annual Report 2023, nor subsequently to the date of this statement, on which it was considered necessary for the Board or any of its Committees to seek external advice. The Board consults with its Nominated Adviser and other professional advisers on routine matters arising in the ordinary course of its business.

The following table summarises one specific area within the principles where the Board considers that the Group did not fully comply, or may be perceived as not fully complying, with the QCA Code, throughout the year.



## Principle 6 – Ensure that between them the Directors have the necessary up-to-date experience, skills and capabilities

Application	Exceptions and explanations
The Board should contain the necessary mix of experience, skills, personal qualities (including gender balance) and capabilities to deliver the Group's strategy over the medium to long term.	<p>During the year, the male to female ratio on the Board was 4:1 and there were no female Executive Directors. We believe that this reflects a strong gender bias in the technology industry as a whole, and the Board remains confident both that the opportunities in the Group are not excluded or limited by any diversity issues (including gender) and that the Board nevertheless contains the necessary mix of experience, skills and other personal qualities and capabilities necessary to deliver its strategy.</p> <p>Since the year end, we have appointed Helen Gilder to the Board as a non-executive director, following an extensive process described in the Nominations Committee Report on page 56.</p> <p>The male to female ratio is better reflected amongst the leadership team where we have women in key roles such as VP Marketing, Head of Fraud, Director of Finance, Head of HR, People and Culture, Director of Professional Services and Head of Brand Development.</p>



## Application of the QCA Corporate Governance Code continued

### The Principles of the QCA Code

#### Principle 1 – Establish a strategy and business model which promote long-term value for shareholders

The Board’s shared view of the Group’s purpose, business model, opportunities and strategy, and the values underpinning them, are detailed in the Strategic Report within pages 1 to 41 of the Annual Report as follows:

- “Our products and services” (pages 4-5) explains what D4t4 Solutions’ services and products are.
- “Our strategy” (pages 16-17) describes how D4t4 Solutions seeks to transform the business to create shareholder value.
- “Strategy in action” (pages 18-20) illustrates, with case studies, how our customers use and benefit from our products and services.

The Group’s approach to delivering long-term value for shareholders is addressed in the Business Model on pages 14 to 15. Pages 39 to 41 (“Principal risks and uncertainties”) detail the key risks faced by the business and how these continue to be addressed. Pages 29 to 34 describe how we are embedding ESG into our business.

#### Principle 2 – Seek to understand and meet shareholder needs and expectations

Relations with shareholders and dialogue with institutional shareholders.

The Board as a whole is responsible for ensuring that a dialogue is maintained with shareholders based on the mutual understanding of objectives. Members of the Board meet with major shareholders on a regular basis, including presentations after the Group’s announcement of the year-end results and at the half year. In addition to regulatory news announcements the Directors publish the Annual Report and Accounts, the annual results presentation, the half year results and announcements on new contract wins as they arise. They also broadcast a video presentation and Q&A, which is also available on the Company website.

In the period from 1 April 2022 to the date of this Corporate Governance Statement, the following activities and events with stakeholders have been arranged with the view to:

- communicate the Group’s business model, strategy and values;
- provide financial updates and explanations sought by shareholders; and
- engage with shareholders to fully understand their needs and expectations.

The Board is kept informed of the views of shareholders and other stakeholders at each monthly Board meeting through a report from the Chief Financial Officer together with formal feedback on shareholders’ views gathered and supplied by the Group’s advisers. The views of private and smaller shareholders, typically arising from the AGM or from direct contact with the Group, are also communicated to the Board on a regular basis.

The Chairman, P Simmonds, is available to shareholders if they have concerns where contact through the normal channel of Chief Executive Officer or Chief Financial Officer has failed to resolve or for which such contact is inappropriate. P Simmonds can be contacted through the UK head office contact information shown on our website.

#### Constructive use of the AGM

The Board uses the AGM to communicate with private and institutional investors and welcomes their participation; all members of the Board are usually present at the AGM.

#### Capital Markets Day

In December 2022, we held a Capital Markets Day alongside the release of our interim results. This was a good opportunity for our Executive team to meet with shareholders and vice versa. It was also an opportunity to present our VP – Global Sales, Mark Krebs, to investors to talk about the sales approach and how we are reducing the length of the sales cycle. Our Chief Technology Officer, Ant Philipps, then presented the new CDI for Salesforce offering, followed by a marketing overview from Bill Bruno. Finally, the Chief Data Officer of one of our Celebrus customers talked about the impact of Celebrus on their retail business. A recording of the day is available on our website.

At all investor meetings, shareholders are asked to confirm that their questions have been successfully answered. At the year end and interim presentations to shareholders, the Group’s Nominated Advisor consults with attendees for feedback to ensure that future presentations encapsulate their requirements where possible.

Date	Description of engagement	Group Participants	Notes
July 2022	Final results roadshow	B Bruno, A Mehta	
August 2022	AGM	Directors	Shareholders were invited to attend the AGM and later in the day to join an online Q&A session
December 2022	Interim results roadshow	B Bruno, A Mehta	
December 2022	Capital Markets Day	B Bruno, A Mehta	
Various	Shareholder & potential shareholder meeting	B Bruno, A Mehta	

## Application of the QCA Corporate Governance Code continued

### Principle 3 – Take into account wider stakeholder and social responsibilities and their implications for long-term success

Stakeholders	Reason for engagement	How we engage
Staff	Our ability to provide an industry-leading software and services business is dependent upon good communications within our organisation.	<p>We have identified our internal values in order to recruit and maintain talented and motivated staff. These values form the basis of all communications which are sought through internal appraisals and regular cross-functional meetings.</p> <p>There are also regular opportunities for the staff to engage with other parts of the organisation and recognise the successes of others. Examples include staff brunches and bi-monthly Group-wide “Town Hall” meetings, which are held to provide staff with an operational and sales update on what is happening within the business and ask any questions they may have of any of the leadership team.</p> <p>The HR system we launched last year has facilitated more effective employee engagement and communication across our various locations. This is particularly important post-Covid with hybrid working. Moreover, during the year we conducted an all-employee survey which has assisted us in focusing on key improvement areas.</p>
Clients & Partners	Understanding current and emerging requirements of clients enables us to develop new and enhanced services, together with software to support the fulfilment of those services.	<p>We have account managers and account directors whose primary responsibility is to engage with our clients and partners to understand and develop our products and services so that we can work with them to exceed their requirements.</p> <p>We seek formal and informal feedback on product roadmap and enhancements via our support offering and annual user group meetings.</p>
Suppliers	Our relationships with our suppliers are key to the core success of our business.	<p>We treat all suppliers with respect and care, building long-term collaborative relationships and where possible working within the local community, and ensuring ongoing communication so that feedback can be received and acted upon. We seek to ensure that supplier invoices are processed and paid promptly.</p>
Shareholders	As a public company it is vital that we build relationships with our shareholders so that we can both inform them of our successes and listen to their guidance.	<p>This is achieved in several ways:</p> <ul style="list-style-type: none"> <li>• Regulatory news releases.</li> <li>• Investor relations section of the Group’s website.</li> <li>• Annual and half-year reports and presentations.</li> <li>• AGM.</li> <li>• Capital Markets Day and Technology demo events.</li> </ul> <p>Our intention is to engage with our shareholders to inform them of our successes and to listen to the question and comments. This feedback is usually received at the AGM and the investor presentations.</p>
Industry bodies	Information security is fundamental to our business, clients, partners, suppliers and associated data subjects and so we ensure that our policies and procedures provide a cohesive approach to this important area.	<p>We have an established information security management system which encompasses independently audited ISO27001 and PCI DSS controls, industry best practices, as well as latest regulatory requirements including General Data Protection Regulations (GDPR) and the UK Data Protection Act (2018). Our experienced Information Security Committee ensure that governance, risk and compliance is actively managed and that our policies and procedures evolve to meet ongoing requirements.</p>
Communities	We consider that it is important to be a business that makes a positive contribution to local economies and is attractive as an employer and partner.	<p>We look to recruit locally experienced staff and through the local universities, in all of our locations. We employ local suppliers where possible, and throughout the year we encourage staff to identify charities that they have an affiliation with for the Group as a whole to support. Further information is available in the ESG Report on pages 29 to 36.</p>
Environment	Irrespective of our status as a public company, it is part of our ethos to conduct business operations that minimise any adverse impact on the climate these may have.	<p>We endeavour to use technology wherever possible such that meetings with both internal and external stakeholders can be held online, thus reducing the need for travel. This further extends to allowing employees to work at home, further reducing commuting costs on both economic and environmental grounds. In addition, our HQ at Sunbury uses the latest standards in insulation, lighting, heating and energy waste reduction and is now fully powered using renewable resources. During the year we reappointed an external consultancy to conduct a carbon audit. Further details are given in the ESG Report on pages 29 to 36.</p>

## Application of the QCA Corporate Governance Code continued

### Principle 4 – Embed effective risk management, considering both opportunities and threats, throughout the organisation

The Board's risk management controls and mitigation strategies are described in the Annual Report on pages 39 to 41 ("Principal risks and uncertainties") and pages 47 to 49 outline the control environment the Board has put in place – as per Principles 8 and 9 of the QCA Code – to promote a corporate culture based on ethical values and behaviours and to maintain governance structures and processes that are fit for purpose and support good decision-making by the Board.

The Directors and management have a clear responsibility for identifying risks facing each of the businesses and for putting in place procedures to mitigate and monitor risks. To this end the Company has a Risk sub-Committee appointed by, and reporting directly to, the Board. Its membership includes the Chief Technology Officer, the Chief Financial Officer, and the Chief Security Officer; other members of the Company are seconded to the Committee as required.

The remit of the Committee is to examine the vulnerability of the Group to all types of risk, the mitigation of such risks, maintain the risk register to properly reflect this and to report back to the Board with any changes in, or new areas of, vulnerability to risks and recommendations for mitigation.

The Risk Committee meets every two months, or more often as required, and on each occasion reviews two areas of the corporate risk register in detail to assess the vulnerability of the Group to risks under consideration and how to mitigate such risks. Employees from the relevant areas of the business are invited to help provide a more informed opinion of which risks are key and how they can be managed. The Committee reports back to the Board with any changes in, or new areas of, vulnerability to risks and recommendations for mitigation. The global pandemic is an example of an occasion when the Risk Committee has convened more frequently in order to review the register for any changes to the level of risk due to the pandemic and the emergence of any new issues which may require mitigation.

### Principle 5 – Maintain the Board as a well-functioning, balanced team led by the Chair

#### Composition

Directors' biographies are shown both in this Annual Report and on the Group's website. The Board currently comprises the non-executive chairman, two executive directors and a further three non-executive directors. At the date of this Corporate Governance Statement, all of the non-executive directors are considered to be independent. The Board does not consider it necessary to appoint an independent director to a formal "senior independent director" role. All directors are subject to election by shareholders at the first AGM immediately following their appointment and thereafter are subject to re-election at intervals of no more than three years. All non-executive directors are appointed for fixed terms in line with corporate governance requirements, although any non-executive director whose independence may be called into question is subject to re-election annually. Both of the executive directors are full-time employees of the Group.

#### Operation of the Board

The Board is responsible to shareholders for the proper management of the Group. A statement of the Directors' responsibilities in respect of the financial statements is set out on page 64 and a statement of going concern is given on page 74. The Board meets at least eleven times a year, and more often if required.

Other matters are delegated to the Executive Directors, supported by policies for reporting to the Board. Presentations are made to the main Board at each monthly meeting by the Executive Directors and also on regular occasions by operational management.

The Company Secretary is responsible for ensuring that Board procedures are followed, and that applicable rules and regulations are complied with and for advising on corporate governance matters. The Group maintains appropriate insurance cover in respect of any legal action against the Group's Directors and the Company Secretary, but no cover exists if a Director is found to have acted fraudulently or dishonestly.

The Non-Executive Chairman and Non-Executive Directors are able to meet without Executives present prior to each Board meeting. The agenda and relevant briefing papers are distributed in advance of each Board meeting.

When Directors have concerns which cannot be resolved about the running of the Group or a proposed action, these concerns are recorded in Board minutes. Upon resignation, a Non-Executive Director is asked to provide a written statement to the Chairman for circulation to the Board if there are any such concerns.

#### Commitment

All Directors are expected to attend the monthly meeting of the full Board, or to make themselves available to join the meeting by telephone or online, and to attend all meetings of any Committee(s) of which they are members. In addition, the Directors are expected to attend strategy and business planning meetings each year. The Non-Executive Directors are expected to make themselves available at all reasonable times for consultation by other members of the Board.

Prior to each monthly Board meeting the Directors receive a detailed pack which includes:

- Board meeting agenda;
- minutes from previous Board meeting, and outstanding actions items;
- Board pack which includes financial information and an operations update on each part of the business; and
- papers as required for additional items requiring Board attention.



## Application of the QCA Corporate Governance Code continued

### Meetings and attendance

The following table summarises the number of Board, Audit Committee, Nomination Committee and Remuneration Committee meetings held during the period covered by the Annual Report 2023 and the attendance record of individual Directors at those meetings: The Board met monthly as in prior years but also had additional ad hoc meetings to discuss other matters.

	Board	Audit	Remuneration	Nomination
PA Simmonds	16/16	2/2	4/4	4/4
PF Whiting	16/16	2/2	4/4	4/4
M Biddulph	16/16	2/2	4/4	4/4
B Bruno	17/17	<sup>1</sup>	–	4/4
A Mehta	17/17	<sup>1</sup>	–	<sup>2</sup>

- 1 Regular attendees of meetings of the Audit Committee included the CEO, CFO and the Company's auditors.
- 2 The CFO was an attendee of meetings of the Nomination Committee.

### Principle 6 – Ensure that between them the Directors have the necessary up-to-date experience, skills and capabilities

The Annual Report 2023 includes, on pages 42 to 43, biographies of the current Board of Directors, with details of their experience including a skills matrix. The range of skills at the Board is also considered by the Nomination Committee in its assessment of Board requirements.

All Directors are expected to keep their skills up to date, and it is Board policy that Executive Directors receive suitable ongoing training for their position. The Chairman ensures that all Directors update their skills and knowledge required to fulfil their roles on the Board and Committees. Ongoing training is provided as necessary and includes updates from the Company Secretary and Nominated Adviser on changes to the AIM rules, requirements under the Companies Act and other regulatory matters. Directors may consult with the Company Secretary or Nominated Adviser at any time on matters related to their role on the Board.

### External advice

No significant matters of a corporate governance nature arose during the period covered by the Annual Report 2023 nor subsequently to the date of this statement on which it was considered necessary for the Board or any of its Committees to seek external advice. The Board consults, on an ongoing basis, with its Nominated Adviser and other professional advisers on routine matters arising in the ordinary course of its business.

### Principle 7 – Evaluate Board performance based on clear and relevant objectives, seeking continuous improvement

The Board periodically reviews the its own effectiveness, as well as that of its Committees and individual Directors in the following manner:

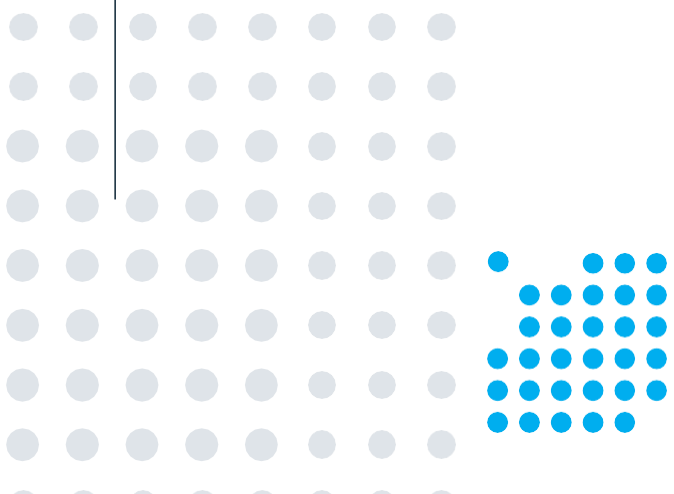
- The role of the Committees is considered by the Executive Directors without the presence of the Non-Executive Directors.
- The Chairman and CEO examine the contribution and effectiveness of the individual Directors with regard to their line role and contribution at Board meetings.
- The whole Board examines its purpose and effectiveness with regard to identified key areas.
- The whole Board considers its structure, size and composition with particular regard to the skills, knowledge and experience of its members and otherwise as advised by the Nomination Committee.

In addition, a formal Board effectiveness evaluation process is conducted biannually. The process involves all Directors completing a detailed individual evaluation of Board performance, which covers effectiveness in several areas including Board composition, Board information, Board process, internal control and risk management, Board accountability, CEO/Senior management and Standards of conduct.

The results of these biennial evaluations are interpreted by an independent Non-Executive Director, with support from the Chairman, and outputs plus any associated recommendations are reviewed by the Board as a whole, with progress on any actions arising monitored at the monthly Board meetings.

The next evaluation will be carried out in the autumn of 2023 by Helen Gilder and presented to the Board soon after.

As the business expands and as part of succession planning, the Executive Directors have been challenged to identify potential internal candidates who could potentially occupy Board positions and set out development plans for these individuals and these are in progress.



## Application of the QCA Corporate Governance Code continued

### Principle 8 – Promote a corporate culture that is based on ethical values and behaviours

Our long-term growth strategy incorporates our objectives and the business model set out in the Strategic Report. The culture of the Group is characterised by values which are communicated regularly to staff through internal communications and forums. These core values are also communicated to prospective employees in the Group's recruitment programmes and are further embedded within the induction process. The Board believes that a culture that is based on the core values is a competitive advantage and consistent with fulfilment of the Group's mission and execution of its strategy. The Board believes that the Executive Directors represent these values and convey them effectively throughout the organisation.

#### Ethical business practices

The Group is committed to corporate sustainability and to applying the highest standards of ethical conduct and integrity to its business activities in the UK and overseas. The Group does not tolerate any form of bribery: the Directors and senior management are committed to implementing and enforcing effective systems throughout the organisation to prevent bribery in accordance with its obligations under the Bribery Act 2010.

### Principle 9 – Maintain governance structures and processes that are fit for purpose and support good decision-making by the Board

#### Roles and responsibilities of Directors

The Annual Report 2023 includes, on page 46, descriptions of the individual roles and responsibilities of the Chairman, Chief Executive Officer and other Directors.

#### The Board and its Committee composition

The Board currently comprises the non-executive chairman, two executive directors and a further three non-executive directors. The roles of chairman and chief executive officer are distinct, set out in writing and agreed by the Board. The chairman is responsible for the effectiveness of the Board and ensuring communication with shareholders, and the chief executive officer is accountable for the management of the Group. Non-executive directors constructively challenge and assist in the development of strategy. They scrutinise the performance of management in meeting agreed goals and objectives and monitor the reporting of performance. The Board has not appointed a Senior Independent non-executive director. The Company Secretary is J Thorne, a solicitor of over 25 years standing, who was appointed to the role in 2017. He is not a director of the Group.

To deal with specific aspects of the Group's affairs, the Board has formed certain Committees. Each of these Committees is governed by terms of reference available on the Company website. Details of the membership, roles, responsibilities and activities of the Audit, Remuneration and Nomination Committees are described in more detail in the individual Committee reports commencing on page 55 of the Annual Report 2023. The Chair of each Committee reports to the Board on the activities of that Committee.

### Evolution of governance framework

In 2018 the QCA Code was formally selected as the appropriate recognised corporate governance code to be applied for the purposes of AIM Rule 26. The Board monitors the requirements of this code on an annual basis and revises its governance framework as appropriate as the Group evolves. As part of ongoing governance efforts, the Group decided last year that an additional sub-Committee should be formed to focus on ESG (environmental, social & governance). This sub-Committee comprises M Biddulph, A Mehta and a number of staff members. The Committee was predominantly formed to focus on the Group's environmental and social initiatives, as governance is clearly a focus of the whole Board and all Committees. As the Group continues to grow the Board fully recognises both the importance and the need for the governance framework to continue to evolve.

### Principle 10 – Communicate how the Group is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders

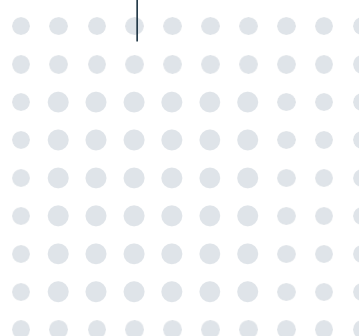
A range of forums exist at which the functioning of the Group is critically appraised and where opportunities exist for stakeholders to challenge management and hold them to account for the Group's performance.

#### Board Committees

A description of the work of the Board's Committees in the financial year to 31 March 2023, including a report from each of the Audit, Remuneration and Nomination Committees, is set out on pages 55 to 61 of the Annual Report 2023.

#### Votes at General Meetings

All resolutions put to the AGM held on 3 August 2022 were passed by majorities of not less than 90% of the votes cast. The most recent results for the Group, together with Annual Reports for the preceding years and notices of all General Meetings, can be found on the Group's website.



## Report of the audit committee

# Reviewing of financial performance and controls

### Dear Shareholder

I am pleased to present the report of the Audit Committee for the year ended 31 March 2023.

The Audit Committee comprises three Non-Executive Directors of the Company, all of whom served for the entirety of the year. By invitation, the meetings are also attended by the CEO and CFO of the Company. The Audit Committee includes one financially qualified member as recognised by the Consultative Committee of Accountancy Bodies, but all Audit Committee members are expected to be financially literate.

The Committee is chaired by myself and met twice during the year under review. It operates under formal terms of reference, which are available on our website.

Following the year end, in April 2023, we appointed Helen Gilder to the role of non-executive director. Helen assumed the role as chair from the recent Audit Committee meeting on 22 June 2023. I shall step down from this role ahead of retiring as Chairman and leaving the Board before the end of the new financial year.

The Audit Committee is responsible for reviewing a wide range of financial matters including ensuring that the financial performance of the Group is adequately measured and controlled, correctly represented, reported to and understood by the Board.



### Committee members

- Peter Simmonds (Outgoing Chair)
- Helen Gilder (Incoming Chair)
- Monika Biddulph
- Peter Whiting

The Audit Committee advises the Board on the appointment of external auditors and on their remuneration and independence, both for audit and non-audit work, and discusses the nature and scope of their audit. If required, the Audit Committee meets the auditors at least once a year without any Executive Directors present. To ensure auditor independence, consideration is given to their integrity and the objective approach of the audit process. The use of non-audit services is not considered to be significant and amounts paid in respect of these are disclosed in note 6.

I'd like to thank Haysmacintyre for their work as our auditors. This was their second year as auditor and the process has worked smoothly again. When we appointed them last year the Committee was very impressed with the account team and their approach. Their experience acting for a number of public companies, both fully listed and AIM, with a strong presence in the technology sector has been a valuable asset to the Group.

The Audit Committee has recommended to the Board that Haysmacintyre LLP is reappointed at the forthcoming AGM.

I am satisfied that the Committee has satisfactorily discharged its duties in the year in accordance with its terms of reference.

**Peter Simmonds**  
Outgoing Chair of the Audit Committee  
11 July 2023

### Key issues considered during the recent audit

<b>Revenue recognition</b>	This is a key issue in all audits due to historic misstatement by companies over the years. The Committee reviews the Group's revenue recognition policies to ensure they are compliant with current accounting standards and applied consistently.
<b>Carrying value of goodwill</b>	The Committee monitors the intangible carrying value in the Group for any indications of impairment and undertakes impairment test calculations to support decisions to not impair goodwill.
<b>Management override of controls</b>	This is the risk of misappropriation of assets and the risks of misrepresentation of financial information, in particular in relation to revenue and associated asset and liability accounts.  The Committee receives updates on internal controls and any instances of management override.
<b>Valuation of share options</b>	This is the risk of incorrect pricing of share options vesting under market conditions, non-market conditions and LTIP schemes, and hence an incorrect charge being made to the income statement. This is a complex area and so the Group appointed the Valuations department of Evelyn Partners LLP to value the share options under a Black- Scholes and a Monte Carlo basis.
<b>Capitalisation of development costs</b>	This is the risk of incorrect capitalisation of research and development costs which do not fall in line with IAS 38. The Committee reviewed the basis and assumptions for the capitalisation.
<b>Migration to a new accounting system</b>	This is the risk of incorrect accounting due to errors in the migration of accounting data from the previous accounting system to Oracle Netsuite which went live in October 2022.  The Committee reviewed the reports from the Finance team, and the work undertaken by the auditors to gain assurance that the migration had been performed satisfactorily.



## Report of the nomination committee

# A focus on succession planning

### Dear Shareholder

I am pleased to present the report of the Nomination Committee for the year ended 31 March 2023.

The Nomination Committee comprises four directors: three non-executive directors (myself, Peter Simmonds and Peter Whiting) and one executive director, Bill Bruno. In the performance of its duties, the Committee held four meetings in the year. The principal activity of the Nomination Committee in the year was succession planning and Board composition.

The Nomination Committee considered the Board composition and the balance between non-executive and executive directors as well as the mix of skills amongst the independent non-executive directors. After a thorough review, the Board has decided to split the roles of Company chair and audit chair and appoint an additional non-executive director to the Board, who will also be the chair of the Audit Committee.

Therefore, I'm delighted to report that in April 2023, following a thorough selection process, Helen Gilder was appointed to the D4t4 Solutions Board as an additional non-executive director, and audit chair, succeeding Peter Simmonds as chair of the Audit Committee.

Helen is an experienced non-executive director and audit chair, with a strong track record in fast-growth digital technology companies on AIM. She currently sits on the board of Made Tech Group plc where she also chairs the audit committee, and was formerly CFO of ZOO Digital Group plc. She is a Chartered Accountant and also member of the Yorkshire Regional Advisory Group of the London Stock Exchange and advises a number of growth businesses. We are very pleased to have Helen on board and look forward to her contribution to the success of the Group.

In relation to succession planning, the Nomination Committee keeps under review, and takes appropriate action to ensure, orderly succession for appointments to the Board and to senior management, thereby maintaining an appropriate balance of skills and experience within the Group and on the Board. The change outlined above has enabled the Committee to begin its consideration to appoint a new Chairman due to Peter Simmonds tenure reaching nine years in April 2024. The process has commenced and we anticipate an appointment later this year with Peter stepping down after a transition period.

With regards to non-executive director appointments, the Committee considers, amongst other factors, their other outside commitments prior to making recommendations. This is designed to ensure that they have sufficient time to meet what is expected of them and the Board keeps any changes to these commitments under review.

The Board's policy is to ensure that all appointments are merit-based and based on clear and objective criteria, giving due regard to equality of opportunity, and to promote inclusion and diversity. The Board notes that achieving diversity in the technology sector is challenging, having regard to the available pool of individuals with the right skills, experience and talent.

Given the size of the Board and the Group, the Nomination Committee does not currently set any measurable objectives for implementing a diversity policy, but it acknowledges the role of the Board in promoting diversity, including gender diversity, throughout the Group. Currently there are two female members of the Board, representing 33% of Board membership.

I am satisfied that the Nomination Committee has satisfactorily discharged its duties in the year in accordance with its terms of reference, which are reviewed on an annual basis.

### Monika Biddulph

#### Chair of the Nomination Committee

11 July 2023

### Committee members

- Monika Biddulph (Chair)
- Bill Bruno
- Peter Simmonds
- Peter Whiting
- Helen Gilder



## Report of the remuneration committee

# Determining executive remuneration

### Dear Shareholder

I am pleased to introduce the Directors' Remuneration Report for the year ended 31 March 2023.

The Committee has consisted throughout the entire year of three Non-Executive Directors: Peter Simmonds, Monika Biddulph and me.

The Committee's terms of reference require it to meet not less than once each year. The Committee met four times in the year ended 31 March 2023. It is responsible for reviewing and determining the policy of the Group on executive remuneration including specific remuneration packages for each of the Executive members of the Board, pension rights and compensation payments. The Committee is also responsible for monitoring compliance with the implementation by the Group of the legal requirements and, so far as reasonably practical, recommendations and guidelines relating to Directors' remuneration.

None of the Committee has any personal financial interest (other than as shareholders or as noted in the Directors' report), conflicts of interests arising from cross-directorships or day-to-day involvement in running the business. The Committee makes recommendations to the Board. No Director plays any part in any discussion about his or her own remuneration.

For the financial year to 31 March 2023, the Remuneration Committee has continued to operate a remuneration structure made up of basic salary, pensions and benefits, annual performance-related bonuses, and a long-term incentive plan (LTIP). As in prior years, a significant proportion of executive remuneration has been based on performance, designed to align executive pay with shareholder interests. In this respect, the Committee has assessed the performance of Executive Directors for the year reported against the targets set a year ago, set performance targets for the following financial year and made recommendations to the Board on the overall packages for the Executive Directors.

The Committee believes that a combination of Total Shareholder Return (TSR) and Annual Recurring Revenue provides an optimal alignment with shareholders over the medium term, and these remain the basis of the vesting criteria of the LTIP grants made during the year.

We pay particular attention to ensure that the package offered to each executive director is appropriate to the nature and complexity of the specific role, and aligned with the wider recruitment market, and we encourage the building-up of meaningful shareholdings in the Group. We also set personal objectives for each of the executive directors linked to Group objectives, both short term and long term, including ESG objectives.

I am satisfied that the Committee has appropriately discharged its duties in the year in accordance with its responsibilities and encourage you to read the Directors Remuneration Report on the following pages.

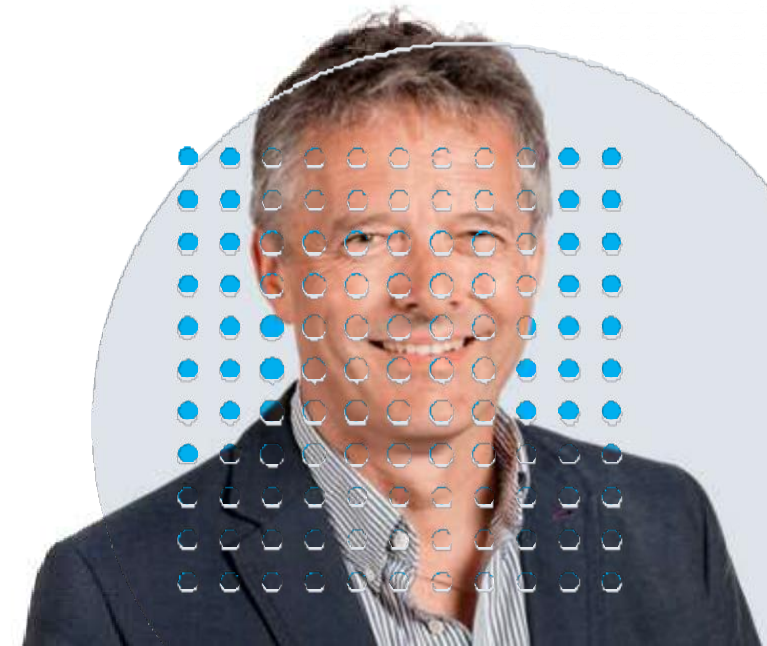
### Peter Whiting

Chair of the Remuneration Committee

11 July 2023

### Committee members

- Peter Whiting (Chair)
- Peter Simmonds
- Monika Biddulph
- Helen Gilder





# Directors' remuneration report

**This report complies with the requirements of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 as amended in 2013, the provisions of the QCA Corporate Governance Code 2018 and the Listing Rules.**

**The report is in two sections:**

- the Directors' remuneration policy which sets out the Group's current policy on remuneration for Executive and Non-Executive Directors; and
- the Directors' Remuneration Report. This section sets out details of how the remuneration policy was implemented for the year ended 31 March 2023.

**Directors' remuneration policy**

Executive remuneration packages are prudently designed to attract, motivate and retain Directors of the high calibre needed to maintain the Company's position as a market leader and to reward them for enhancing value to shareholders. The performance measurement of the Executive Directors and key members of senior management, and the determination of their annual remuneration package are undertaken by the Committee. The remuneration of the Non-Executive Directors is determined by the Board within limits set out in the Articles of Association.

The Company's policy is that a substantial proportion of the potential remuneration of the Executive Directors should be performance related. The performance criteria set should motivate the Executive Directors to create value for the shareholders.

There are five main elements of the remuneration package for Executive Directors and senior management:

Element of remuneration	Link to Group strategy	Operation	Framework
Base salary	Ensures that the Company can recruit and retain high-quality Executives to deliver on the Company strategy in the interest of the shareholders.	Base salary is paid monthly and reviewed annually, with any increases applying from 1 April.	An Executive Director's salary is determined by the Remuneration Committee in March of each year and when an individual changes position or responsibility. In deciding appropriate levels, the Remuneration Committee considers the Company as a whole and relies on objective research which gives up to date information on a comparable group of companies.
Benefits	Ensures that the Company can recruit and retain high-quality Executives to deliver on the Company strategy in the interest of the shareholders.	Benefits principally comprise private healthcare and death in service insurance.	In relation to health care and death in service benefits, premiums are paid by the Company to an external broker to arrange cover, in line with other Group employees. These benefits are standard for all Group employees.  The Company offers company cars/car allowances to a number of employees across the organisation.
Annual bonus	Rewards and incentivises the Executive Directors for achievement of strategic objectives.	The Committee sets annual performance targets, linked to strategic objectives and risk management. Bonus payments in respect of a year are made annually after release of audited results, or later if any element is deferred.	The Remuneration Committee sets bonus plans for Executive Directors based upon achieving a number of pre-defined growth targets including ARR and Adjusted Profit before tax.

## Directors' remuneration report continued

Element of remuneration	Link to Group strategy	Operation	Framework
Share option plan (LTIP)	Aligns the interests of the Executive Directors with the interest of the long term shareholders.	The Remuneration Committee has discretion to make option grants to executive directors and other staff, subject to the scheme rules, and to determine appropriate performance conditions.	The share option plans are subject to rules and limits approved by shareholders in general meeting. Any exercise is subject to satisfaction of the specified performance conditions.
Pension	Ensures that the Company can recruit and retain high-quality executives to deliver on the Group strategy in the interest of the shareholders.	Pension contributions are made by the Company to a defined contribution scheme operated by third-party providers.	Executive Directors are members of the Company Money Purchase pension scheme. To the extent that contributions to the Company scheme are restricted by HMRC limits, the Company contributes 6% of the Director's salary providing the director contributes a minimum of 4% of their salary by way of salary sacrifice. There are no unfunded pension promises or similar arrangements for Directors. There were two directors in the scheme (2022: 3).
Chairman and Non-Executive Director fees	Ensures that the Group can recruit and retain a high-quality chairman and non-executive directors to deliver on the Group strategy in the interest of the shareholders.	Fees for Non-Executive Directors are set by the Board (excluding non-executive directors). Fees are paid monthly or quarterly.	<p>A basic fee is set for normal duties, commensurate with fees paid for similar roles in other similar companies, taking account of the time commitment, responsibilities, and committee position(s).</p> <p>Supplementary fees are paid for any additional duties at fixed day rates. Non-executive directors are not eligible for pensions, incentives, bonus or any similar payments other than normal out-of-pocket expenses incurred on behalf of the business.</p> <p>Compensation for loss of office is not payable to non-executive directors.</p>

### Remuneration policy considerations

#### Recruitment

The Company's Nomination Committee is responsible for leading the process for Board appointments and making recommendations to the Board. Refer to the report of the Nomination Committee for details.

#### Loss of office payments

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

#### Wider staff employment conditions

The Remuneration Committee considers pay and employment conditions for other senior executives and staff members of the Group when designing and setting executive remuneration. Underpinning all pay is an intention to be fair to all staff of the Group, taking into account the individual's seniority and local market practices.

#### Consultation with shareholders

The Remuneration Committee is committed to an ongoing dialogue with shareholders and seeks the views of significant shareholders when any major changes are being made to remuneration arrangements. The Committee takes into account the views of significant shareholders when formulating and implementing the policy.

#### Consultation with employees

The Board and the Remuneration Committee did not consult with employees when formulating and implementing the policy.

#### Service contracts and letters of appointment

It is the Company's policy that executive directors should have contracts with an indefinite term providing for a maximum of one year's notice.

#### Executive Directors

Bill Bruno has a Directors' service agreement dated 27 August 2021 which can be terminated on six months' notice. Ash Mehta has a directors' service agreement dated 12 May 2021 which can be terminated on three months' notice.

#### Non-Executive Directors

P Simmonds, P Whiting and M Biddulph each have an agreement for 12 months. The fees of the non-executive directors are determined and confirmed by the full Board excluding (in each case) the non-executive director concerned.

#### Policy on Director shareholdings

The Company has no policy on Director shareholdings.

#### Outside appointments

Executive directors are entitled to accept appointments outside the Company providing that the chairman's permission is sought and fees in excess of £20,000 from all such appointments are accounted for to the Company.

## Directors' remuneration report continued

### Aggregate Directors' remuneration

The total amounts for Directors' remuneration were as follows:

	£000	
	2023	2022
Emoluments (Fees/basic salary, benefits and annual bonus)	653	1,232
Money purchase pension contributions	26	39
	679	1,271
IFRS 2 share-based payment charge	469	537
Employer's National Insurance	58	129
<b>Total</b>	<b>1,206</b>	1,937

### Single figure for the total remuneration (audited)

	Fees/basic salary £000	Benefits £000	Bonus £000	Sub-total £000	Pension £000	Total 2023 £000	Total 2022 £000
<b>31 March 2023</b>							
<b>Executives</b>							
Bill Bruno (appointed 27 August 2021)	291	5	–	296	15	311	431
Ash Mehta (appointed 1 September 2021)	180	4	–	184	11	195	238
Peter Kear (resigned 31 March 2022)	–	–	–	–	–	–	320
Mark Boxall (resigned 30 June 2021)	–	–	–	–	–	–	50
Jim Dockins (resigned 30 June 2021)	–	–	–	–	–	–	55
Charlie Irvine (resigned 28 April 2021)	–	–	–	–	–	–	13
<b>Non-Executives</b>							
Peter Simmonds	75	–	–	75	–	75	69
Peter Whiting	49	–	–	49	–	49	48
Monika Biddulph	49	–	–	49	–	49	47
<b>Total</b>	644	9	–	653	26	679	1,271

### Remuneration of highest paid Director

	2023	2022
Remuneration	296	422
Company contributions to money purchase pension schemes	15	9
	311	431

Emoluments for the highest paid Director for the year ended 31 March 2023 and 31 March 2022 are included in the table above. The highest paid Director exercised no share options during the year (2022: nil).

## Directors' remuneration report continued

### Directors' share options

Aggregate emoluments disclosed above do not include any amounts for the value of options to acquire ordinary shares in the Company granted to or held by the Directors.

Details of options for Directors who served during the year are as follows:

	Type	Number at 31 March 2022	Number at 31 March 2023	Option price	Grant date	Exercisable from	Expiry date
B Bruno	1	54,000	<b>54,000</b>	2.0p	25 January 2021	10 August 2023	10 February 2024
	2	66,185	<b>66,185</b>	2.0p	28 October 2021	28 October 2024	15 March 2025
	3	49,638	<b>49,638</b>	2.0p	28 October 2021	28 October 2024	15 March 2025
	2	–	<b>121,065</b>	2.0p	26 August 2022	26 August 2025	10 February 2026
	4	–	<b>40,921</b>	2.0p	26 August 2022	26 August 2024	10 February 2026
A Mehta	2	58,290	<b>58,290</b>	2.0p	28 October 2021	28 October 2024	28 October 2031
	3	49,638	<b>49,638</b>	2.0p	28 October 2021	28 October 2024	28 October 2031
	2	–	<b>55,102</b>	2.0p	26 August 2022	26 August 2025	26 August 2032
	4	–	<b>17,770</b>	2.0p	26 August 2022	26 August 2024	26 August 2032

The awards made during the year were made in two tranches, as set out above and below, under the terms of the D4t4 Long Term Incentive Plan ('LTIP').

The Type 1 award represents a one-off award, without performance conditions, following the director's promotion in 2021.

Type 2 awards are subject to the satisfaction over the three-year period from the date of grant of specified performance conditions, based on the Company's relative Total Shareholder Return (TSR) in respect of half of the award, and growth in Annual Recurring Revenue (ARR) in respect of the other half. Vesting criteria have been set as follows:

- 15% compound growth in ARR to achieve minimum award vesting, with a sliding scale above this level, up to full vesting at 27.5% compound growth; and
- TSR of no less than median performance against the selected benchmark for minimum vesting, with a sliding scale above this level, up to full vesting for top-quartile performance.

Type 3 represents a one-off award, without performance conditions, following each director's appointment to their respective roles in 2021.

Type 4 awards are deferred bonus awards, in lieu of a portion of the cash award relating to the 2021/22 Bonus Plan. Vesting is subject to continued employment, and as a 'Deferred Bonus Award' is therefore not subject to performance conditions. These awards will benefit from dividend equivalents in accordance with the LTIP Rules.

P Simmonds, P Whiting and M Biddulph who served during the year did not hold any share options.

No directors (2022: nil) exercised options during the year. No director's options lapsed during the year.

The market price of the shares at 31 March 2023 was 207.5p (31 March 2022: 262.5p) and the range in the period under review was 207.5p to 273.0p.

There have been no variations to the terms and conditions or performance criteria for share options during the financial year.

Directors' shareholdings and dividends paid to Directors are disclosed in the Directors' Report on page 62.

#### Advisers

The Committee receives independent advice from FIT Remuneration Consultants LLP when required.

#### Peter Whiting

Chair of the Remuneration Committee

# Directors' report

The Directors present their Annual Report and the audited financial statements for the year ended 31 March 2023, which should be read in conjunction with the Strategic Report on pages 1 to 41. The Corporate Governance Statement set out on pages 42 to 64 forms part of this report.

### Incorporation

D4t4 Solutions Plc is a company incorporated in the United Kingdom under the Companies Act 1985.

### Adoption of new Articles of Association

The Articles may be amended by special resolution of the shareholders.

### Directors and Directors' interests

The Directors who held office during the year and to the date of signing, unless otherwise stated, were as follows:

**B Bruno**

**A Mehta**

**P A Simmonds**

**P Whiting**

**M Biddulph**

**H Gilder (appointed 24 April 2023)**

At the AGM, M Biddulph will offer herself for reappointment in accordance with the Articles. Additionally, H Gilder will be proposed for reappointment, having been appointed a Director since the last Annual General Meeting.

The Directors who held office at the end of the financial year had the following interests in the ordinary shares of the Company as recorded in the register of Directors' share and debenture interests:

	Interest at 31 March 2023	Interest at 31 March 2022
B Bruno	13,000	13,000
A Mehta	80,570	80,000
P A Simmonds	346,500	346,500
P Whiting	22,000	22,000
M Biddulph	–	–

During the year the Directors received dividends on their shares at the same rate as any other shareholder. Details of share options can be found on pages 92 to 93.

With regard to the appointment and replacement of Directors, the Company is governed by its Articles of Association, the Companies Acts and related legislation. Such appointments are overseen by the Nominations Committee. The powers of Directors are described in the Main Board Terms of Reference, copies of which are available on request, and in the Corporate Governance Statement on pages 45 to 48.

In accordance with our Articles of Association and to the extent permitted by law, Directors are granted an indemnity from the Company in respect of liability incurred as a result of their office. In addition, we maintained a Directors' and officers' liability insurance policy throughout the year. Neither our indemnity nor the insurance provides cover in the event that a Director is proven to have acted dishonestly or fraudulently.

### Capital structure

Under its Articles of Association, the Company has authority to issue 50,000,000 ordinary shares. Details of the authorised and issued share capital, together with details of the movements in the Company's issued share capital during the year are shown in note 23. The Company has one class of ordinary shares which carry no right to fixed income. Each share (other than own shares held in treasury) carries the right to one vote at general meetings of the Company and an entitlement to any dividend announced by the Board.

There are no specific restrictions on the size of a holding nor on the transfer of shares, which are both governed by the general provisions of the Articles of Association and prevailing legislation. The Directors are not aware of any agreements between holders of the Company's shares that may result in restrictions on the transfer of securities or on voting rights.

No person has any special rights of control over the Company's share capital and all issued shares are fully paid.

There are a number of agreements that take effect, alter or terminate upon a change of control of the Company such as commercial contracts, and property leases and employees' share plans. None of these are considered to be significant in terms of their likely impact on the business of the Group as a whole. Furthermore, the Directors are not aware of any agreements between the Company and its Directors or employees that provide for compensation for loss of office or employment that occurs because of a takeover bid.

### Substantial holdings

As far as the Directors are aware, as at 11 July 2023, the only holdings of 3% or more of the Company's issued share capital were the following:

	Number of ordinary shares	%
Canaccord Genuity Wealth Management	6,745,944	16.99
Ennismore Fund Management	3,550,816	8.92
Herald Investment Management	2,974,800	7.40
Investec Wealth & Management	2,816,511	7.01
Chelverton Asset Management	2,065,000	5.14

### Acquisition of the Company's own shares

During the year, the Directors had authority, under the shareholders' resolution of 3 August 2022, to purchase through the market up to 4,016,251 of the Company's shares at a maximum price of 105% of the average middle market price for the five business days immediately preceding the date of purchase and a minimum price of 2p per share. This authority expires at the AGM to be held on 9 August 2023. 536,298 shares were purchased, and 152,465 shares were sold in the year ending 31 March 2023, as shown in note 24.



## Directors' report continued

Treasury shares are ordinary 2p shares purchased in order to satisfy outstanding share option obligations. Sales from Treasury shares are the shares issued to option holders on exercise of their options. The maximum number of own shares held in the year was 720,670 (2022: 224,932), which represents 1.78% (2022: 0.56%) of the issued share capital.

### Share option schemes

The Company operates two share option schemes which are open to employees: the D4t4 Solutions EMI Share Options Scheme, and the D4t4 Long-Term Incentive Plan. Details of the share options are laid out on page 92 within note 28 to the accounts.

### Dividends

The Directors recommend a final dividend of 2.15p (2022: 2.07p) per ordinary share to be paid this year. The directors do not recommend a special dividend this year (2022: 5.0p per ordinary share).

### Employees

The Group has a policy of offering equal opportunities to employees at all levels in respect of the conditions of work. Throughout the Group it is the Board's intention to provide employment opportunities and training for disabled people and to care for employees who become disabled having regard to aptitude and abilities.

Regular consultation and meetings, formal or otherwise, are held with all levels of employees to discuss problems and opportunities.

### System of risk management and internal control

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

### Supplier payment policy

It is Company policy to pay all claims from suppliers according to agreed terms of payment upon receipt of a valid invoice which is materially correct. The Company does not follow a code on standard payment practice. At 31 March 2023 the Company had 17 days (FY22: 25 days) of outstanding liabilities to creditors.

### Research and development

The Group has continued to attach a high priority to research and development throughout the year aimed at the development of new products and maintaining the technological excellence of existing products.

### Treasury policy

The Group's operations are funded by cash reserves. The policy of the Group is to ensure that all cash balances earn a market rate of interest. Bank relationships are maintained to ensure that sufficient cash and unutilised facilities are available to the Group. The Group also has exposure to foreign currency rate fluctuations and undertakes hedging contracts to mitigate potential currency losses.

### Financial instruments

The Group's financial risk management objectives and policies are discussed on pages 94 to 97 within note 31 to the accounts.

### Branch operations

The Group has branch operations located in Chennai, India.

### Political and charitable contributions

The Group made no political contributions during the year (2022: nil), and charitable donations of £382 (2022: £625).

### Sustainability

Information about the Company's approach to sustainability risks and opportunities is set out on pages 30 to 31. Also included on these pages are details of our greenhouse gas emissions.

### Auditor

In accordance with Section 489 of the Companies Act 2006, a resolution for the reappointment of Haysmacintyre LLP as the auditor of the Company is to be proposed at the forthcoming Annual General Meeting.

### Disclosure of information to the Auditor

In the case of each of the persons who are Directors of the Company at the date when this report was approved:

- so far as each of the Directors are aware, there is no relevant audit information (as defined in the Companies Act 2006) of which the Company's auditor is unaware; and

- each of the Directors has taken all the steps that he/she ought to have taken as a Director to make himself/herself aware of any relevant audit information (as defined) and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

### Future outlook

The Group's future outlook and opportunities are referred to in the Chief Executive's Statement on pages 9 to 11.

### Going concern

The Group's business activities, together with the factors likely to affect its future development, performance and position are set out above and the risks and uncertainties summarised. The Group and Company has sufficient financial resources to cover budgeted future cash flows and has contracts in place with customers and suppliers across different geographic areas and industries. As a consequence of these factors, the Directors believe that the Group is well placed to manage its business risks successfully.

Having reviewed the future plans and projections for the business, the Directors believe that the Group and Company and its subsidiary undertakings have adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

By order of the Board



**Bill Bruno**  
Chief Executive Officer  
11 July 2023

## Statement of Directors' responsibilities

### The Directors are responsible for preparing the Strategic Report, the Directors' 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 the AIM Rules of the London Stock Exchange to prepare the Group financial statements in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 and to prepare the Company financial statements in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 and applicable law.

The Group and Company financial statements are required to present fairly the financial position of the Group and the Company and the financial 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:

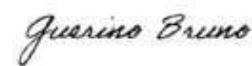
- a. select suitable accounting policies and then apply them consistently;
- b. make judgements and accounting estimates that are reasonable and prudent;
- c. state whether they have been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006; and
- d. 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 comply with the requirements of the Companies Act 2006. They are also responsible for safeguarding the assets of the Group and the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the D4t4 Solutions plc website.

Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

By order of the Board



**Bill Bruno**  
Chief Executive Officer  
11 July 2023

