ALDER AND FINCH LTD.

Registered in England and Wales, No. 08142260

Quarterly Financial Report

Fourth Quarter Results

Q4 2025

Unaudited condensed financial statements for the three months ended December 31, 2025

REPORTING PERIOD	October 1, 2025 to December 31, 2025
CURRENCY	GBP, in thousands
BASIS OF PREPARATION	IFRS, condensed
STATUS	Unaudited

Prepared by **Naomi Clarke**, *Group Financial Controller*

Issued January 22, 2026

I. FINANCIAL HIGHLIGHTS

All amounts are in GBP, in thousands. Changes compare Q4 2025 with Q4 2024.

Revenue	**16,330**	*+7.8% vs. prior*
Operating income	**2,980**	*margin 18.2%*
Net income	**2,092**	*+25.6% vs. prior*
Cash at period end	**2,480**	*+39.3% vs. prior*

II. MANAGEMENT COMMENTARY

Revenue grew 7.8% to £16.33 million, driven by subscriptions, which rose 10.4%.

Operating income increased 22.1% to £2.98 million. Operating margin improved to 18.2% as costs grew more slowly than revenue.

Cash rose to £2.48 million after paying £1.07 million in dividends and repaying £0.18 million of long-term debt.

III. KEY RATIOS

RATIO	Q4 2025	Q4 2024	HOW IT IS MEASURED
Gross margin	**64.8%**	64.1%	*Revenue less cost of sales, as a share of revenue*
Operating margin	**18.2%**	16.1%	*Operating income as a share of revenue*
Net margin	**12.8%**	11.0%	*Net income as a share of revenue*
Current ratio	**2.17**	1.94	*Current assets divided by current liabilities*
Liabilities to equity	**0.93**	1.17	*Total liabilities divided by total equity*

IV. NOTES TO THE STATEMENTS

1. The condensed statements follow the same accounting policies as the audited annual accounts for the year ended December 31, 2024.
2. Financing activities include dividends of £1.07 million and repayments of long-term debt of £0.18 million.
3. Income tax is estimated at the expected annual effective rate of 25%.

IMPORTANT NOTICE

These statements have not been audited or reviewed by the company's external auditors. Figures may be rounded, so totals may not add exactly.

V. INCOME STATEMENT

GBP, in thousands	Q4 2025	Q4 2024	CHANGE
Revenue			
Product sales	8,570	8,030	+6.7%
Subscriptions	5,620	5,090	+10.4%
Professional services	2,140	2,030	+5.4%
Total revenue	**16,330**	**15,150**	**+7.8%**
Operating expenses			
Cost of sales	5,740	5,440	+5.5%
Salaries and benefits	4,660	4,430	+5.2%
Marketing	1,130	1,070	+5.6%
General and administrative	1,240	1,200	+3.3%
Depreciation and amortization	580	570	+1.8%
Total operating expenses	**13,350**	**12,710**	**+5.0%**
Operating income	**2,980**	**2,440**	**+22.1%**
Interest expense	190	220	−13.6%
Income tax	698	555	+25.8%
Net income	**2,092**	**1,665**	**+25.6%**

VI. CASH FLOW SUMMARY

GBP, in thousands	Q4 2025	Q4 2024	CHANGE
Cash from operating activities	2,700	2,150	+25.6%
Cash used in investing activities	(750)	(600)	−25.0%
Cash used in financing activities	(1,250)	(950)	−31.6%
Net change in cash	700	600	+16.7%
Closing cash balance	**2,480**	**1,780**	**+39.3%**

VII. BALANCE SHEET

GBP, in thousands	At December 31, 2025	At December 31, 2024
Assets		
Cash and cash equivalents	2,480	1,780
Trade receivables	1,690	1,560
Inventory	1,290	1,250
Property and equipment	3,620	3,480
Intangible assets	690	720
Total assets	**9,770**	**8,790**
Liabilities		
Trade payables	1,050	1,000
Accrued expenses	580	550
Deferred revenue	890	820
Long-term debt	2,180	2,360
Total liabilities	**4,700**	**4,730**
Equity		
Share capital	1,400	1,400
Retained earnings	3,670	2,660
Total equity	**5,070**	**4,060**
Total liabilities and equity	**9,770**	**8,790**

VIII. APPROVAL

The financial statements above were reviewed and approved for issue on January 22, 2026.

Chief Financial Officer

Jonathan Reeves
Alder and Finch Ltd.

Date: _____

Chief Executive Officer

Amelia Stanton
Alder and Finch Ltd.

Date: _____