

RWS Holdings plc

Results for the year ended 30 September 2025

Full year adjusted PBT within guidance with encouraging profit improvement in H2

RWS Holdings plc ("RWS", "the Group", "the Company"), a global AI solutions company, today announces its results for the year ended 30 September 2025 ("FY2025") and provides further detail on its growth strategy and medium-term guidance.

Financial overview

| | 2025 | 2024 | Change |
|--|----------|----------|---------|
| Revenue | £690.1m | £718.2m | -4% |
| <i>OCC revenue</i> | | | -0.7% |
| Adjusted EBITDA ¹ | £100.8m | £140.7m | -29% |
| Adjusted profit before tax ¹ | £60.4m | £106.7m | -43% |
| Reported (loss)/profit before tax | £(99.7)m | £60.0m | -265% |
| Adjusted basic earnings per share ¹ | 12.1p | 21.6p | -44% |
| Basic (loss)/earnings per share | (27.0)p | 12.8p | -39.8p |
| Dividend: | | | |
| Proposed final | 4.6p | 10.0p | -54% |
| Total for year | 7.05p | 12.45p | -43% |
| Operational free cash flow ¹ | £80.1m | £55.1m | +45% |
| Net (debt)/cash ² | £(25.4)m | £(12.9)m | -£12.5m |

Financial highlights

- Organic constant currency ("OCC")³ revenue broadly flat, reflecting resilience amid market disruption and significant strategic transformation:
 - Growth in Language Services (up 3% OCC³; flat on a reported basis), driven by strong progress in our AI services business and strong performance in the APAC region
 - Largely offsetting a decline in Regulated Industries OCC³ revenue (down 10%, 12% reported) primarily due to reduced activity in our linguistic validation business

- o Language & Content Technology and IP Services were stable on an OCC³ basis (down 3% and 6% reported, respectively), with encouraging SaaS growth
- High client retention and satisfaction levels, with 95% repeat services revenue (FY24: 95%) and NPS score of +46 (FY24: +48), demonstrating a high level of trust in RWS. New client wins secured across all divisions and in a wide range of end markets
- Momentum in planned shift towards SaaS, a core KPI, now representing 46% of licence revenues (FY24: 39%)
- 28% of Group revenues from AI-related products and services (FY24: 25%)
- Reported revenue of £690.1m, a 4% decline versus prior year (FY24: £718.2m)
- Lower gross margins of 43.4% (FY24: 46.9%), driven primarily by a shift in mix towards Train AI, APAC localisation, SaaS licences and lower Regulated Industries revenues, partially offset by efficiency initiatives
- Adjusted profit before tax¹ (“PBT”) of £60.4m (FY24: £106.7m), reflecting the impact of lower top-line revenues, lower gross margins and foreign exchange headwinds. The Group delivered a significant H1 (£18m) to H2 (£42m) improvement, through decisive overhead cost reduction in the second half
- Adjusting items of £160.1m, an increase from prior year of £113.4m, driven primarily by the non-cash goodwill impairment of £88.0m (relating to Language Services and Regulated Industries) and exceptional items of £22m (restructuring and integration), resulting in a reported loss before tax of £99.7m
- £80.1m operational free cash flow¹ (“FCF”) (FY24: £55m), reflecting working capital improvements and tighter capex discipline. 126% cash conversion¹ (FY24: 51%)
- Modest net debt² position of £25.4m at 30 September 2025 (FY24: net debt of £12.9m) includes payment of £45.9m of dividends during the year and receipt of the final £5.0m from the disposal of PatBase
- Following a review of the Company’s financial position, performance and strategic priorities, the Board recommends a final dividend of 4.6p per share for FY25 (FY24: 10.0p). Together with the interim dividend of 2.45p per share, this results in a total dividend for the year of 7.05p per share (FY24: 12.45p)
- The Board is recommending rebasing the dividend to align shareholder returns more closely with sustainable profit performance. This will support the Company’s transition to a technology-led, AI-driven growth strategy. The Board believes this rebased level will ensure sufficient investment capacity to accelerate the Company’s AI roadmap and M&A strategy, while maintaining a prudent financial footing
- From this rebased level, the Board intends to resume a progressive dividend policy

Strategic update and progress

- Our strategy is focused on maximising value creation through three growth pillars:
 - Refreshed go-to-market: Implementing a technology-first, regionally specialised sales approach to drive share of wallet and new logos focusing on enterprise clients in strategic high-value verticals and further developing our partner network
 - In November 2025 launched Trados as translation agent in Microsoft Co-pilot as part of our Microsoft partnership
 - Technology and innovation: Using RWS’s technology assets and AI expertise to build our next generation of AI-first products, that solve client challenges and are easily embedded in their operations
 - Finalised the integration of the Papercup technology acquired in June to bring AI dubbing within our delivery capabilities in H2

- Initiated a new strategic partnership with Cohere, a Canadian large language model (“LLM”) developer, to develop best-of-breed automated translation and transformation
- Efficiency: Developing a more efficient solution, through process rationalisation, further scaling of our offshore delivery centres and automation through the use of AI agents, enabling us to invest in product development
 - Implemented an efficiency plan that delivered a stronger H2 profit performance
 - Working with Alvarez & Marsal in Q1 FY26, enhanced the plan to deliver further efficiencies across the Group, including a 10% productivity improvement over the next 18 months
- These growth pillars are complemented by a high-performance culture, enabled by better data and insights and clear, performance-driven incentives
- Successfully launched our new operating model on 1 October 2025, with the Group organised around three strategic segments, Generate, Transform and Protect
- Further strengthened leadership with the appointments of an EVP of Go-to-Market and Head of Media and Entertainment, following the early H2 appointments of a Chief Product & Technology Officer and EVP Strategy & M&A

Current trading, outlook and medium-term ambitions

- Trading in the early months of FY26 has been encouraging and we have maintained the positive cost control momentum seen in the second half of FY25, while noting the typical H1/H2 weighting of the Group’s performance
- We expect to deliver low single digit OCC³ revenue growth in FY26, moderate margin expansion and continued strong FCF conversion
- In the medium-term we expect Group OCC revenue growth to accelerate, with a gradual improvement in profitability and a normalisation of operational FCF to c.65%
- In setting our new strategy, the Group continues to evolve its portfolio to ensure that it is prepared for future opportunities, with greater focus, adding assets or streamlining where necessary to accelerate development
- In early October the Group successfully refinanced its revolving credit facility. We increased the facility from \$220m to \$285m, extended the maturity date to October 2029 and refreshed and strengthened our banking syndicate. The Group continues to be well capitalised, supporting our plans for future growth
- Following Candida Davies’s decision to step down as Chief Financial Officer (“CFO”) and from her Board position as Executive Director, in October we announced the appointment of Stephen Lamb as CFO; Stephen is expected to join RWS during Q1 2026
- We also announce today that Julie Southern, Chairman and David Clayton, Senior Independent Director (“SID”), have informed the Board of their intention to step down as Chairman and SID respectively and as directors of the Company, with effect from 31 December 2025.

Ben Faes, Chief Executive Officer of RWS, commented:

“FY25 was a pivotal year for RWS, as we moved to become a technology-led AI solutions partner, trusted to power seamless operations for global enterprises. Our new strategy is a recalibration of our value proposition. We have unified our engineering power under a new Chief Product and Technology Officer and executed our first major brand re-positioning in two decades, to better reflect our proposition today and for the future. By placing technology at the core, we are now addressing the full AI value chain – exemplified by our acquisition of the IP of Papercup, which fast-tracks our capabilities in AI-generated dubbing and synthetic media.

“Our financial performance in the year reflected the challenges we face as our markets continue to evolve and it also validated our conviction that we can and must lead the shift in our industry. We have responded with decisive action, delivering material cost reductions in the second half and drawing us towards a leaner, faster operating model fit for a technology-led company.

“With a Net Promoter Score of +46, trust remains the bedrock of our business. Our global presence, access to large, digitally-addressable markets and longstanding embedded relationships with our strong enterprise client base provide robust foundations. With our proprietary technology and data, specialised expertise, integrated AI lifecycle solutions, and proven track record in transforming mission-critical content, RWS is uniquely positioned to grow on the back of AI advancements as the natural trusted partner for enterprises navigating the AI revolution. As we enter FY26, we do so with a scalable technology stack, a clear strategy and the energy to define the future of global understanding.”

Analyst Presentation:

A results presentation and strategy update for analysts and investors will be held today at 09:30 GMT. For those who would like to attend, please contact RWS@mhpgroup.com. A recording of the webcast will be made available on the Group's website via: <https://www.rws.com/about/investors/results-and-reports/>.

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The person responsible for arranging the release of this announcement on behalf of the Company is Jane Hyde, Group General Counsel and Company Secretary.

About RWS:

RWS is a global AI solutions company empowering the world's most trusted enterprise AI.

Our proprietary Cultural Intelligence Layer, powered by 250,000 data specialists, cultural and language experts and deep domain professionals, backed by 45+ patents, makes enterprise AI culturally fluent, contextually accurate and secure, ensuring every interaction reflects a brand's tone, context and customer values.

Through our Generate, Transform and Protect segments, we deliver intelligent content, enterprise knowledge, large-scale localization and IP protection for global growth. Trusted by 80+ of the world's top 100 brands, RWS provides the confidence, governance and expertise organisations need to deploy AI safely, responsibly and at scale.

Headquartered in the UK, RWS is listed on AIM (RWS.L).

For further information, please visit: www.rws.com.

Forward-looking statements

This announcement contains certain statements that are forward-looking. These include statements regarding our intentions, beliefs or current expectations and those of our officers, Directors and employees concerning, amongst other things, our results of operations, financial condition, liquidity, prospects, growth, strategies and the business we operate. By their nature, these statements involve uncertainty since future events and circumstances can cause results and developments to differ materially from those anticipated. The forward-looking statements reflect knowledge and information available at the date of preparation of this document and, unless otherwise required by applicable law, RWS undertakes no obligation to update or review these forward-looking statements. Nothing in this announcement should be construed as a profit forecast. RWS and its Directors accept no liability to third parties in respect of this document save as would arise under English law.

Notes:

1. *RWS uses adjusted results as key performance indicators as the directors believe these provide a more consistent measure of operating performance. The definitions for these key performance indicators can be found in the Glossary.*
2. *Net debt comprises cash and cash equivalents less loans but before deducting lease liabilities.*
3. *Adjusted to reflect a like-for-like comparison between reporting periods and assumes constant currency across both reporting periods.*

Chairman's statement

FY25 was a challenging year for RWS, marked by a decline in overall financial performance. However, decisive action in the second half, including a successful efficiency programme, helped to improve profitability. In January 2025, the Board was delighted to welcome Ben Faes as Chief Executive Officer ("CEO"). His impact has been immediate and transformative, introducing a bold new strategy that evolves RWS from a language services leader into an AI solutions enterprise partner. This redefinition of our market approach places technology-led innovation at the absolute core of the Group's mission.

The rapid evolution of generative AI, coupled with the global explosion of digital content, continues to be the primary catalyst transforming our markets and creating new opportunities. Our new strategy, supported by an Executive Team that was strengthened by several new appointments, positions RWS for accelerated, profitable growth.

The Group operates in highly attractive, defensible markets with a combined global value of approximately £32 billion. Our proprietary technology, deep specialist domain expertise and trusted reputation are vital assets as our global clients increasingly integrate advanced AI into their core operations.

Financial performance and capital strength

In FY25 the Group generated revenues of £690.1m, a 4% decline from the prior year (£718.2m). On an Organic Constant Currency ("OCC") basis, revenue was broadly flat versus the prior year, highlighting resilience amid market transition and significant strategic transformation.

- **Growth drivers:** Performance was underpinned by OCC growth in our Language Services division, driven by our TrainAI data solutions and strong performance in the APAC region. Both Language and Content Technology and IP Services were flat on an OCC basis, led by strong recurring revenue performance in Propylon and our patent renewals business respectively. Revenue in Regulated Industries declined, primarily due to reduced volume in linguistic validation services.
- **Profitability:** Reported loss before tax was £(99.7)m (FY24: £60.0m), while adjusted profit before tax was £60.4m (FY24: £106.7m). This result reflects the impact of lower top-line revenues and the friction of market transition, partially mitigated by decisive and material overhead cost reduction in the second half of the year.

The Group's balance sheet remains strong, with net assets of £763.2m as at 30 September 2025 (FY24: 899.6m). Net debt (excluding lease liabilities) stood at £25.4m (FY24: £12.9m). Following the year-end, we successfully renewed our revolving credit facility, increasing it from \$220m to \$285m and extending the maturity date to October

2029. This action leaves the Group well-capitalised and provides the necessary medium-term liquidity to support our future organic and inorganic growth ambitions.

People, leadership and organisational agility

At 30 September 2025, RWS employed 7,649 full-time equivalents across 52 global locations (FY24: 8,059).

We continue to drive organisational agility and efficiency. Our flexible working model ensures talent retention and operational effectiveness, while our strategy to rationalise our global footprint has resulted in the closure of 11 offices during the year, delivering meaningful savings in property and associated operating costs.

Ben Faes was appointed as CEO and a Board member in January 2025. He is a proven global business leader with a strong track record of driving digital transformation across the technology and media sectors. His extensive background, including senior roles at AOL and Alphabet (Google Cloud, YouTube monetisation), provides the precise expertise needed to leverage proprietary technology and transform our business model for profitable, organic growth. Ben has made solid progress in a short period, bringing vital energy and strategic focus to the business.

Board changes

Having joined the Board at a pivotal time in the Group's development in July 2022, RWS now has an exciting AI-led strategy in place, led by a new technology focused CEO and supported by a strengthened Board. With these firm foundations in place, it is a good time to hand the reins over to a new Chair as RWS embarks on its next chapter, and I have informed the Board of my intention to step down as Chairman and as a director of the Company.

With a Board now consisting of a majority of independent Non-executive Directors, David Clayton has also decided to step down following his 16 years as a Board member of SDL and RWS.

David and I will step down with effect from 31 December 2025. Andrew Brode and Gordon Stuart will become interim Chairman and interim Senior Independent Director respectively, whilst the search for my successor is undertaken. The outcome of that process will be announced in due course.

Sustainability and ESG

Our heritage is anchored in a strong commitment to the highest standards of environmental, social and governance ("ESG") practice, forming the ethical foundation for our operations.

We are pleased to report that RWS is on track to meet its Science Based Targets initiative emissions targets for FY25, achieving a 6% overall year-on-year decrease in greenhouse gas emissions. Significant reductions in Scope 1 and 2 emissions are a direct result of our focus on operational efficiency and facility right-sizing.

Dividend

Following a review of the Company's financial position, performance and strategic priorities, the Board recommends a final dividend of 4.6p per share for FY25 (FY24: 10.0p). Together with the interim dividend of 2.45p per share, this results in a total dividend for the year of 7.05p per share (FY24: 12.45p).

The Board is recommending rebasing the dividend to align shareholder returns more closely with sustainable profit performance. This will support the Company's transition to a technology-led, AI-driven growth strategy. The Board believes this rebased level will ensure sufficient investment capacity to accelerate the Company's AI roadmap and M&A strategy, while maintaining a prudent financial footing. From this rebased level, the Board intends to resume a progressive dividend policy.

Subject to final shareholder approval at the AGM, the final dividend will be paid on 20 February 2026 to shareholders on the register as at 16 January 2026.

Summary

The performance challenges faced in FY25 were disappointing and highlight the necessity of embracing a new vision and pursuing a refreshed growth strategy. Our global presence, access to large, digitally-addressable markets and our strong enterprise client base remain solid foundations. Given our proprietary technology and specialised expertise, RWS is uniquely positioned to capitalise on advancements in AI.

With the new vision, a decisive growth strategy and a strengthened leadership team built for the AI era, I am

confident that we are well-positioned to drive the Group forward and deliver long-term value creation.

Julie Southern | Chairman

10 December 2025

Chief executive officer's review

FY25 was a definitive year of transformation for RWS. We have moved beyond the boundaries of a traditional language services provider to become a technology-led AI solutions partner, capable of powering seamless operations for global enterprises.

Our new strategy is a recalibration of our value proposition. We have unified our engineering power under a new Chief Product and Technology Officer and executed our first major rebrand in two decades. By placing technology at the core, we are now addressing the full AI value chain – exemplified by our acquisition of Papercup, which fast-tracks our capabilities in AI-generated dubbing and synthetic media.

While our financial performance declined this year, reflecting the challenges we face as our markets continue to evolve, it also validated our conviction: the old model is shifting, and we must lead that shift. We have responded with decisive action, delivering material cost reductions drawing us towards a leaner, faster operating model fit for a technology company.

With a Net Promoter Score of +46, trust remains the bedrock of our business. As we enter FY26, we do so with a scalable technology stack, a clear strategy and the energy to define the future of global understanding.

A new direction: Engineering global intelligence

Since joining RWS I have undertaken an intensive review of our platform, engaged deeply with our clients, and mobilised our high-calibre talent. It is clear that RWS is an indispensable strategic partner for the world's leading enterprises, underpinned by a robust portfolio of proprietary technologies. We operate at unmatched global velocity and scale, a capability driven by the expertise and commitment of our exceptional teams.

The market transition is accelerating – fuelled by the rapid rise of Generative AI and a global explosion of content. This shift is not a threat; it is the single largest growth opportunity in our history. To seize it, we must fundamentally reset our operating model to ensure we are product-led and technology-first.

In June, we unveiled a new strategic mandate: to become the world's leading AI Solutions Partner. Our vision is to move beyond generic applications, uniquely focusing on making artificial intelligence work in the complex, high-stakes reality of the global enterprise.

Addressing the enterprise AI deficits

Central to our new positioning is our ability to resolve three critical, interconnected deficits that currently prevent widespread, trusted deployment of AI at scale:

- **The data deficit:** Generic AI is trained on the public internet. Our clients demand domain-specific, clean linguistic data. Our proprietary datasets and domain experts inject the cultural nuance, technical precision and human insight required for high-fidelity outputs.
- **The culture deficit:** While advanced AI mimics language, it lacks true emotional intelligence and cultural context. Our vast, verified network of over 43,000+ global experts provides that critical empathy layer – the cultural intelligence every brand needs to connect authentically.
- **The trust deficit:** The autonomous nature of advanced AI introduces complex, significant risks related to security, bias, privacy and compliance. Our ability to embed human validation and verifiable workflows is our enduring competitive moat and the foundation of enterprise trust.

With decades of experience in cultural and domain mastery, RWS's heritage as a foundational localisation leader has laid the ultimate groundwork for our natural evolution into an AI platform. Today, RWS is establishing itself as the cultural intelligence layer for enterprise AI – bridging the AI value gap, which is a critical barrier to realising the full potential of global technology deployments.

Strategy: Accelerating our impact

Our strategy is focused on maximising value creation through three growth pillars:

- 1 Refreshed go-to-market:** Implementing a technology-first, regionally specialised sales approach to drive share of wallet and new logos focusing on enterprise clients in strategic high-value verticals and further developing our partner network.
- 2 Technology and innovation:** Using RWS's technology assets and AI expertise to build our next generation of AI-first products, that solve client challenges and are easily embedded in their operations.
- 3 Efficiency:** Developing a more efficient solution, through process rationalisation, further scaling of our offshore delivery centres and automation through the use of AI agents, enabling us to invest in product development.

Effective 1 October, we re-organised the Group around three strategic segments:

Generate: Our content technology and TrainAI data platform businesses.

Transform: Our global localisation platform, integrating language technologies and specialised services.

Protect: Our mission-critical IP Services business.

Three segments, one unified ecosystem where people and proprietary technology work in harmony. We are the new connective tissue of the AI economy, a world-leading AI solutions company that unites data, content and IP through our proprietary language and content technologies.

With a clear strategy, a sharpened focus on technology-first execution and the market position to succeed, we are entering this next chapter with real momentum. We believe the opportunities before us are significant and we are united in our determination to capture them, delivering stronger growth, deeper client partnerships and lasting value for all stakeholders. I am excited by what lies ahead and confident that, together, we will realise the full potential of RWS in this fast-changing global market.

Accelerating the roadmap: Strategic integration

In support of our technology-first mandate, we were excited to announce the strategic acquisition of Papercup's advanced IP and platform in June. This was a critical step in accelerating our product roadmap and rapidly embedding best-in-class generative AI across our technology stack.

This integration broadens our capacity to support clients with multilingual video, voice and synthetic content localisation across all formats and channels.

Papercup's breakthrough AI dubbing technology is a true market differentiator. It uniquely solves the 'culture deficit' by accurately reproducing a speaker's tone, pace and emotional intelligence. Its platform combines state-of-the-art voice synthesis, proprietary AI voices and sophisticated editorial tools, allowing our language specialists to fine-tune the final output. This delivers human-grade output comparable to professional actors and artists, but at the exponential speed and efficiency of AI.

Our product engineering teams executed a rapid, seamless integration, successfully mastering this advanced technology stack. The Papercup AI dubbing platform is now fully available to our teams, enabling us to deliver end-to-end workflows that seamlessly blend AI generation with critical human-in-the-loop validation.

This strategic move firmly anchors us in the high growth dubbing market, which was expected to reach \$4.3 billion in 2025 and \$7.6 billion by 2033. Given that a large proportion of this market is driven by AI dubbing language technology platforms, this acquisition is an immediate and significant market disruptor for RWS.

Operating review

Language Services

Focuses on localisation and related solutions for a wide range of industry verticals, including automotive, chemical, consumer, manufacturing, retail, technology, travel and telecommunications.

The Language Services division represented 47% of Group revenues in the year (FY24: 46%). Revenues of £326.7m were flat on a reported basis (FY24: £327.1m) and grew by 3% on an OCC basis.

Highlights:

- **Platform enablement:** We leveraged our unique blend of proprietary technologies and human expertise to partner with new and existing clients. Our Evolve platform played a key role, enabling significant client success

stories, including a major deal with a leading personal health technology company.

- **Market consolidation:** Vendor consolidation remains a clear trend among global clients, creating opportunities for RWS – as the scale platform – to capture greater share of spend. Notable wins in the technology sector have reinforced our preferred vendor status and opened new, high-velocity revenue streams.
- **Responding to LLM shift:** While some clients shifted towards initial LLM-first translation approaches (resulting in volume impact), we are successfully diversifying our service portfolio to mitigate this. We saw continued growth in specialised linguistic testing services with our largest technology clients, alongside increased demand for quality review and accessibility services – all driven by the need to validate and govern AI-powered workflows.

TrainAI continued to build significant momentum during the year. We secured new opportunities from existing global technology clients and new logo acquisitions.

- We won a significant new engagement with the world's largest professional network, engaging a major new brand and revenue stream.
- We deepened our strategic relationship with a multinational technology conglomerate, becoming a preferred vendor for complex, specialised data engagements.
- As the model and data training market rapidly shifts towards high-fidelity, specialised linguistic experts, our broad access to domain-specific resources uniquely positions us to capture this premium demand.

Operating loss was £68.8m (FY24: profit £25.4m) and adjusted operating profit was £23.4m (FY24: £39.6m), reflecting adverse mix driven primarily by accelerated growth in TrainAI and good growth in the APAC region in core localisation, adverse foreign exchange impact, with cost reductions broadly offsetting inflation.

Regulated Industries

Provides a range of specialised services for three verticals – life sciences, financial services and the legal sector. Service provision is centred around highly specialised technical translations with a strong emphasis on quality and security.

The Regulated Industries division accounted for 19% of Group revenues in the year (FY24: 20%). Revenues of £128.5m declined by 12% on a reported basis (FY24: £146.5m) and by 10% on an OCC basis.

Highlights:

- **Strategic wins:** Despite market pressure, we secured three major customer wins within global regulatory affairs in the pharmaceutical sector. We also delivered a strong RFP performance in financial services, winning two significant mandates, and achieved a major competitive displacement at a leading European medical device company.
- **Market headwinds:** A decline in demand for our linguistic validation services was the largest contributor to the segment's performance, where reduced client outsourcing and tighter study budgets impacted volumes and margins.
- **Future integration:** Investment in an improved go-to-market structure, alongside planned integration with the other language businesses as part of the new Transform segment, is expected to accelerate the recovery of this critical operation in FY26.

Operating loss was £30.8m (FY24: profit £5.9m). Adjusted operating profit decreased to £9.3m (FY24: £19.8m), driven principally by the decline in top-line revenues and mix changes, and adverse foreign exchange impact.

Language and Content Technology

Offers a range of technology products for enterprises and critical industries, ranging from neural machine translation to content management solutions.

The Language and Content Technology ("L&CT") division accounted for 20% of Group revenues in the year (FY24: 20%). Revenues of £138.4m were 3% lower on a reported basis (FY24: £142.3m) and in line with prior year on an OCC basis.

Highlights:

- **SaaS and cloud migration:** Performance was robustly underpinned by strong new customer wins and continued momentum in SaaS adoption across the content technology portfolio, led by Tridion Docs. The majority of new and expansion contracts were SaaS, including migrations from on-premise deployments, reinforcing the structural transition towards recurring revenue, cloud delivery models.
- **Enterprise focus:** New logo growth was driven by demand from regulated sectors, including financial services, healthcare and government. Our regulatory-focused software (Propylon) and technical content solutions (Contenta) performed strongly, demonstrating the success of our strategy to focus on large, regulated enterprise customers.

- **AI product innovation:** We accelerated the evolution of our key platforms:
 - Trados Enterprise: Positioned at the forefront of AI-driven localisation, key innovations included the launch of Smart Insights (AI-powered co-pilot for project managers) and Connected AI (breakthrough integration of large language models directly with translation engines).
 - Language Weaver: We delivered a robust Speech-to-Text AI solution deployable in private cloud or on-premise environments for highly sensitive audio use cases. The platform was named Machine Translation Solution of the Year at the AI Breakthrough Awards.
 - We celebrated a significant industry milestone – translating more than a trillion words in 12 months – demonstrating the unparalleled scale and enterprise adoption of our language technology.

Operating profit was £11.1m (FY24: £18.5m) and adjusted operating profit was at £25.8m (FY24: £34.2m), reflecting our anticipated growth in SaaS, increased expensing of technology investments, partially offset by favourable pricing and ongoing cost reduction efforts.

IP Services

One of the world's leading providers of patent translations, filing solutions and IP search, renewal, records and monitoring services.

The IP Services division represented 14% of Group revenues in the year (FY24: 14%). Revenues of £96.5m were 6% lower on a reported basis (FY24: £102.3m) and grew marginally on an OCC basis.

Highlights:

- **Strategic Growth:** Our strategic focus on expanding outreach across the entire Intellectual Property (IP) lifecycle delivered significant growth in our patent renewals business. This helped offset a decline in the Eurofile segment due to external reductions in European Patent grant rates.
- **Digital Platform Integration:** We secured several notable client wins, including three of the top ten patent filers in China, driven by the localisation and launch of our patent renewals functionality within our IP services digital platform. This digital enablement strengthens our ability to serve clients across their global patent portfolios. We also successfully entered the key growth market of South Korea with a major renewals agreement.

Operating profit was £15.3m (FY24: £33.3m) and adjusted operating profit was £19.4m (FY24: £26.9m), driven by changes in mix and investments in sales capability.

People: Engineering talent for the AI era

Our competitive advantage rests on our ability to attract and empower the specialised talent required to build and scale advanced AI solutions. We are committed to fostering an inclusive, high-performance culture that drives innovation, maximises productivity and delivers exponential value for our stakeholders.

Cultivating a high-performance culture

Our annual RWS Engagement Survey remains a vital data input, providing insights into key performance drivers like collaboration, professional growth and alignment with our technology vision.

We are pleased to report continued progress in talent retention, with voluntary attrition improving to 9.2% (FY24: 10.6%). This is a direct result of our focus on building a career platform where talent is engaged and sees a long-term trajectory. Our 'intent-to-stay' metric increased to 69%, reflecting the positive impact of agile working, autonomy and the trusting relationships colleagues have with their direct managers.

To ensure our teams are equipped to lead the AI transformation, our MyLX eLearning platform remains the foundation of our upskilling strategy. Through this platform, our colleagues accessed over 217,000 learning assets in FY25 – from compliance and quality to advanced technical skill development. This enables the efficient delivery of critical, high-velocity training necessary for a rapidly evolving technology organisation.

Strategic leadership for a product-led future

A core focus this year was restructuring our leadership to match our ambitions. We were delighted to strengthen the Executive Team with key appointments designed to execute our product and growth strategy:

Chief Product and Technology Officer

In May, Christina Scott joined the Group as Chief Product and Technology Officer (CPTO). Christina is now the architect of our global product and technology strategy, directly responsible for shaping the innovation agenda and delivering scalable, market-leading solutions. Her leadership is instrumental in sharpening our portfolio focus and

bringing our ambitious AI roadmap to market. Christina is a proven senior executive with over 25 years of experience in driving revenue growth and cost optimisation across complex technology, digital products and data solutions at major companies undergoing large digital transformations.

Executive Vice President of Strategy and Corporate Affairs

In April, Joseph Ayala joined to lead strategy, investor relations and global M&A. His mandate is to identify opportunities for strategic growth and innovation in rapidly evolving competitive landscapes and to drive a disciplined, growth-focused M&A strategy to capitalise on market trends. Joseph brings 14 years of senior leadership experience within technology-enabled service companies, where he successfully engineered large-scale buy-and-build strategies.

Operational alignment and new segment leadership

To ensure crystal-clear accountability and alignment with our three new Generate, Transform and Protect segments, we executed a key internal realignment:

- We promoted several existing leaders to CEO roles within these businesses, reflecting the depth of talent within RWS and our succession planning process.
- James Lacey, previously head of our IP Services division, was appointed CEO of Protect.
- John Harrington, formerly General Manager of Propylon, was appointed CEO of our Content Technology business within the Generate segment.
- Jérôme Gateau was appointed to the newly formed position of Executive Vice President of Go-to-Market, responsible for redefining and steering the Company's commercial operations to maximise adoption of our new AI solutions.

These appointments, effective 1 October, reflect our commitment to building an agile leadership structure engineered to deliver on our growth strategy.

On 3 October 2025, Candida Davies informed the Board of her intention to step down as Chief Financial Officer and Executive Director. She will stay until the end of 2025 to support a smooth transition and the reporting of the full-year results. I would like to thank Candida for her immense contribution and commitment over the last three years during a pivotal time for the business and our industry. She has been a key member of our leadership team, which has made considerable progress in redefining the Group's strategy and operating model, strengthening its position for the future.

Culture and brand: The foundation for velocity

Alongside restructuring our organisation, streamlining our technology stack and maximising the power of AI, developing a culture of clarity, intensity and high-velocity execution is integral to our transformation.

Values and strategic alignment

In June, alongside our new strategy and technology-led brand, we launched our refined core values. These values serve as the operating principles for how we think, behave, and make decisions – capturing RWS at our best and ensuring every colleague's actions are aligned with our strategic goals.

While each value holds significance independently, they are designed to form a powerful equation that defines our high-performing culture.

Our focus on recognition remains key to driving engagement and reinforcing behaviours that fuel client success. The third year of the Ambassador Awards programme – which received over 1,000 nominations – celebrates individuals and teams who best embody our four values, publicly recognising the performance that underpins our innovation and delivery excellence.

Transparency and leadership communication

Transparency is the cornerstone of a high-performance organisation. When leadership communicates openly – about our strategy, decisions and challenges – we minimise friction, empower our teams and create alignment across the business, allowing us to move with greater speed and precision.

Since joining I have prioritised honesty regarding both our opportunities and our challenges. This includes a weekly newsletter sharing operational insights and strategic reflections, ensuring we move forward with clarity and shared purpose. Additionally, six all-colleague town halls were held during the year, providing direct, unrestricted access to the Executive Team.

The RWS rebrand: Engineering understanding

The internal launch of our new vision culminated in our inspirational 'RWS Hello World Day'. This event, which brought together teams through 40 face-to-face events in 27 countries, was a perfect opportunity to energise and align colleagues around our new direction. We clarified how individual roles contribute to our collective success as an AI solutions company. The day featured Erin Meyer, INSEAD Professor and author of 'The Culture Map', reinforcing the essential role of cultural intelligence in our global strategy. The response was overwhelmingly positive, with 74% of colleagues expressing excitement for the new brand.

Our new brand is about meeting the future head-on, and critically, helping our clients lead it. Our brand puts understanding front and centre - not just linguistic understanding – but cultural, contextual and customer-led understanding.

Understanding is the strategic key that unlocks a world of possibilities for our clients and we deliver it everywhere – across every channel, language and market.

The new brand is built around one powerful idea:

Growing the value of your ideas, data and content – by making sure you're understood. Everywhere.

We achieve this by bringing together a rare combination of cutting-edge AI platform, proprietary technology and human expertise to unlock global understanding at scale. I am genuinely inspired by this new brand and direction, and the enthusiastic response from our colleagues, customers and industry peers confirms the strength of our path forward.

ESG: Sustainable platforms and responsible governance

Environmental, social, and governance ("ESG") is an integrated layer of how RWS operates, reflecting our commitment to long-term sustainability and responsible platform governance. Our clients, partners and specialised talent expect us to lead with purpose.

Environmental commitment: Operational efficiency

We were proud to have had our ambitious greenhouse gas ("GHG") reduction targets officially approved by the Science Based Targets initiative ("SBTi") in May 2024. This commitment formalises our drive for operational efficiency across our global footprint:

- Scope 1 & 2 reduction: Committed to reducing absolute Scope 1 and 2 GHG emissions by 54.6% by FY33 (from an FY22 baseline).
- Scope 3 reduction: Committed to reducing Scope 3 emissions (purchased goods, commuting) by 61.1% per million GBP value added within the same period.

Our overall GHG emissions are down 6% year-on-year, keeping us on track for FY25 targets. Reductions in Scope 1 and 2 are driven by strategic office right-sizing – a key component of our leaner operating model. While Scope 3 emissions saw a projected rise due to factors like increased employee commuting and external regulatory updates, these remain within our target corridor. Furthermore, the proportion of renewable energy powering RWS offices increased by 15% to 30% in the first half of FY25.

Governance and social impact

Our commitment to ethical operations was recognised with a Bronze Medal by EcoVadis in April 2025. While our overall rating saw a slight dip from 68 to 66 – driven by increased sector-specific scrutiny on human rights and labour issues – we successfully improved our score in three out of four categories, demonstrating progress in our governance framework.

Crucially, our social focus is centred on cultivating the next generation of specialised talent:

- The RWS Campus programme, our global initiative for localisation talent development, continues to forge strong educational partnerships with more than 600 universities worldwide.
- These collaborations are essential for nurturing the specific linguistic and technical skills needed to power the future of global AI.

By integrating rigorous ESG standards into our technology platform and operational efficiency goals, we are building a more resilient, responsible and sustainable company for all stakeholders.

Current trading, outlook and medium-term guidance

RWS's proprietary technology and data, specialised expertise, integrated AI lifecycle solutions and proven track record in transforming mission-critical content mean the Group is uniquely positioned to grow on the back of AI advancements as the natural trusted partner for enterprises navigating the AI revolution. We enter FY26 with a scalable technology stack, a clear strategy and the energy to define the future of global understanding.

Trading in the early months of the year has been encouraging and we have maintained the positive cost control momentum seen in the second half of FY25. As we realise the benefits of the new operating model and action taken in FY25, in FY26, we expect the Group to deliver:

- Low single digit OCC revenue growth with:
 - Generate expected to deliver mid-teens digit growth, primarily driven by growth in TrainAI
 - Transform expected to deliver a low to mid-single digit decline, whilst we pivot to a tech-first offering, whilst benefitting from increased predictability from a higher proportion SaaS revenue
 - Protect expected to deliver mid-single digit growth, primarily driven by growth in recurring renewals revenue and recent wins
- Moderate margin expansion, with gross margin expected to expand by c.150bps and adjusted operating margin expected to expand by c..100 bps; and
- Continued strong free cash flow conversion.

In the medium-term we expect:

- Group OCC revenue growth to accelerate with:
 - Transform's tech-first offering and growing business lines, with resilient pricing, gradually offsetting declining traditional products and services
 - Generate and Protect to grow, driven by growth in their underlying markets boosted by their strategy of diversification across products, services and industry verticals.
- A gradual improvement in profitability with:
 - Transform benefitting from the new tech platform and redesigned processes coming on stream and its tech-first model providing more efficient delivery and economies of scale
 - Generate and Protect achieving more efficient delivery driven by modernisation investment and improving profitability as new business lines mature
 - Improved gross margin and operating margin further supported, across the Group, by off-shoring and increased central overhead efficiency.
- A normalisation of operational FCF to c.65%, as working capital and capital expenditure normalise alongside accelerated growth.

Benjamin Faes | Chief Executive Officer

10 December 2025

Chief financial officer's review.

RWS navigated a challenging environment in FY25 focusing on disciplined cost and working capital management. The Group delivered material overhead cost reductions in the second half, supporting a leaner operating model. Strategic hires and ongoing transformation programmes continue to strengthen operational foundations. The renewal and upsizing of the Revolving Credit Facility further enhances financial flexibility. The Group remains focused on cash generation, capital efficiency, and selective investments.

Reported revenue was £690.1m, down 4% year-on-year. Adjusted profit before tax was £60.4m (9% margin) down from £106.7m (15%) in FY24, reflecting adverse foreign exchange, temporary margin pressure and increased amortisation charges. The Group reported a loss before tax of £99.7m (FY24: profit of £60.0m), the decrease being driven primarily by the non-cash goodwill impairment of £88.0m, the reduction in gross profit in the year and foreign exchange headwinds.

Despite lower earnings the Group remained cash generative, with cash generated from operations of £86.1m and cash conversion of 126%, ending the year with a very modest net debt of £25.4m (Net Debt / adjusted EBITDA < 0.5).

Within the Finance function, operational foundations were strengthened through the implementation of a new ERP platform in IP Services, completion of the transition to a global finance shared service centre, and the ongoing simplification of the Group structure.

Revenue

In FY25, the Group generated revenues of £690.1m, representing a 4% decrease compared to FY24 and 1% lower on an organic constant currency (OCC) basis.

Language Services delivered revenue of £326.7m, broadly in line with the prior year and showing a 3% improvement on an OCC basis. Strong growth in TrainAI, our AI-powered data services, helped offset declines in traditional translation volumes as clients move to machine translation, and pricing pressure. In addition, demand for language quality review and testing is increasing, driven by rising adoption of AI powered workflows.

Regulated Industries recorded revenue of £128.5m, down 12% year-on-year (10% lower OCC), primarily reflecting reduced activity in linguistic validation among major pharmaceutical clients. There were a number of new client wins, in the pharmaceutical and finance sectors.

Language and Content Technology achieved total revenue of £138.4m, a decrease of 3% year-on-year but flat on an OCC basis. New customer wins and robust SaaS growth helped mitigate lower perpetual licence sales.

IP Services reported revenue of £96.5m, a 6% decrease compared to the prior year but flat on an OCC basis. Growth in patent renewals offset weaker performance in the EuroFile segment.

The majority of the Group revenue, categorised by geography, is in the US market, which accounts for 55% of the total.

No one client accounts for more than 10% of Group revenue.

Gross profit

Gross profit was £299.3m, £37.2m lower than the prior year, resulting in a gross margin of 43% (FY24: 47%). The decrease primarily reflects lower reported revenues, notably from linguistic validation within Regulated Industries and some operational challenges in Language Services during the migration to new automated delivery models. The shift towards lower margin services, including a rapid growth in TrainAI and the sale of Patbase in the prior year also contributed. Adverse impacts from foreign exchange, cost inflation, and the expected shift towards increased SaaS licences were partially offset by cost efficiencies delivered in the latter part of the year. These actions supported the transition to a leaner organisational structure, effective 1 October. The Group continues to pursue further efficiency gains through ongoing transformation programmes and increased use of AI.

Administrative expenses

Total administrative expenses have increased to £393.1m (FY24: £270.7m).

Adjusted administrative expenses (gross profit less adjusted operating profit) increased to £233.2m (FY24: £224.2m) due to a loss of £5.1m related to foreign exchange versus a £5.2m gain recognised last year.

The underlying overheads costs remained flat year-on-year with the cost of inflation, selective investments and increased amortisation of non-acquired intangibles (primarily related to the Group's new finance and HR systems, and other internally generated software) being offset by continued efficiency efforts.

Adjusting items in FY25 totalled £159.9m, including

- A goodwill impairment of £88.0m within the Group's Language Services and Regulated Industries CGUs. This non-cash charge reflects the market transition we have been experiencing on the core localisation business, the under performance in the Linguistic Validation business, the shift in investments and focus to support the new transition to a technology first proposition and the rise in discount rates due to macroeconomic factors (FY24:

£nil).

- Amortisation of acquired intangibles was £40.3m (FY24: £40.8m). The reduction was mainly due to the impact of exchange rate movements during the period.
- Exceptional costs of £22.2m (FY24: £3.4m) were incurred during the year, relating to Group restructuring, transformation, integration and other strategic projects. Acquisition costs of £5.1m (FY24: £7.2m) were primarily related to the contingent consideration of Propylon Holdings Limited and ST Communications, both purchased in prior periods.

Finance costs

Net finance costs excluding exceptional finance costs were £5.7m (FY24: £5.6m), with slightly higher average borrowings offset by lower interest rates. Exceptional finance costs were £0.2m (FY24: £0.2m).

Profit before tax

The Group reported a loss before tax of £99.7m (FY24: profit of £60.0m), the decrease being driven primarily by the reduction in gross profit in the year, foreign exchange headwinds, the non-cash goodwill impairment of £88.0m as well as the £30.0m profit on disposal of Patbase reported in the prior year.

Adjusted profit before tax

Adjusted profit before tax ("Adjusted PBT") is stated before amortisation of acquired intangibles, impairments, acquisition costs, share-based payment expenses, profit on disposal of business and exceptional items. The Group uses adjusted results as a key performance indicator, as the Directors believe that these provide a more consistent and meaningful measure of the Group's underlying performance across financial periods. The Adjusted PBT of £60.4m (Adjusted PBT margin: 9%) recorded in the period has decreased from £106.7m (Adjusted PBT margin: 15%) in the prior year. Strong cost control measures and restructuring efforts were implemented to counteract the weaker business performance and foreign exchange headwinds but were not sufficient in the period. This led to the non-payment of financial performance related management bonuses and a lower adjusted PBT compared to the previous year.

Tax charge

The Group's tax charge for the year was £0.1m (FY24: £12.5m). This reflects a current tax expense of £16.2m, mostly offset by the reversal of previously recognised deferred tax liabilities and the recognition of additional deferred tax assets during the period.

The adjusted tax charge for the period was £15.7m (FY24: £26.6m) representing an effective adjusted tax rate of 26% compared with 25% in the prior financial year. The increase in the effective rate is largely due to an increase in withholding tax payable on dividends received from overseas subsidiaries by the UK parent.

Earnings per share and dividend

Basic earnings per share for the financial year decreased from 12.8p to a loss of (27.0)p, while adjusted basic earnings per share decreased from 21.6p to 12.1p, representing a decrease of 44%, which reflects the drop in adjusted profit before tax. The weighted average number of ordinary shares in issue for basic and adjusted basic earnings decreased from 371.3m to 369.5m, principally due to the proportionate impact of the ordinary shares repurchased through the share repurchase programme that ended during FY24.

A final dividend for the financial year ended 30 September 2025 of 4.6 pence per share has been proposed, equivalent to £17.0m, while an interim dividend of 2.45 pence per share, equivalent to £9.1m, was paid during the financial period. A final dividend for the year ended 30 September 2024 of 10.0 pence per share, equivalent to £36.9m, was paid in this financial period.

The proposed total dividend for the year of 7.05 pence per share represents a 43% decrease on the total dividend relative to the prior financial period of 12.45 pence per share, aligning shareholder returns with sustainable earnings and supporting the Company's transition to a technology-led, AI-driven growth strategy.

Balance sheet

The Group's balance sheet remained strong, with net assets at 30 September 2025 of £763.2m (FY24: £899.6m). The main drivers of the decrease was the one-off impairment of goodwill of £88.0m and the routine amortisation and depreciation of certain fixed assets. Current assets at 30 September 2025 of £245.8m have decreased by £32.5m on the prior year. This includes a decrease in trade and other receivables of £6.9m and a reduction in cash and cash equivalent balances of £28.9m reflecting the focus on working capital and cash repatriation, partially offset by a reclassification of the Chalfont property to an asset held for sale £3.5m.

Current liabilities have increased to £164.1m at 30 September 2025 (FY24: £158.4m), an increase of £5.7m. Non-current liabilities have decreased by £34.9m, as a result of a net decrease in the RCF loan balance of £16.4m and a reduction in deferred tax liabilities of £16.3m.

The carrying amount of the Company's net assets exceeded the Group's market capitalisation and as a result, management performed an impairment test of the Company's major investments in line with the requirements of FRS101. Management concluded that an impairment was required and the RWS Holdings plc's separate financial statements includes an impairment charge of £279.5m

Cash flow and working capital

Operational free cash flow was £80.1m (FY24: £55.1m) reflecting working capital improvement and tighter cash discipline. Working capital improvement has been driven by enhanced receivables collections and payables optimisation. There has been a marked improvement in the ageing of account receivables in the year. Cash conversion improved to 126% of adjusted net income (FY24: 51%).

Capital expenditure included purchases of intangible assets of £22.2m and property plant and equipment of £3.4m.

Cash flows from other financing activities included dividends paid within the financial year ended 30 September 2025 of £45.9m.

Following a focus on repatriation of cash in the year, cash balances at the financial year-end amounted to £32.6m, with external borrowings of £58.0m, excluding lease liabilities, resulting in a net debt position of £25.4m (FY24: £61.5m cash and external borrowings of £74.4m, resulting in net debt of £12.9m). Net debt including lease liabilities was £47.9m (FY24: net debt of £40.1m).

Post balance sheet events

In early October the Group successfully refinanced its Revolving Credit Facility increasing the facility to \$285m and extending the maturity to October 2029. The refinancing strengthens the Group's liquidity position and provides continued flexibility to support its strategic objectives. Related to this, the Group transitioned its principal banking relationship to HSBC. This change does not impact the Group's financial position at 30 September 2025 but is disclosed as a significant development in the Group's treasury operations.

No other significant events have occurred between the balance sheet date and the date of authorising these financial statements.

Candida Davies | Chief Financial Officer

10 December 2025

Consolidated statement of comprehensive income

for the year ended 30 September 2025

| | Note | 2025 £m | 2024 £m |
|--|------|----------------|----------------|
| Revenue | 3 | 690.1 | 718.2 |
| Cost of sales | | (390.8) | (381.7) |
| Gross profit | | 299.3 | 336.5 |
| Administrative expenses | | (393.1) | (270.7) |
| Operating (loss)/profit | | (93.8) | 65.8 |
| Analysed as: | | | |
| Adjusted operating profit: | | 66.1 | 112.3 |
| Amortisation of acquired intangibles | 10 | (40.3) | (40.8) |
| Impairment of goodwill and intangible assets | 9,10 | (88.0) | (11.7) |
| Impairment of property, plant and equipment | | - | (10.5) |
| Acquisition costs | 5 | (5.1) | (7.2) |
| Share-based payment expense | | (4.3) | (2.9) |
| Profit on disposal of business | | - | 30.0 |
| Exceptional items | 5 | (22.2) | (3.4) |
| Operating (loss)/profit | | (93.8) | 65.8 |
| Finance income | | 0.8 | 0.9 |
| Amortisation of capitalised exceptional finance costs | | (0.2) | (0.2) |
| Finance costs | | (6.5) | (6.5) |
| (Loss)/profit before tax | | (99.7) | 60.0 |
| Taxation | 6 | (0.1) | (12.5) |
| (Loss)/profit for the year attributable to the owners of the Parent | | (99.8) | 47.5 |
| Other comprehensive income/(expense) | | | |
| Items that may be reclassified to profit or loss: | | | |
| (Loss)/gain on retranslation of quasi equity loans (net of tax) | | (2.3) | 1.7 |
| Gain/(loss) on retranslation of foreign operations | | 7.8 | (64.1) |
| Gain on hedging (net of deferred tax) | | - | 0.4 |
| Total other comprehensive income/(expense) | | 5.5 | (62.0) |
| Total comprehensive expense attributable to owners of the Parent | | (94.3) | (14.5) |
| Basic earnings per ordinary share (pence per share) | 8 | (27.0) | 12.8 |
| Diluted earnings per ordinary share (pence per share) | 8 | (27.0) | 12.8 |

Consolidated statement of financial position

for the year ended 30 September 2025

| | Note | 2025 £m | 2024 £m |
|--|------|----------------|----------------|
| Non-current assets | | | |
| Goodwill | 9 | 485.9 | 570.8 |
| Intangible assets | 10 | 276.7 | 317.0 |
| Property, plant and equipment | | 9.0 | 13.5 |
| Right-of-use assets | | 19.7 | 22.7 |
| Non-current income tax receivable | | 2.1 | 2.2 |
| Deferred tax assets | 6 | 1.7 | 2.0 |
| | | 795.1 | 928.2 |
| Current assets | | | |
| Trade and other receivables | | 204.3 | 211.2 |
| Assets held for sale | | 3.5 | - |
| Income tax receivable | | 5.4 | 5.6 |
| Cash and cash equivalents | 12 | 32.6 | 61.5 |
| | | 245.8 | 278.3 |
| Total assets | | 1,040.9 | 1,206.5 |
| Current liabilities | | | |
| Trade and other payables | | 137.6 | 127.7 |
| Lease liabilities | | 5.6 | 8.5 |
| Income tax payable | | 10.6 | 14.3 |
| Provisions | | 10.3 | 7.9 |
| | | 164.1 | 158.4 |
| Non-current liabilities | | | |
| Loans | 11 | 58.0 | 74.4 |
| Lease liabilities | | 16.9 | 18.7 |
| Trade and other payables | | 0.1 | 0.4 |
| Provisions | | 1.4 | 1.5 |
| Deferred tax liabilities | 6 | 37.2 | 53.5 |
| | | 113.6 | 148.5 |
| Total liabilities | | 277.7 | 306.9 |
| Total net assets | | 763.2 | 899.6 |
| Capital and reserves attributable to owners of the Parent | | | |
| Share capital | | 3.7 | 3.7 |
| Share premium | | 56.0 | 54.5 |
| Share-based payment reserve | | 9.3 | 8.1 |
| Reverse acquisition reserve | | (8.5) | (8.5) |
| Other reserve | | 0.1 | 0.1 |
| Merger reserve | | 624.4 | 624.4 |
| Foreign currency reserve | | (26.3) | (31.8) |
| Retained earnings | | 104.5 | 249.1 |
| Total equity | | 763.2 | 899.6 |

Consolidated statement of changes in equity

for the year ended 30 September 2025

| | Note | Share capital £m | Share premium account £m | Other reserves (see below) £m | Retained earnings £m | Total attributable to owners of Parent £m |
|--|------|---------------------|--------------------------------|--|----------------------------|---|
| At 30 September 2023 | | 3.8 | 54.5 | 651.4 | 277.6 | 987.3 |
| Profit for the year | | - | - | - | 47.5 | 47.5 |
| Gain on hedging | | - | - | 0.4 | - | 0.4 |
| Gain on retranslation of quasi equity loans | | - | - | 1.7 | - | 1.7 |
| Loss on retranslation of foreign operations | | - | - | (64.1) | - | (64.1) |
| Total comprehensive income/(expense) for the year | | - | - | (62.0) | 47.5 | (14.5) |
| Deferred tax on unexercised share options | 6 | - | - | - | (0.1) | (0.1) |
| Dividends | 7 | - | - | - | (45.5) | (45.5) |
| Purchase of own shares | | (0.1) | - | 0.1 | (30.4) | (30.4) |
| Equity-settled share-based payments charge | | - | - | 2.9 | - | 2.9 |
| Deferred tax on share-based payments | | - | - | (0.1) | - | (0.1) |
| At 30 September 2024 | | 3.7 | 54.5 | 592.3 | 249.1 | 899.6 |
| Loss for the year | | - | - | - | (99.8) | (99.8) |
| Loss on retranslation of quasi equity loans | | - | - | (2.3) | - | (2.3) |
| Gain on retranslation of foreign operations | | - | - | 7.8 | - | 7.8 |
| Total comprehensive income/(expense) for the year | | - | - | 5.5 | (99.8) | (94.3) |
| Issue of shares | | - | 1.5 | - | - | 1.5 |
| Dividends | 7 | - | - | - | (45.9) | (45.9) |
| Exercise of share options | | - | - | (2.6) | 1.1 | (1.5) |
| Equity-settled share-based payments charge | | - | - | 3.8 | - | 3.8 |
| At 30 September 2025 | | 3.7 | 56.0 | 599.0 | 104.5 | 763.2 |

| Other reserves | Share-based payment re- serve £m | Other re- serve £m | Reverse acquisi- tion re- serve £m | Merger reserve £m | Foreign currency reserve £m | Hedge reserve £m | Total other reserves £m |
|---|--|--------------------------|---|-------------------------|--------------------------------------|------------------------|-------------------------------|
| At 30 September 2023 | 5.3 | - | (8.5) | 624.4 | 33.7 | (3.5) | 651.4 |
| Other comprehensive (expense)/income for the year | - | - | - | - | (62.4) | 0.4 | (62.0) |
| Fair value (losses)/gains on net investment hedge taken to currency reserve | - | - | - | - | (3.1) | 3.1 | - |
| Equity-settled share-based payments charge | 2.9 | - | - | - | - | - | 2.9 |
| Purchase of own shares | - | 0.1 | - | - | - | - | 0.1 |
| Deferred tax on share-based payments | (0.1) | - | - | - | - | - | (0.1) |
| At 30 September 2024 | 8.1 | 0.1 | (8.5) | 624.4 | (31.8) | - | 592.3 |
| Other comprehensive income for the year | - | - | - | - | 5.5 | - | 5.5 |
| Exercise of share options | (2.6) | - | - | - | - | - | (2.6) |
| Equity-settled share-based payments charge | 3.8 | - | - | - | - | - | 3.8 |
| At 30 September 2025 | 9.3 | 0.1 | (8.5) | 624.4 | (26.3) | - | 599.0 |

Consolidated statement of cash flow

for the year ended 30 September 2025

| | Note | 2025 £m | 2024 £m |
|--|-----------|---------------|---------------|
| Cash flows from operating activities | | | |
| (Loss)/profit before tax | | (99.7) | 60.0 |
| Adjustments for: | | | |
| Depreciation of property, plant and equipment | | 4.6 | 6.3 |
| Amortisation of intangible assets | 10 | 63.6 | 54.8 |
| Impairment of goodwill and intangible assets | 9,10 | 88.0 | 11.7 |
| Impairment of property, plant and equipment | | - | 10.5 |
| Depreciation of right-of-use assets | | 6.8 | 8.2 |
| Equity settled share-based payment expense | | 3.8 | 2.9 |
| Profit on disposal of business | | - | (30.0) |
| Lease modification | | (0.4) | (1.6) |
| Net finance costs | | 5.9 | 5.8 |
| Operating cash flow before movements in working capital | | 72.6 | 128.6 |
| Decrease/(increase) in trade and other receivables | | 1.7 | (6.8) |
| Increase/(decrease) in trade and other payables and provisions | | 11.8 | (26.3) |
| Cash generated from operations | | 86.1 | 95.5 |
| Income tax paid | | (17.3) | (20.2) |
| Net cash inflow from operating activities | | 68.8 | 75.3 |
| Cash flows from investing activities | | | |
| Interest received | | 0.8 | 0.9 |
| Disposal proceeds | 5 | 5.0 | 25.0 |
| Acquisition of subsidiary, net of cash acquired | | - | (0.5) |
| Purchases of property, plant and equipment | | (3.4) | (2.6) |
| Purchases of intangibles | 10 | (22.2) | (40.5) |
| Net cash outflows from investing activities | | (19.8) | (17.7) |
| Cash flows from financing activities | | | |
| Net (repayment)/proceeds from borrowings | | (17.2) | 22.9 |
| Interest paid | | (5.0) | (4.6) |
| Lease liability payments (including interest charged of £1.1m (2024: £1.1m)) | | (8.6) | (9.5) |
| Purchase of own shares | | - | (30.4) |
| Dividends paid | 7 | (45.9) | (45.5) |
| Net cash outflow from financing activities | | (76.7) | (67.1) |
| Net decrease in cash and cash equivalents | | (27.7) | (9.5) |
| Cash and cash equivalents at beginning of the year | | 61.5 | 76.2 |
| Exchange losses on cash and cash equivalents | | (1.2) | (5.2) |
| Cash and cash equivalents at end of the year | 12 | 32.6 | 61.5 |

Notes to the consolidated financial statements.

1. Accounting policies

Basis of accounting and preparation of financial statements

The financial information is extracted from the Group's consolidated financial statements for the year ended 30 September 2025, which were approved by the Board of Directors on 10 December 2025.

RWS Holdings plc ("the Parent Company") is a public company, limited by shares, incorporated and domiciled in England and Wales whose shares are publicly traded on AIM, the London Stock Exchange regulated market.

The financial information set out in this announcement does not constitute the Company's statutory accounts for the year ended 30 September 2025. Statutory accounts for 2024 have been delivered to the registrar of companies, and those for 2025 will be delivered in due course. The auditor has reported on those accounts; their reports were (i) unqualified, (ii) did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying their report and (iii) did not contain a statement under section 498 (2) or (3) of the Companies Act 2006.

The principal accounting policies adopted in the preparation of the consolidated financial statements are set out below and within the Notes to which they relate to provide context to users of the financial statements. The policies have been consistently applied to both years presented, unless otherwise stated.

The potential climate change-related risks and opportunities to which the Group is exposed, as identified by Management, are disclosed in the Group's Annual Report and Accounts. Management has assessed the potential financial impacts relating to the identified risks and exercised judgement in concluding that there are no further material financial impacts of the Group's climate-related risks and opportunities on the financial statements. These judgements will be kept under review by Management as the future impacts of climate change depend on environmental, regulatory and other factors outside of the Group's control which are not all currently known.

Going concern

The financial statements have been prepared on a going concern basis, as outlined in the Directors' report. The Directors have conducted an assessment of the Group's ability to continue as a going concern for a period of at least twelve months from the date of approval of the accounts.

In making this assessment, the Directors considered the Group's current financial position, as well as forecasted earnings and cash flows for the 18-month period ending 31 March 2027. The business plan supporting this evaluation is based on the Board-approved budget.

The Directors' assessment also considered the Group's existing debt levels, committed funding, liquidity position under its debt covenants, and its ongoing ability to generate cash through trading activities. As of 30 September 2025, the Group had net debt of £47.9m (2024: £40.1m), which includes the Group's US\$220m revolving credit facility ("RCF") of which £59.0m was drawn at year-end (2024: £76.0m), lease liabilities of £22.5m (2024: £27.2m), offset by cash and cash equivalents of £32.6m (2024: £61.5m). The RCF matures in October 2029, after an Amend and Extend of the existing facility was completed in October 2025. At year-end, the Group's net leverage ratio, as defined by the RCF agreement, was 0.5 EBITDA (2024: 0.3), while the interest coverage ratio was 19 EBITDA (2024: 24), both of which are well within the limits set by the Group's RCF agreement.

In view of the Group's principal risks and uncertainties, the Directors have applied appropriate sensitivities in their going concern assessment. They modelled a range of downside scenarios, including a 20% reduction in the Group's gross margin percentage and corresponding cash flows. No significant structural changes to the Group were assumed in these scenarios, and no mitigating actions were assumed.

In each downside scenario, the Group maintained headroom with respect to both covenants and liquidity through to 31 March 2027. It is noted that EBITDA would need to fall by over 56% to breach the net leverage covenant test and by over 54% to breach the interest coverage test, based on the net debt and interest projection at the end of the forecast period. As a result, the Directors are confident that the Group and Company will have sufficient cash reserves and committed debt facilities to withstand reasonably plausible downside scenarios and continue to meet their liabilities as they fall due during the period ending 31 March 2027 and therefore prepared the financial statements on a going concern basis.

2. Critical judgements and accounting estimates in applying the Group's accounting policies

The preparation of financial statements in accordance with generally accepted accounting principles requires Management to make certain judgments, estimates, and assumptions that affect the reported amounts of assets, liabilities, income, and expenses. These judgments and estimates are evaluated on a regular basis and reflect Management's best estimates, drawing from historical experience and other relevant factors, including reasonable expectations of future events. Revisions to estimates are recognised prospectively. However, actual results may differ from these estimates due to unforeseen events or actions, and such differences could be material.

Judgements

In the process of applying the Group's accounting policies, Management has made the following judgements, which have the most significant effect on the amounts recognised in the consolidated financial statements:

Revenue - multi-element arrangements

Due to the complexity of multi-element contracts which often include the provision of products and services, Management judgment is required to determine the appropriate revenue recognition. Management assesses whether the contract should be accounted for as a single performance obligation or as multiple performance obligations.

Judgment is applied in establishing the criteria for determining when revenue related to multiple elements should be recognised and in determining the stand-alone selling price of each element. The Group typically determines the stand-alone selling prices of elements based on prices that are not directly observable, relying on stand-alone list prices which are then subject to discounts. These prices are reviewed annually and adjusted as necessary. This process is undertaken alongside a fair value assessment of the stand-alone selling prices to ensure the reasonableness of the transaction price allocation. Further details regarding the determination of stand-alone selling prices for the purpose of allocating the transaction price in multi-element arrangements can be found in Note 3.

The judgement could materially affect the timing and quantum of revenue and profit recognised in each period. Licence revenue in the year amounted to £63.7m (2024: £60.0m).

Capitalised development costs

The Group capitalises development costs relating to product development in line with International Accounting Standard ('IAS') 38 'Intangible Assets'. Management applies judgement in determining if the costs meet the criteria and are therefore eligible for capitalisation. Significant judgements include the technical feasibility of the development, recoverability of the costs incurred, economic viability of the product, and potential market available considering its current and future customers and when, in the development process, these milestones have been met. Where software products are already in use, Management applies judgement in determining whether further development spend increases the economic benefit and whether any previously capitalised costs should be expensed. Development costs capitalised during the year amounted to £9.7m (2024: £11.2m) (see Note 10).

Estimates and assumptions

The key assumptions and estimates concerning the future and other key sources of estimation uncertainty at the reporting date, that have significant risk of causing a material adjustment to the carrying amount of the assets and liabilities within the next financial year are discussed below:

Acquisition accounting

Judgement is often required in determining the identifiable intangible assets acquired as part of a business combination that must be recognised in the Group's consolidated financial statements. Estimation is required in determining both the fair value of all identified assets, liabilities acquired, any contingent consideration and in particular intangible assets. In determining these fair values, a range of assumptions are used, including forecast revenue, discount rates, and attrition rates that are specifically related to the intangible asset being valued. The useful economic lives of these assets is being estimated using Management's best estimates and reassessed annually.

Other estimates and assumptions

The consolidated financial statements include other estimates and assumptions. Whilst Management do not consider these to be significant accounting estimates, the recognition and measurement of certain material assets and liabilities are based on assumptions which, if changed, could result in adjustments to the carrying amounts of assets and liabilities.

Revenue - rendering of services

Management estimates the total costs to be incurred on a contract-by-contract basis, and these estimates are reviewed on an ongoing basis to ensure that the revenue recognised accurately reflects the proportion of work completed as of the balance sheet date. All contracts are of a short-term nature, with the majority of services being invoiced upon completion. As at the year end, the value of work in progress amounted to £58.3m (2024: £56.0m). Changes in the estimated total costs of contracts could, in aggregate, have a material impact on the carrying amount of accrued income at the balance sheet date.

Impairment of goodwill and intangible assets

An impairment test of goodwill and other intangible assets, requires estimation of the value in use ('VIU') of the cash generating units ('CGUs') to which goodwill and other intangible assets have been allocated. The VIU calculation requires the Group to estimate the future cash flows expected to arise from the CGUs, for which the Group considers revenue growth rates and EBITDA margin to be significant estimates. The estimated future cash flows derived are discounted to their present value using a pre-tax discount rate that reflects estimates of market risk premium, asset betas, the time value of money and the risks specific to the CGU. See Note 9 and 10 for further details.

Key assumptions used by Management in estimating VIU are

Discount rates - Pre tax discount rates which are based on the Weighted Average Cost of Capital (WACC) of a typical market participant and reflect market volatility in risk free rate and equity risk premium inputs. The discount rates have increased reflecting market volatility in risk free rate and equity risk premium inputs. See Note 9 for details.

Forecast cash flows - based on assumptions from the approved budget and 5-year plan which incorporate Management's best estimates of future cash flows and take into account future growth and price increases, have proved to be reliable guides in the past and the Directors believe the estimates are appropriate. See Note 9 for details of long term growth rates used outside of the plan period.

Terminal growth rates - 2.0% (2024: 2.0%) was used for cash flows outside the plan projections. This rate is conservative and is considered to be lower than the long-term historic growth rates in the underlying territories in which the CGUs operate and the long-term growth rate prospects of the sectors in which the CGUs operate.

Taxation - uncertain tax positions

Uncertainties exist in respect of interpretation of complex tax regulations, including transfer pricing, and the amount and timing of future taxable income. Given the nature of the Group's operating model, the wide range of international transactions and the long-term nature and complexity of contractual agreements, differences arising between the actual results and assumptions made, or future changes to assumptions, could necessitate future adjustments to taxation already recorded. The Group considers all tax positions on a separate basis, with any amounts determined by the most appropriate of either the expected value or most likely amount on a case by case basis.

Most deferred tax assets are recognised because they can offset the future taxable income from existing taxable differences (primarily on acquired intangibles) relating to the same jurisdiction or entity. Where there are insufficient taxable differences, deferred tax assets are recognised in respect of losses and other deductible differences where current forecasts indicate profits will arise in future periods against which they can be deducted. The total value of uncertain tax positions ('UTPs') was £4.7m (2024: £6.4m), see Note 6.

3. Revenue from contracts with customers

Accounting policy

Revenue represents transaction prices to which the Group expects to be entitled in return for delivering goods or services to its customers. The Group applies the five-step model in IFRS 15 Revenue from Contracts with Customers ("IFRS 15"). Prescriptive guidance in IFRS 15 is followed to deal with specific scenarios requiring Management judgement. The approach taken to evaluate revenue recognition is consistent across all divisions, although each contract is considered on a case-by-case basis.

Group contracts have single or multi-elements performance obligations. Multi-element arrangements revenue is allocated to each performance obligation based on stand-alone selling price, regardless of any separate prices stated within the contract. Some contracts include performance obligations in respect of the licences, support and maintenance, hosting services and professional services. Software licences are either perpetual, term or software as a service (SaaS) in nature.

Contract revenue is billed in advance and revenue is deferred where the performance obligation is satisfied over

time. The Group's revenue contracts do not include any material future vendor commitments and thus no allowances for future costs are made.

The Group applies IFRS 15 when accounting for contract modifications and variable consideration. A contract modification is a change in the scope or price (or both) of a contract that is approved by the parties. When a modification occurs, the Group assesses whether it should be treated as a separate contract or as part of the existing contract. This depends on whether the additional goods or services are distinct and whether the price reflects their standalone selling price. If not accounted for as a separate contract, the transaction price and progress toward completion are updated on a cumulative catch-up basis.

Variable consideration, such as discounts or rebates, is estimated at contract inception and updated as circumstances change. The Group includes variable consideration 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 is resolved.

The following provides information about the nature and timing of the satisfaction of performance obligations in contracts and the related revenue recognition policies, categorised by reporting segments:

1) Language and Content Technology

Identification of performance obligations

The Group's Language and Content Technology contracts typically include multi-elements performance obligations in respect of licences, support and maintenance, hosting services and professional services. Identification of the performance obligations in such arrangements involves judgement, more details of the nature and impact of the judgement are included in Note 2.

The Group provides professional services to customers including training, implementation and installation services alongside certain contracts for software licences. These services are sold in units of consultant time and are therefore measured on an output method basis.

Determining transaction prices

At the inception of a contract, a transaction price is agreed, being the amount the Group expects to be entitled over the expected duration of the contract. Such expected amounts are only included to the extent that it is highly probable no revenue reversal will occur.

Allocation of transaction prices to performance obligations

The service contracts typically consist of multiple components and typically have more than one obligation, each with its own contract duration as adjudged by management. Management applies judgement to allocate the consideration specified in the contract with the customer to each performance obligation based on the stand-alone selling price. See below for details.

Revenue recognition

The Group's contracts for term licences are recognised upfront when performance obligations are delivered in the same manner as a perpetual licence sale but, typically, are billed annually and do not follow the same billing pattern as the Group's contracts for perpetual licences, instead billing follows more closely that of a SaaS licence contract.

The Group's perpetual and term licences are accounted for at a point in time when the customer obtains control of the licence, occurring either where the goods are shipped or, more commonly, when electronic delivery has taken place and there is no significant future vendor obligation.

Perpetual and term software licences have significant standalone functionality and the Group has determined that none of the criteria that would indicate the licence is a right to access apply. In addition, the Group has identified no other performance obligations under their contracts for these licences which would require the Group to undertake significant additional activities which affects the software. The Group therefore believes the obligation is right to use the licence as it presently exists and therefore applies the point in time pattern of transfer. Transaction price is allocated to licences using the residual method based upon other components of the contract. The residual method is used because the prices of licences are highly variable and there is no discernible standalone selling price from past transactions.

'SaaS' licences have material ongoing performance obligations associated with them. The Group has identified that this creates a right to access the intellectual property, instead of a right to use. Accordingly, the associated licence revenue is recognised over time, straight line for the duration of the contract. As with other licences, the Group utilises the residual method to allocate transaction price to these performance obligations.

Support and maintenance contracts have obligation to provide additional services to the Group's licence customers over the period of support included in the contract. The Group measures the obligation by reference to the standalone selling price, based upon internal list prices subject to discount. The pattern of transfer is deemed to be

over time on the basis that this is a continuing obligation over the period of support undertaken and accordingly, recognised as revenue on a straight line basis over the course of the contract.

Hosting services contract revenue is recognised over time for the duration of the agreement. Transaction price from the contract is allocated to hosting services obligations based upon a cost plus method.

Professional services are sold in units of consultant time and are therefore measured on an output method basis. Revenue is therefore recognised on these engagements based on the units of time delivered to the end customer. Transaction price is allocated based upon the standalone selling price, calculated by reference to the internal list prices for consultant time subject to any discounts. A small number of the Group's professional services contracts are on a fixed price contract and the output method is used based on an appraisal of applicable milestones.

2) IP Services

Identification of performance obligations

The Group's Patent Filing Contracts have one performance obligation, which is to deliver patent filing and translation services.

Determining transaction prices

The transaction price is based on the value of services rendered.

Allocation of transaction prices to performance obligations

Transaction price is assigned to a single performance obligation.

Revenue recognition

Revenue is recognised at a point in time for patent filing services and over time for language translation services.

3) Language Services

Identification of performance obligations

The contracts provide for the Group to be reimbursed for translation services.

Determining transaction prices

The transaction price is the consideration specified in the contract.

Allocation of transaction prices to performance obligations

Each contract has a single performance obligation and so the whole contract price is assigned to that single obligation.

Revenue recognition

The Group recognises revenue over time and measures the completeness of this performance obligation using input method (cost incurred to date as a proportion of total costs).

4) Regulated Industries

Identification of performance obligations

Regulated Industries services contracts provide for the Group to be reimbursed for specialist translation services provided.

Determining transaction prices

The transaction price is as stipulated in the contract.

Allocation of transaction prices to performance obligations

Contract price is allocated to the sole performance obligation in the contract.

Revenue recognition

The Group recognises revenue over time and measures the completeness of this performance obligation using input methods. The relevant input method is the cost incurred to date as a proportion of total costs, in determining the progress.

Revenue from contracts with customers

The Group generates all revenue from contracts with its customers for the provision of translation and localisation, intellectual property support solutions and the provision of software. Revenue from providing these services during the year is recognised both at a point in time and over time as shown in the table below:

| Timing of revenue recognition for contracts with customers | 2025 £m | 2024 £m |
|---|--------------------|--------------------|
| At a point in time | 16.5 | 22.4 |
| Over time | 121.9 | 119.9 |
| Language and Content Technology | 138.4 | 142.3 |
| At a point in time | 30.6 | 30.7 |
| Over time | 65.9 | 71.6 |
| IP Services | 96.5 | 102.3 |
| Over time | 326.7 | 327.1 |
| Language Services | 326.7 | 327.1 |
| Over time | 128.5 | 146.5 |
| Regulated Industries | 128.5 | 146.5 |
| Total revenue from contracts with customers | 690.1 | 718.2 |

See Note 4 for information on revenue disaggregation by geographical location.

Capitalised contract costs

Capitalised contract costs primarily relate to sales commission costs capitalised under IFRS 15 and are amortised over the length of the contract. The Group has taken advantage of the practical expedient to recognise, as an expense, any costs which would be recognised in fewer than 12 months from being incurred. This primarily relates to the Group's language services commissions and point in time technology revenue related commissions. The value of capitalised contract costs at year-end was £1.5m (2024 £1.5m). Capitalised contract costs are recognised within other debtors on the statement of financial position.

| Receivables, contract assets and contract liabilities with customers | 2025 £m | 2024 £m |
|---|--------------------|--------------------|
| Net trade receivables | 124.6 | 125.9 |
| Net contract assets (accrued income) | 58.3 | 56.0 |
| Contract liabilities (deferred income) | (47.3) | (41.6) |

Contract assets are recognised where performance obligations are satisfied over time until the point at which the Group's right to consideration is unconditional when these are classified as trade receivables which is generally the point of final invoicing.

For performance obligations satisfied over time, judgement is required in determining whether a right to consideration is unconditional. In such situations, a receivable is recognised for the transaction price of the non-cancellable portion of the contract when the Group starts satisfying the performance obligation. The Group recognises revenue for partially satisfied performance obligations as 'Accrued Income'.

The total value of the transaction price allocated to unsatisfied or partially unsatisfied performance obligations at the year-end is £58.3m (2024: £56.0m). Support and maintenance is a stand ready obligation discharged straight line over the duration of the Group's software contracts, the period over which this is recognised can be identified based on the value of current and non-current deferred income. Unsatisfied performance obligations in respect of language and professional services are all short-term and expected to be recognised in less than one year.

The Group offsets any contract liabilities with any contract assets that may arise within the same customer contract, typically, this only applies to the Group's licence and support and maintenance revenue contracts. In all material respects there are no significant changes in the Group's contract asset or liability balances other than business-as-usual movements during the year.

Revenue recognised in the year that was included in deferred revenue at 1 October 2024 was £41.2m (2024: £47.6m).

4. Segment Information

The chief operating decision maker for the Group is identified as the Group's Board of Directors collectively. The Board reviews the Group's internal reporting in order to assess performance and allocates resources. The Board divides the Group into four reportable segments and assesses the performance of each segment based on the revenue and adjusted profit before tax.

The four reporting segments, which match the operating segments, are explained in more detail below:

- Language and Content Technology (“L&CT”): Revenue is generated through the provision of a range of translation technologies and content platforms to clients. This was enhanced by the acquisition of Propylon Holdings Ltd in July 2023.
- IP Services: The Group’s IP Services segment provides high quality patent translations, filing services and a broad range of intellectual property (“IP”) search services.
- Language Services: The revenues are derived by providing localisation services which include translation and adaptation of content across a variety of media and materials to ensure brand consistency.
- Regulated Industries: Revenue is generated through the translation and linguistic validation for customers who operate in regulated industries such as life sciences.

Unallocated costs reflect corporate overheads and other expenses not directly attributed to segments.

| Segment results for the year ended 30 September 2025 | L&CT £m | IP Services £m | Language Services £m | Regulated Industries £m | Unallocated costs £m | Group £m |
|---|------------|-------------------|----------------------------|-------------------------------|----------------------------|---------------|
| Revenue from contracts with customers | 138.4 | 96.5 | 326.7 | 128.5 | - | 690.1 |
| Adjusted operating profit/(loss) before charging: | 25.8 | 19.4 | 23.4 | 9.3 | (11.8) | 66.1 |
| Amortisation of acquired intangibles | (15.0) | - | (13.6) | (11.7) | - | (40.3) |
| Impairment losses | - | - | (65.4) | (22.6) | - | (88.0) |
| Acquisition costs | - | - | - | - | (5.1) | (5.1) |
| Exceptional items (see Note 5) | 0.8 | (3.7) | (11.9) | (5.5) | (1.9) | (22.2) |
| Share-based payment expense | (0.5) | (0.4) | (1.3) | (0.3) | (1.8) | (4.3) |
| Operating profit/(loss) from operations | 11.1 | 15.3 | (68.8) | (30.8) | (20.6) | (93.8) |
| Net finance expense | | | | | | (5.9) |
| Loss before taxation | | | | | | (99.7) |
| Taxation | | | | | | (0.1) |
| Loss for the year | | | | | | (99.8) |

| Segment results for the year ended 30 September 2024 | L&CT £m | IP Services £m | Language Services £m | Regulated Industries £m | Unallocated costs £m | Group £m |
|---|------------|-------------------|----------------------------|-------------------------------|----------------------------|-------------|
| Revenue from contracts with customers | 142.3 | 102.3 | 327.1 | 146.5 | - | 718.2 |
| Adjusted operating profit/(loss) before charging: | 34.2 | 26.9 | 39.6 | 19.8 | (8.2) | 112.3 |
| Amortisation of acquired intangibles | (14.9) | - | (14.0) | (11.9) | - | (40.8) |
| Impairment losses | - | (22.2) | - | - | - | (22.2) |
| Acquisition costs | - | - | - | - | (7.2) | (7.2) |
| Profit on disposal of business | - | 30.0 | - | - | - | 30.0 |
| Exceptional items (see Note 5) | (0.3) | (0.9) | 1.0 | (1.6) | (1.6) | (3.4) |
| Share-based payment expense | (0.5) | (0.5) | (1.2) | (0.4) | (0.3) | (2.9) |
| Operating profit/(loss) from operations | 18.5 | 33.3 | 25.4 | 5.9 | (17.3) | 65.8 |
| Net finance expense | | | | | | (5.8) |
| Profit before taxation | | | | | | 60.0 |
| Taxation | | | | | | (12.5) |
| Profit for the year | | | | | | 47.5 |

The table below shows revenue by the geographic market in which clients are located.

| Revenue by client location | 2025 £m | 2024 £m |
|-----------------------------------|--------------|--------------|
| UK | 61.6 | 75.4 |
| Continental Europe | 164.3 | 171.0 |
| United States of America | 382.7 | 382.8 |
| Rest of the World | 81.5 | 89.0 |
| Total | 690.1 | 718.2 |

The Group does not place reliance on any specific customer and had no individual customers that generated more than 10% or more of its total Group revenue.

The following is an analysis of revenue by the geographical area in which the Group's undertakings are located.

| Revenue by subsidiary location | 2025 £m | 2024 £m |
|---------------------------------------|--------------|--------------|
| UK | 167.1 | 184.8 |
| Continental Europe | 152.5 | 146.7 |
| United States of America | 296.3 | 315.3 |
| Rest of the World | 74.2 | 71.4 |
| Total | 690.1 | 718.2 |

The table below presents the Group's operating assets by geographical location. Goodwill and acquired intangible assets are excluded, as they support all four divisions across all countries where the Group operates (see Note 9 and 10 for further details on goodwill and intangible assets).

| Operating assets by geography | 2025 £m | 2024 £m |
|--------------------------------------|----------------|--------------|
| UK | 163.8 | 209.8 |
| Continental Europe | 63.1 | 64.3 |
| United States of America | 125.8 | 115.3 |
| Rest of the World | 42.6 | 47.9 |
| Total | 395.3 | 437.3 |
| Goodwill | 485.9 | 570.8 |
| Acquired intangible assets | 159.7 | 198.4 |
| Current liabilities | (164.1) | (158.4) |
| Non-current liabilities | (113.6) | (148.5) |
| Net assets | 763.2 | 899.6 |

5. Exceptional items

Accounting policy

Exceptional items are those items that in Management's judgement should be disclosed separately by virtue of their size, nature or incidence, in order to provide a better understanding of the underlying results* of the Group. In determining whether an event or transaction is exceptional, Management considers qualitative factors such as frequency or predictability of occurrence. Examples of exceptional items include the costs of integration, severance and restructuring costs which Management do not believe reflect the business's trading performance and therefore are adjusted to present consistency between periods.

| | 2025 Pre-tax £m | 2025 Tax impact £m | 2025 Total £m | 2024 Pre-tax £m | 2024 Tax impact £m | 2024 Total £m |
|---|-----------------------|--------------------------|---------------------|-----------------------|-----------------------------|---------------------|
| Group transformation programme | (0.3) | 0.1 | (0.2) | (1.4) | 0.3 | (1.1) |
| Strategic project costs | (1.7) | 0.4 | (1.3) | - | - | - |
| Restructuring & integration related costs | (20.2) | 5.2 | (15.0) | (2.2) | 0.6 | (1.6) |
| Legacy payment arrangements | - | - | - | 1.7 | - | 1.7 |
| Total exceptional items – operating | (22.2) | 5.7 | (16.5) | (1.9) | 0.9 | (1.0) |
| Amortisation of exceptional finance | (0.2) | 0.1 | (0.1) | (0.2) | - | (0.2) |
| Disposal costs | - | - | - | (1.3) | - | (1.3) |
| Total exceptional items - excluding profit on disposal of business | (22.4) | 5.8 | (16.6) | (3.4) | 0.9 | (2.5) |
| Profit on disposal of business | - | - | - | 30.0 | - | 30.0 |
| Total exceptional items | (22.4) | 5.8 | (16.6) | 26.6 | 0.9 | 27.5 |

*Underlying results are performance measures that exclude one-off charges or non-recurring events, offering a clearer reflection of the core financial performance without the influence of unusual or extraordinary items.

A description of the principal items included is provided below:

Transformation costs - £0.2m was incurred in relation to the implementation of a Group EPM system, £0.1m was incurred in relation to other Group transformation projects. A total of £0.3m of these costs were paid during the period.

Strategic projects - £1.4m was incurred in relation to corporate development including the purchase of the intellectual property of Papercup and £0.3m was incurred in relation to the Group's rebranding. A total of £1.6m of these costs were paid during the period.

Restructuring costs - £18.8m was incurred in respect of severance and termination payments (and related costs) related to the Group's cost reduction plans. A total of £12.5m of these costs were paid during the period. £13.0m expected to be charged and paid in 2026 along with £5.8m currently provided for. The project will conclude in FY26.

Integration costs - £0.7m was incurred in relation to corporate restructuring and £0.7m was incurred in relation to the two office properties the Group has vacated and currently holds for sale. A total of £1.4m of these costs were paid during the period.

Legacy payments - No cost was recognised in the period in respect of ongoing liabilities related to historic agreements with former owners of the business and their respective families. Payments of £1.7m were paid during the period.

Finance costs - £0.2m was incurred related to amortisation expense associated with a gain on debt modification recognised in previous accounting periods.

In the prior period, operating exceptional items included £1.4m of Group transformation costs, £1.4m of restructuring related costs, £0.8m of integration related costs and a £1.7m credit for legacy payment arrangements. In total £1.9m was charged during the prior period.

Acquisition-related costs

Acquisition-related costs totalled £5.1m (2024: £7.2m) and include a £0.3m (2024: £0.3m) contingent payment linked to continued employment as part of the ST Communications acquisition, contingent consideration of £4.7m (2024: £5.6m) in relation to the acquisition of Propylon and £0.1m of other acquisition related expenses. In the prior year costs totalling £1.2m were charged in relation to the acquisition of Fonto. All contingent consideration expenses relate to acquisitions from prior years and these amounts are accounted for in compliance with IFRS 3 Business Combinations and IAS 19 Employee Benefits.

6. Taxation

Accounting policy

The charge for current taxation is based on the results for the year as adjusted for items which are non-assessable or disallowed. It is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date. Current tax assets and liabilities are offset when the relevant tax authority permits net settlement and the group

intends to settle on a net basis.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes where this differs.

Deferred tax is not recognised for temporary differences related to investments in subsidiaries and associates where the Group is able to control the timing of the reversal of the temporary difference and it is probable that this will not reverse in the foreseeable future; on the initial recognition of non-deductible goodwill; and on the initial recognition of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, does not affect the accounting or taxable profit.

Deferred tax is measured on an undiscounted basis, and at the tax rates that have been enacted or substantively enacted by the reporting date that are expected to apply in the periods in which the asset or liability is settled.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used and are reviewed at each reporting date.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority, when the Group intends to settle its current tax assets and liabilities on a net basis and that authority permits the Group to make a single net payment.

Current and deferred tax is recognised in the income statement except when it relates to items credited or charged directly to other comprehensive income or equity, in which case the current or deferred tax is also recognised within other comprehensive income or equity respectively (for example share-based payments).

Uncertain tax positions

The Group operates in numerous tax jurisdictions around the world. At any given time, the Group is involved in disputes and tax audits and will also have a number of tax returns potentially subject to audit. These tax audits may give rise to significant tax issues that take several years to resolve. In estimating the probability and amount of any tax charge, Management takes into account the views of internal and external advisers and updates the amount of tax provision whenever necessary. The ultimate tax liability may differ from the amount provided depending on interpretations of tax law, settlement negotiations or changes in legislation. As referenced in Note 2, the Group considers all tax positions separately and uses either the most likely or expected value method of calculation on a case by case basis.

VAT

Revenues, expenses and assets are recognised net of the amount of VAT except where the VAT incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the VAT is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and trade receivables and payables are stated with the amount of VAT included. The net amount of VAT recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

| Taxation recognised in income and equity is as follows: | 2025 £m | 2024 £m |
|--|--------------|-------------|
| Current tax charge | | |
| UK corporation tax at 25% (2024: 25%) | - | 1.9 |
| Overseas current tax charge | 17.6 | 17.4 |
| Adjustment in respect of previous years | (1.4) | (4.0) |
| Deferred tax charge | | |
| Origination and reversal of temporary differences | (17.2) | (7.5) |
| Rate change impact | 0.2 | 1.3 |
| Adjustment in respect of previous years | 0.9 | 3.4 |
| Total tax expense in profit or loss | 0.1 | 12.5 |
| Total tax charge in equity | - | 0.1 |
| Total tax in other comprehensive income | (0.8) | (0.2) |
| Total tax charge for the year | (0.7) | 12.4 |

| Reconciliation of the Group's tax charge to the UK statutory rate: | 2025 £m | 2024 £m |
|---|---------------|--------------|
| (Loss)/profit before taxation | (99.7) | 60.0 |
| Tax (credit)/charge at corporation tax rate of 25% (2024: 25%) | (24.9) | 15.0 |
| Effects of: | | |
| Expenses not deductible for tax purposes | 2.1 | 2.7 |
| Income treated as non taxable | - | (7.5) |
| Impact of impairment losses | 22.0 | 1.9 |
| Adjustments in respect of previous years | (0.5) | (0.6) |
| Changes in recognition of deferred tax | 1.2 | - |
| Rate change | 0.2 | 1.3 |
| Impact of overseas tax rates | - | (0.3) |
| Tax charge as per the income statement | 0.1 | 12.5 |
| Effective tax rate | (0.1)% | 20.8% |

Factors that may affect future tax charges

The Group's taxation strategy is aligned to its business strategy and operational needs. The Directors are responsible for tax strategy supported by a global team of tax professionals and advisers. RWS strives for an open and transparent relationship with all tax authorities and are vigilant in ensuring that the Group complies with current tax legislation. The Group's effective tax rate for the year is distorted due to the loss before tax, as well as the impact of non deductible acquisition costs and withholding tax suffered of intragroup dividends. The Group's tax rate is also sensitive to the geographic mix of profits and reflects a combination of higher rates in certain jurisdictions, such as Germany and Japan, and a lower rate in Czechia with other rates that lie in between.

The adjustments in respect of prior periods includes a release of historic uncertain tax positions, offset by new risks identified and provided for during the period.

Transfer pricing

Tax liabilities are recognised when it is considered probable that there will be a future outflow of funds to a tax authority. The methodology used to estimate liabilities is set out in Note 2. In common with other multinational companies and given the Group has operations in 31 countries, transfer pricing arrangements are in place covering transactions that occur between Group entities.

The Group periodically reviews its historic UTPs for transfer pricing and whilst it is not possible to predict the outcome of any pending tax authority investigations, adequate provisions are considered to be included in the Group accounts to cover any expected estimated future settlement. In carrying out this review, and subsequent quantification, Management has made judgements, taking into account: the status of any unresolved matters, strength of technical argument and clarity of legislation, external advice, statute of limitations and any expected recoverable amounts under the Mutual Agreement Procedure ('MAP'). During the period the Group reduced the provision for liabilities that are expected to no longer be sought by tax authorities on the basis that the relevant statute of limitations has expired.

The current tax liability of £10.6m on the balance sheet comprises £5.2m of UTPs, although it is not expected that these will be cash settled within 12 months of the year-end date. The deferred tax liability of £37.2m is net of deferred tax assets and liabilities arising on UTPs of £0.5m.

Pillar Two

On 20 June 2023 the UK enacted Pillar Two legislation which imposes a global minimum tax rate of 15%. The Group is within the Pillar Two rules for the period ended 30 September 2025.

The Group has adopted the amendments to IAS 12 which was amended in response to the OECD's BEPS Pillar Two rules, which includes a mandatory temporary exception to the recognition and disclosure of deferred taxes arising from the jurisdictional implementation of the Pillar Two model rules. RWS has applied the mandatory exception and is not recognising any deferred tax impact.

The Group has sought to assess whether any Pillar Two top up taxes apply in the periods based on its current jurisdictional profits and losses, which concluded that the Republic of Ireland is the only jurisdiction where top up taxes would apply. A provision of £0.2m has therefore been included in the tax provisions for top up taxes payable in

Ireland.

| Deferred tax | Share-based payments £m | Accelerated capital allowances £m | Other temporary differences £m | Acquired intangibles £m | Tax losses £m | Total £m |
|---------------------------------------|----------------------------|--------------------------------------|-----------------------------------|----------------------------|------------------|---------------|
| At 30 September 2023 | 0.5 | (1.9) | 10.0 | (69.1) | 4.0 | (56.5) |
| Adjustments in respect of prior years | - | (0.6) | (0.5) | 0.6 | (2.9) | (3.4) |
| Acquisitions | - | - | - | (0.2) | - | (0.2) |
| Credited to income | 0.5 | 0.7 | (0.9) | 7.3 | (0.1) | 7.5 |
| Transfers to current taxes | - | - | (0.1) | (1.2) | - | (1.3) |
| Charged to equity / OCI | (0.1) | - | - | - | - | (0.1) |
| Foreign exchange differences | - | - | (0.5) | 3.1 | (0.1) | 2.5 |
| At 30 September 2024 | 0.9 | (1.8) | 8.0 | (59.5) | 0.9 | (51.5) |
| Adjustments in respect of prior years | 0.1 | (3.6) | 1.0 | 0.7 | 0.9 | (0.9) |
| Credited to income | - | 0.4 | 4.3 | 8.2 | 4.3 | 17.2 |
| Rate change | - | - | - | (0.2) | - | (0.2) |
| Foreign exchange differences | - | (0.1) | 0.2 | (0.2) | - | (0.1) |
| At 30 September 2025 | 1.0 | (5.1) | 13.5 | (51.0) | 6.1 | (35.5) |

Deferred tax assets and liabilities are presented on the balance sheet after jurisdictional netting as follows:

| | 2025 £m | 2024 £m |
|-----------------------------------|---------------|---------------|
| Deferred tax assets | 1.7 | 2.0 |
| Deferred tax liabilities | (37.2) | (53.5) |
| Net deferred tax liability | (35.5) | (51.5) |

Deferred tax assets and liabilities

Deferred tax is calculated using tax rates that are expected to apply in the period when the liability has been settled or the asset realised based on tax rates that have been enacted or substantively enacted at the reporting date. Most deferred tax assets are recognised because they can offset the future taxable income from existing taxable differences (primarily on acquired intangibles) relating to same jurisdiction or entity. Where there are insufficient taxable differences, deferred tax assets are recognised in respect of losses and other deductible differences where current forecasts indicate profits will arise in future periods against which they can be deducted.

Losses

At the balance sheet date the Group has unused tax losses of £115.7m (2024: £95.7m) available for offset against future profits. A deferred tax asset of £6.1m (2024: £0.9m) has been recognised in respect of £24.4m (2024: £4.5m) of such losses. The increase in recognised losses is due to current year losses generated that are expected to unwind in future periods on reversal of recognised deferred tax liabilities and future expected profits. Recognised losses have also been impacted by the unwind of deductions arising on corresponding adjustments that could be claimed on settlement of uncertain tax positions, as well as a classification of available deductions as a reduction to the current tax liability, as accounted for under International Financial Reporting Interpretations Committee 23 ('IFRIC 23').

No deferred tax asset has been recognised in respect of the remaining £91.3m (2024: £91.2m) as these can only be used to offset limited types of profits and as it is not considered probable that there will be the required type of future trading or non-trading profits available in the correct entities necessary to permit offset and recognition.

The unrecognised deferred tax asset on losses is £21.1m (2024: £21.2m).

Recognised deferred tax assets principally relate to UK and US activities.

The Group has recognised deferred tax assets on losses in the US which have a 20 year expiry date and expects to use these losses in this period. The earliest date these losses expire is 31 December 2033 and at the year-end losses amounted to £1.7m (2024: £2.7m).

Unremitted earnings

Dividends received from subsidiaries are largely exempt from UK tax but may be subject to dividend withholding taxes levied by the overseas tax jurisdictions in which the subsidiaries operate. The gross temporary differences of those subsidiaries affected by such potential taxes is £67.8m.

The Group has recognised a deferred tax liability of £0.8m (2024: £0.9m) in respect of expected tax liabilities on remittance of these undistributed earnings to the parent entity. The amount has been determined based on the Group's current intention to remit a portion of these earnings in the foreseeable future.

Since the Group is able to control the timing of reversal of these temporary differences, deferred tax liabilities of £3.1m have not been recognised where no distributions are expected to be paid in the foreseeable future.

7. Dividends to shareholders

Accounting policy

Dividends payable to the Parent Company's shareholders are recognised as a liability in the Group's financial statements in the period in which dividends are approved by the Parent Company's shareholders.

| | 2025 £m | 2024 £m |
|--|-------------|-------------|
| Final ordinary dividend for the year ended 30 September 2024 was 10.0p (2023: 9.8p) | 36.9 | 36.4 |
| Interim ordinary dividend, paid 18 July 2025 was 2.45p (2024: 2.45p paid 12 June 2024) | 9.0 | 9.1 |
| | 45.9 | 45.5 |

The Directors recommend a final dividend in respect of the financial year ended 30 September 2025 of 4.6 pence per ordinary share, to be paid on 20 February 2026 to shareholders who are on the register at 16 January 2026. This dividend is not reflected in these financial statements as it does not represent a liability at 30 September 2025. The final proposed dividend will reduce shareholders' funds by an estimated £17.0m.

8. Earnings per share

Accounting policy

Basic earnings per share

Basic earnings per share is calculated using the Group's profit after tax and the weighted average number of ordinary shares in issue during the year.

Diluted earnings per share

Diluted earnings per share is calculated by adjusting the basic earnings per share for the effects of share options and awards granted to employees. These are included in the calculation when their effects are dilutive.

Adjusted earnings per share

Adjusted earnings per share is a trend measure, which presents the long-term profitability of the Group, excluding the impact of specific transactions that Management considers affects the Group's short-term profitability. The Group presents this measure to assist investors in their understanding of trends. Adjusted earnings is the numerator used for this measure. Adjusted earnings and adjusted earnings per share are therefore stated before amortisation of acquired intangibles, impairment of other assets, acquisition costs, share-based payment expenses and exceptional items, net of any associated tax effects.

The reconciliation between the basic and adjusted earnings per share is as follows:

| | 2025 £m | 2024 £m | 2025 Basic earnings per share pence | 2024 Basic earnings per share pence | 2025 Diluted earnings per share pence | 2024 Diluted earnings per share pence |
|--------------------------------------|---------------|-------------|--|--|--|--|
| (Loss)/profit for the year | (99.8) | 47.5 | (27.0) | 12.8 | (27.0) | 12.8 |
| Adjustments: | | | | | | |
| Amortisation of acquired intangibles | 40.3 | 40.8 | | | | |
| Impairment losses | 88.0 | 22.2 | | | | |
| Acquisition costs | 5.1 | 7.2 | | | | |
| Share-based payments expense | 4.3 | 2.9 | | | | |
| Capitalised finance costs | 0.2 | 0.2 | | | | |
| Exceptional items | 22.2 | (26.6) | | | | |
| Tax effect of adjustments | (15.6) | (14.1) | | | | |
| Adjusted earnings | 44.7 | 80.1 | 12.1 | 21.6 | 12.1 | 21.6 |

| | 2025 Number | 2024 Number |
|--|----------------|----------------|
| Weighted average number of ordinary shares in issue for basic earnings | 369,463,383 | 371,315,586 |
| Dilutive impact of share options | 559,084 | 490,640 |
| Weighted average number of ordinary shares for diluted earnings | 370,022,467 | 371,806,226 |

9. Goodwill

| Cost and net book value | 2025 £m | 2024 £m |
|--------------------------------|--------------|--------------|
| At 1 October | 570.8 | 608.6 |
| Additions | - | 0.3 |
| Impairment | (88.0) | - |
| Exchange adjustments | 3.1 | (38.1) |
| At 30 September | 485.9 | 570.8 |

Accounting policy

Goodwill arising on business combinations (representing the excess of fair value of the consideration given over the fair value of the separable net assets acquired) is capitalised, and its subsequent measurement is based on annual impairment reviews, with any impairment losses recognised immediately in profit or loss in the statement of comprehensive income. Direct costs of acquisition are recognised immediately in profit or loss in the statement of comprehensive income as an expense.

At least annually, or when otherwise required, the Directors review the carrying amounts of the Group's property, plant and equipment and intangible assets to determine whether there is any indication of an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of any impairment loss. A full impairment review is performed annually for goodwill regardless of whether an indicator of impairment exists.

The recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money as well as risks specific to the asset or CGU for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset or CGU is estimated to be less than its carrying amount, the carrying amount of the asset or CGU is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately in profit or loss in the consolidated statement of comprehensive income.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but not beyond the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately as income in the Consolidated Statement of Comprehensive Income, although impairment losses relating to goodwill may not be reversed.

Where it is not possible to estimate the recoverable amount of an individual asset, the impairment test is carried out on the smallest group of assets to which it belongs for which there are separately identifiable cash flows; its CGU. Goodwill is allocated on initial recognition to each of the Group's CGUs that are expected to benefit from the synergies of the combination giving rise to the goodwill. Goodwill is allocated at the lowest level monitored by Management, and no higher than an operating segment.

| Key assumptions for the value in use - 30 September 2025 | Long-term growth rate | Discount rate | Average revenue growth | Average EBITDA margin |
|---|--------------------------|---------------|---------------------------|--------------------------|
| IP Services | 2.0% | 14.4% | 10.2% | 26.8% |
| Regulated Industries | 2.0% | 14.4% | 2.9% | 16.3% |
| Language Services | 2.0% | 14.3% | 2.4% | 11.6% |
| Language and Content Technology | 2.0% | 16.6% | 5.0% | 33.3% |

| Key assumptions for the value in use - 30 September 2024 | Long-term growth rate | Discount rate | Average revenue growth | Average EBITDA margin |
|---|--------------------------|---------------|---------------------------|--------------------------|
| IP Services | 2.0% | 13.0% | 4.6% | 23.2% |
| Regulated Industries | 2.0% | 13.3% | 2.0% | 19.0% |
| Language Services | 2.0% | 13.3% | 3.4% | 17.5% |
| Language and Content Technology | 2.0% | 14.5% | 6.7% | 31.4% |

The Group has four CGUs, which match the four segments detailed in note 4, and in accordance with IAS 36, Management performed a value in use impairment test at 30 September 2025. The key assumptions for the value-in-use calculations are those regarding discount rates and revenue growth rates. All of these assumptions have been reviewed during the year. Management estimates discount rates using pre-tax rates that reflect current market assessments of the time value of money and the risk specific to each CGU. This has resulted in a range of discount rates being used within the value in use calculations.

Determination of key assumptions

The long-term growth rate is the rate applied to determine the terminal value on year five cash flows. This rate is determined by the long-term compound annual growth rate in adjusted operating profit as estimated by Management with reference to external benchmarks.

The discount rate is the pre-tax discount rate calculated by Management based on a series of inputs starting with a risk-free rate based on the return on long-term, zero-coupon government bonds. The risk-free rate is adjusted with a beta to reflect sensitivities to market changes, before consideration of other factors such as a size premium.

Revenue growth is the average annual increase in revenue over the five-year projection period. The revenue growth rate is determined by Management based on the most recently prepared budget for the future period and adjusted for longer term developments within operating segments where such developments are known and possible to reliably forecast.

The trading projections for the five-year period underpinning the value-in-use reflect assumptions for EBITDA margins. The EBITDA margin is based on a number of elements of the operating model over the longer-term, including pricing trends, volume growth and the mix of complexity of translation activity and assumptions regarding cost inflation.

As part of the value-in-use calculation, Management prepares cash flow forecasts derived from the most recent financial budgets and 5-year plan as approved by the Board of Directors.

The Group has conducted sensitivity analyses on the value in use/recoverable amount of each of the CGUs. Based on the result of the value in use calculations undertaken, the Directors conclude that the allocation of goodwill to each of the CGUs is as shown in the table below:

| The allocation of goodwill to each CGU is as follows: | 2025 £m | 2024 £m |
|--|--------------|--------------|
| IP Services | 30.7 | 30.8 |
| Regulated Industries | 110.7 | 133.1 |
| Language Services | 142.9 | 208.1 |
| Language and Content Technology | 201.6 | 198.8 |
| At 30 September | 485.9 | 570.8 |

Goodwill assessment

The value-in-use calculations performed confirm that the recoverable goodwill amount for IP Services and Language and Content Technology CGUs exceed their asset carrying value. The calculation for the Regulated Industries and Language Services CGUs gave a value-in-use result of £164.6m and £282.4m respectively. This was below their asset carrying values and resulted in an impairment loss of £22.6m for Regulated Industries and £65.4m for Language Services being recognised.

This impairment loss has been recognised within administrative expenses in the Consolidated statement of comprehensive income in the period. The impairment has arisen primarily due to the market transition experienced this year on the core localisation business, including the underperformance in the Linguistic Validation business, the shift in investments and focus to support the new transition to a technology first proposition, and the rise in discount rates due to macroeconomic factors. Whilst the Group expects long-term growth from the technology first strategy, the accounting standard (IAS 36) for impairment assessments does not allow forecasts to be used where assumptions cannot be evidenced or have not yet been fully implemented (e.g. cost savings). As a result, whilst the Group is focused on committing to delivering its new growth strategy, the evidence to demonstrate this future growth as at the balance sheet date is not yet available. Consequently, the full extent of potential longer-term gains are not reflected in the impairment modelling.

Sensitivity analysis

Additionally, the Group has considered other to the assumptions underpinning the valuations that would need to occur and which would cause an impairment or change to the existing calculations as follows:

For the Language and Content Technology CGU, the recoverable amount is £332.7m which exceeds the carrying amount by £36.6m based on current assumptions. A reasonably possible change of a decrease in projected revenue growth rates by 373bps would result in an impairment of approximately £13m. Projected revenue growth would need to reduce by 273bps in order for the unit's recoverable amount to be equal to its carrying amount. A reasonably possible change of a decrease in projected EBITDA margin by 418bps would result in an impairment of approximately £12m. Projected EBITDA margin would need to reduce by 318bps in order for the unit's recoverable amount to be equal to its carrying amount. No impairment is currently recognised, but these changes illustrate the sensitivity of the valuation to key assumptions.

For the Regulated Industries CGU, the recoverable amount is £164.6m which is below the carrying amount by £22.6m based on current assumptions. A decrease in projected revenue growth rates by 100bps would increase the impairment by approximately £7m. A decrease in projected EBITDA margin by 100bps would increase the impairment by approximately £11m. Adjusting the discount rate to the top of the acceptable range, an increase of 218bps would increase the impairment by approximately £26m.

For the Language Services CGU, the recoverable amount is £282.4m which is below the carrying amount by £65.4m based on current assumptions. A decrease in projected revenue growth rates by 100bps would increase the impairment by approximately £15m. A decrease in projected EBITDA margin by 100bps would increase the impairment by approximately £29m. Adjusting the discount rate to the top of the acceptable range, an increase of 213bps would increase the impairment by approximately £50m.

10. Intangible assets

Accounting policy

Intangible assets are carried at cost less accumulated amortisation and impairment losses. Intangible assets acquired from a business combination are initially recognised at fair value. An intangible asset acquired as part of a business combination is recognised outside goodwill if the asset is separable or arises from contractual or other legal rights.

Where computer software is not an integral part of a related item of computer hardware, the software is classified as

an intangible asset. The capitalised costs of software for internal use include external direct costs of materials and services consumed in developing or obtaining the software, and directly attributable payroll and payroll-related costs arising from the assignment of employees to implementation projects. Capitalisation of these costs ceases when the software is substantially complete and ready for its intended internal use.

Intangible assets are amortised using the straight-line method over their estimated useful lives as follows:

| | |
|----------------------|---------------|
| Trade names | 5 to 8 years |
| Clinician database | 10 years |
| Supplier database | 13 years |
| Technology | 3 to 7 years |
| Non-compete clauses | 5 years |
| Trademarks | 5 years |
| Client relationships | 7 to 20 years |

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These assets are amortised using the straight-line method over their estimated useful lives which range from one to five years, these costs are recognised in administrative expenses within the consolidated statement of comprehensive income.

Research and development

Research costs are expensed as incurred. Development expenditure is capitalised when Management is satisfied that the expenditure being incurred meets the recognition criteria from IAS 38. Specifically, this is at the point which Management believe they can demonstrate:

- The technical feasibility of completing the asset
- The intention to complete the asset for use or sale
- The ability to use or sell the asset
- The future benefits expected to be realised from the sale or use of the asset
- The availability of sufficient resources to enable completion of the asset
- Reliable measurement for the costs incurred during the course of development

Where these criteria are not met the expenditure is expensed to the income statement.

Following the initial capitalisation of the development expenditure the cost model is applied, requiring the asset to be carried at cost less any accumulated amortisation and impairment losses. Any expenditure capitalised is amortised over the period of expected future economic benefit from the related project. For capitalised development costs this period is 3 to 7 years.

The carrying value of development costs is reviewed for impairment annually when the asset is not yet in use or more frequently when an indicator of impairment arises during the reporting period indicating that the carrying value may not be recoverable.

Development costs that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

| | Trade names £m | Clinician & supplier databases £m | Technology £m | Non-compete & trademarks £m | Client relationships & order books £m | Software £m | Internally generated software £m | Total £m |
|--|-------------------|---|------------------|--------------------------------|--|----------------|-------------------------------------|--------------|
| Cost | | | | | | | | |
| At 30 September 2023 | 1.1 | 7.0 | 158.5 | 2.3 | 351.6 | 15.2 | 36.1 | 571.8 |
| Additions | - | - | 11.2 | - | - | 0.1 | 29.2 | 40.5 |
| Transfers | - | - | - | - | - | (11.2) | 11.2 | - |
| Disposals | - | - | - | - | - | - | (4.0) | (4.0) |
| Currency translation | (0.1) | (0.6) | (1.3) | (0.2) | (25.0) | (0.7) | 1.4 | (26.5) |
| At 30 September 2024 | 1.0 | 6.4 | 168.4 | 2.1 | 326.6 | 3.4 | 73.9 | 581.8 |
| Additions | - | - | 9.7 | - | - | 0.1 | 12.4 | 22.2 |
| Disposals | - | - | - | - | - | (1.2) | (3.3) | (4.5) |
| Currency translation | - | - | 0.1 | - | 0.6 | 0.2 | 1.2 | 2.1 |
| At 30 September 2025 | 1.0 | 6.4 | 178.2 | 2.1 | 327.2 | 2.5 | 84.2 | 601.6 |
| Accumulated amortisation and impairment | | | | | | | | |
| At 30 September 2023 | 0.1 | 4.9 | 62.8 | 2.3 | 126.2 | 10.6 | 5.5 | 212.4 |
| Amortisation charge | 0.2 | 0.6 | 22.6 | - | 25.8 | 0.3 | 5.3 | 54.8 |
| Impairment | - | - | - | - | - | - | 11.7 | 11.7 |
| Disposals | - | - | - | - | - | - | (4.0) | (4.0) |
| Transfers | - | - | - | - | - | (7.4) | 7.4 | - |
| Currency translation | - | (0.4) | (0.6) | (0.2) | (10.3) | (0.5) | 1.9 | (10.1) |
| At 30 September 2024 | 0.3 | 5.1 | 84.8 | 2.1 | 141.7 | 3.0 | 27.8 | 264.8 |
| Amortisation charge | 0.2 | 0.6 | 27.9 | - | 25.2 | 0.2 | 9.5 | 63.6 |
| Disposals | - | - | - | - | - | (1.2) | (3.3) | (4.5) |
| Currency translation | - | - | 0.1 | - | (0.2) | 0.1 | 1.0 | 1.0 |
| At 30 September 2025 | 0.5 | 5.7 | 112.8 | 2.1 | 166.7 | 2.1 | 35.0 | 324.9 |
| Net book value | | | | | | | | |
| At 30 September 2023 | 1.0 | 2.1 | 95.7 | - | 225.4 | 4.6 | 30.6 | 359.4 |
| At 30 September 2024 | 0.7 | 1.3 | 83.6 | - | 184.9 | 0.4 | 46.1 | 317.0 |
| At 30 September 2025 | 0.5 | 0.7 | 65.4 | - | 160.5 | 0.4 | 49.2 | 276.7 |

Amortisation of acquired intangibles was £40.3m (2024: £40.8m) and amortisation of other intangibles was £23.3m (2024: £14.0m). The £23.3m amortisation of other intangibles includes £9.5m on internally developed intangibles (2024: £5.3m) and £13.8m (2024: £8.4m) of technology which related to the SDL business. The Group has identified intangible assets which are individually material as follows:

- SDL technology products acquired of £25.7m (2024: £38.0m) with a remaining useful life of 2 years
- SDL's Helix platform of £5.7m (2024: £7.9m) with a remaining useful life of 2 years
- SDL's customer relationships of £74.9m (2024: £86.8m) with a remaining useful life of 6 years
- Moravia's customer relationships of £66.5m (2024: £72.3m) with a remaining useful life of 12 years
- Life Science's customer relationships of £3.1m (2024: £5.3m) with a remaining useful life of 2 years
- Dynamics 365 finance systems of £16.4m with a remaining useful life of 7 years
- Dynamics 365 HR systems of £10.9m with a remaining useful life of 7 years

The Group's Dynamics 365 finance and HR systems are internally generated software which reached 100% completion during the year and is now being amortised over their estimated useful lives. No other classes of intangible assets or assets under construction hold individually material items.

11. Loans

Accounting policy

Loans are recognised initially at fair value, less directly attributable transaction costs. Subsequent to initial recognition, loans are stated at amortised cost using the effective interest method. Loans are classified as current, unless the Group has the discretion to roll over an obligation for a period of at least 12 months under an existing loan facility.

Directly attributable transaction costs are capitalised into the loans to which they relate and are amortised using the effective interest rate method.

Borrowings are derecognised from the Consolidated Financial Statements when the contractual obligation is discharged, cancelled, or expires. Any difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in the Consolidated Income Statement as either Other Income or Finance Expense.

If an existing financial liability is replaced with a new one from the same lender under substantially different terms, or if the terms of an existing liability are significantly modified, the transaction is treated as the derecognition of the original liability and the recognition of a new liability. The resulting difference in carrying amounts is recorded in the Consolidated Income Statement.

| | 2025 £m | 2024 £m |
|----------------------------------|--------------|-------------|
| Due in more than one year | | |
| Loan | 59.0 | 76.0 |
| Issue costs | (1.0) | (1.6) |
| At 30 September | 58.0 | 74.4 |

| Analysis of net debt 30 September 2025 | At 1 October £m | Acquired £m | Cash flows £m | Non-cash charges £m | At 30 September £m |
|--|--------------------|----------------|------------------|---------------------------|-----------------------|
| Cash and cash equivalents | 61.5 | - | (27.7) | (1.2) | 32.6 |
| Issue costs | 1.6 | - | - | (0.6) | 1.0 |
| Loans (current and non-current) | (76.0) | - | 17.2 | (0.2) | (59.0) |
| Net debt excluding lease liabilities ("Net debt") | (12.9) | - | (10.5) | (2.0) | (25.4) |
| Lease liabilities | (27.2) | - | 8.6 | (3.9) | (22.5) |
| Net debt including lease liabilities | (40.1) | - | (1.9) | (5.9) | (47.9) |

| Analysis of net debt 30 September 2024 | At 1 October £m | Acquired £m | Cash flows £m | Non-cash charges £m | At 30 September £m |
|--|--------------------|----------------|------------------|---------------------------|-----------------------|
| Cash and cash equivalents | 76.2 | - | (9.5) | (5.2) | 61.5 |
| Issue costs | 2.1 | - | - | (0.5) | 1.6 |
| Loans (current and non-current) | (54.7) | - | (22.9) | 1.6 | (76.0) |
| Net debt excluding lease liabilities ("Net debt") | 23.6 | - | (32.4) | (4.1) | (12.9) |
| Lease liabilities | (33.5) | - | 9.5 | (3.2) | (27.2) |
| Net debt including lease liabilities | (9.9) | - | (22.9) | (7.3) | (40.1) |

Non-cash charges against the loan balance represent the effects of foreign exchange on the financial liability.

On 3 August 2022, the Group entered into an Amendment and Restatement Agreement ("ARA") with its banking syndicate which amended its existing US\$120m RCF maturing on 10 February 2024, to a US\$220m RCF Facility maturing on 3 August 2026 with an option to extend maturity to 3 August 2027.

Under the terms of the ARA, the Group's interest margin over the Secured Overnight Financing Rate ("SOFR") or Sterling Overnight Index Average ("SONIA") reference interest rate ranges from 95bps to 195bps and is dependent on the Group's net leverage. Commitment fees are payable on all committed, undrawn funds at 35% of the applicable interest margin. The ARA also contains a US\$100m uncommitted accordion facility.

On 3 August 2024, the Group exercised its option to extend the maturity of its US\$220m Revolving Credit Facility by one year, moving the loan's maturity date from August 3, 2026, to August 6, 2027. The terms of the facility, including the interest rate, remained unchanged. This extension did not qualify as a significant loan modification under IFRS 9.

There were no extensions or any other changes made to the Group's ARA during the year ended 30 September 2025.

All transaction costs incurred in amending and re-stating the RCF were capitalised and are being amortised over the extended maturity period of the facility on a straight-line basis. Group borrowings under the RCF are denominated in US Dollars or Sterling.

12. Cash and cash equivalents

| | 2025 £m | 2024 £m |
|--------------------------|------------|------------|
| Cash at bank and in hand | 25.9 | 52.4 |
| Short-term deposits | 6.7 | 9.1 |
| | 32.6 | 61.5 |

The fair value of cash and cash equivalents is £32.6m (2024: £61.5m). Restricted cash at 30 September 2025 was £nil (2024: £nil).

Short-term deposits have an original maturity of three months or less depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates. Management consider short-term deposits to be subject to an insignificant risk of changes in value.

13. Post balance sheet events

Subsequent to the year end, the Group refinanced its revolving credit facility, increasing the available commitment from US\$220m to US\$285m and extending the maturity to October 2029. This change does not impact the Group's financial position at 30 September 2025.

There are no other significant post balance sheet events.

Alternative performance measures

RWS uses adjusted results as a key performance indicator, as the Directors believe that these provide a more consistent measure of the Group's operating performance. Adjusted profit is therefore stated before charging amortisation of acquired intangibles, impairments of other assets considered material and one off in nature, acquisition costs, share-based payment expense and exceptional items. The table below reconciles the statutory profit before tax to the adjusted profit before tax.

| Reconciliation of statutory profit before tax to adjusted profit before tax: | 2025 £m | 2024 £m |
|--|------------|------------|
| Statutory (loss)/profit before tax | (99.7) | 60.0 |
| Amortisation of acquired intangibles | 40.3 | 40.8 |
| Impairment losses | 88.0 | 22.2 |
| Acquisition costs | 5.1 | 7.2 |
| Share-based payment expense | 4.3 | 2.9 |
| Profit on sale of PatBase | - | (30.0) |
| Exceptional items (Note 5) | 22.2 | 3.4 |
| Exceptional finance costs | 0.2 | 0.2 |
| Adjusted profit before tax | 60.4 | 106.7 |

| Reconciliation of adjusted operating profit to statutory operating profit: | 2025 £m | 2024 £m |
|---|--------------------|--------------------|
| Adjusted operating profit | 66.1 | 112.3 |
| Amortisation of acquired intangibles | (40.3) | (40.8) |
| Impairment losses | (88.0) | (22.2) |
| Acquisition costs | (5.1) | (7.2) |
| Share-based payment expense | (4.3) | (2.9) |
| Exceptional items (Note 5) | (22.2) | 26.6 |
| Statutory operating (loss)/ profit | (93.8) | 65.8 |

| Cash conversion: | 2025 £m | 2024 £m |
|---|--------------------|--------------------|
| Adjusted profit before tax | 60.4 | 106.7 |
| Adjusted tax charge | (15.7) | (26.6) |
| Adjusted net income | 44.7 | 80.1 |
| Net cash inflow from operating activities | 68.8 | 75.3 |
| Exceptional cash flows | 25.7 | 21.6 |
| Purchase of PPE | (3.4) | (2.6) |
| Purchase of intangibles | (22.2) | (40.5) |
| Net interest | (4.2) | (3.7) |
| Lease liability payments | (8.6) | (9.5) |
| Free cash flow | 56.1 | 40.6 |
| Cash conversion | 126% | 51% |

| Operational free cash flow: | 2025 £m | 2024 £m |
|------------------------------------|--------------------|--------------------|
| Adjusted EBITDA | 100.8 | 140.7 |
| Change in working capital | 13.5 | (33.0) |
| Lease payments | (8.6) | (9.5) |
| Capital expenditure | (25.6) | (43.1) |
| Operational free cash flow | 80.1 | 55.1 |

Organic revenue

Organic revenue is calculated by adjusting the prior year's revenues. This involves adding the revenues from acquisitions during the corresponding ownership period and subtracting the revenues from disposal during the same period such that prior year results are prepared on a common basis with the current year.

| | 2024 Reported revenue | 2024 Patbase revenue at FY24 rates¹ | 2024 Organic revenue | 2025 Organic revenue growth/(loss) | 2025 Organic revenue | 2025 Organic revenue growth/(loss) % |
|-------------------------------|--------------------------------------|---|---------------------------------|---|---------------------------------|---|
| IP Services | 102.3 | (4.2) | 98.1 | (1.6) | 96.5 | (2%) |
| Regulated Industries | 146.5 | - | 146.5 | (18.0) | 128.5 | (12%) |
| Language Services | 327.1 | - | 327.1 | (0.4) | 326.7 | 0% |
| Language & Content Technology | 142.3 | - | 142.3 | (3.9) | 138.4 | (3%) |
| Total | 718.2 | (4.2) | 714.0 | (23.9) | 690.1 | (3%) |

¹ Excludes PatBase pre-divestment operating results

Organic revenue at constant currency

Organic revenue at constant exchange rates is calculated by adjusting the prior year's revenues. This involves adding the revenues from acquisitions during the corresponding ownership period and subtracting the revenues from disposal during the same period such that prior year results are prepared on a common basis with the current year, and applying the 2025 foreign exchange rates to both years.

| | 2024 Revenue at FY25 rates | 2024 Patbase revenue at FY24 rates ¹ | 2024 Organic revenue at constant exchange rates | 2025 Revenue growth | 2025 Organic revenue | Organic constant currency revenue growth |
|-------------------------------|-------------------------------------|---|--|------------------------|-------------------------|--|
| IP Services | 100.6 | (4.2) | 96.4 | 0.1 | 96.5 | 0% |
| Regulated Industries | 143.0 | - | 143.0 | (14.5) | 128.5 | (10%) |
| Language Services | 316.7 | - | 316.7 | 10.0 | 326.7 | 3% |
| Language & Content Technology | 138.6 | - | 138.6 | (0.2) | 138.4 | 0% |
| Total | 698.9 | (4.2) | 694.7 | (4.6) | 690.1 | (1%) |

¹ Excludes PatBase pre-divestment operating results

Adjusted operating profit

Adjusted operating profit is calculated by adjusting operating profit for the impact of exceptional items, amortisation acquired intangibles, impairments of other assets considered material and one off in nature, and share-based payments. This is further analysed in Note 4 and labelled as 'Operating profit/(loss) before charging:'.

Glossary.

Adjusted earnings per share or Adjusted EPS – is stated before charging amortisation of acquired intangibles, impairments of other assets considered material and one off in nature, acquisition costs, share-based payment expense and exceptional items, net of associated tax effects.

Adjusted net income – is calculated as profit for the year adjusted for amortisation of acquired intangibles, impairments of other assets considered material and one off in nature, acquisition costs, share-based payment expense and exceptional items.

Adjusted operating cash flow – is operating cash flow excluding the impact of acquisition costs and exceptional items.

Adjusted operating profit – is operating profit before charging amortisation of acquired intangibles, impairments of other assets considered material and one off in nature, acquisition costs, share-based payment expense and exceptional items. The Group uses share-based payments as part of remuneration to align the interests of senior management and employees with shareholders. These are non-cash charges and the charge is based on the Group's share price which can change. These costs are therefore added back to assist with the understanding of the underlying trading performance.

Adjusted profit before tax or Adjusted PBT – is stated before amortisation of acquired intangibles, impairments of other assets considered material and one off in nature, acquisition costs, share-based payment expense and exceptional items.

Amortisation of acquired intangibles – is the value of amortisation recognised on intangibles that were acquired as part of business combinations, net of the amortisation on those intangibles charged by the underlying business. This is reconciled to total amortisation as part of Note 10 in the financial statements.

Free cash flow – is the net cash inflow from operating activities before exceptional cash flows, less purchases of fixed assets, net interest paid and lease liabilities.

Operational free cash flow – Adjusted EBITDA plus change in Working Capital less lease payments and Capex.

Cash conversion – is the free cash flow before exceptional cash flows, divided by adjusted net income.

Constant currency – constant currency measures apply consistent rates for foreign exchange to remove the impact of currency movements in financial performance.

EBITDA – is defined as the Group's profit before interest, tax, depreciation and amortisation.

Adjusted EBITDA – is EBITDA before impairment, amortisation and depreciation, exceptional items and share-based payment expenses.

Net debt – net debt is calculated by taking the Group's cash balance less any amounts under loans, borrowings and

lease liabilities. The Group presents net debt both including and excluding the impact of lease liabilities as part of Note 11.

Organic – organic measures include pre-acquisition results of acquired businesses and exclude revenues from disposals during the same period such that prior year results are prepared on a common basis with the current year.