

Darktrace Midco I Limited Annual Report

For the period ended 30 June 2025



Darktrace 2025 Annual Report

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1.1 Business Review

Thoma Bravo completed the acquisition of Darktrace Limited on 1 October 2024. Thoma Bravo is a leading investor in cyber security, and they bring their experience and guidance to support the existing Darktrace management team to continue to scale Darktrace, building on the strong foundations Darktrace already had in place. The ultimate parent undertaking and the smallest and largest Company to consolidate these financial statements from 1 October 2024 is Darktrace Midco I Limited (to be referred to as "Darktrace" going forward).

This is the first annual report for Darktrace Midco I Limited and the financial information does not include comparative period and the results for the period from 19 April 2024 to 30 June 2025 for the Group, include only nine months of trading activities of the acquired group, from 1 October 2024 to 30 June 2025. Darktrace Midco I Limited did not have any activity before the acquisition.

Following the acquisition of Darktrace Limited, the Group recognised goodwill of \$2.2 billion and the following intangible assets:

- Customer relationships of \$2.1 billion with an estimated useful life of 15 years
- Software of \$963 million with an estimated useful life of 9 years
- Brand value of \$230 million with an estimated useful life of 15 years

To understand the performance of the underlying group, management has presented pro-forma consolidated information including 12 months information for the Darktrace Limited group from 1 July 2024 to 30 June 2025 (pro-forma FY 2025) excluding the effect of the fair value adjustment required for the PPA, on deferred revenue, capitalised commission and the amortisation of acquired intangible assets. Furthermore, management has presented the financial information of the acquired group in the pro-forma comparatives (pro-forma FY 2024). See financial review section and KPIs section for details.

Darktrace continued its trend of achieving strong financial results demonstrated by increased revenue and cash generation (on a pro-forma basis) while laying the groundwork for future growth by continuing to invest in the development of innovative products designed to address the rapidly evolving cybersecurity and AI landscape. Darktrace continued to execute its strategy of delivering customer excellence, focusing on supporting existing customers while expanding the security coverage areas provided to them, and bringing Darktrace's products and solutions to new customers, while continuing to invest in the systems and processes required to scale the business.

In September 2024 Darktrace welcomed a new Chief Executive Officer, Jill Popelka, taking over from Darktrace Co-Founder Poppy Gustafsson OBE. This followed Jill's initial appointment to the Board of Darktrace Limited (formerly plc) in January 2024 as a Non-Executive Director, and her subsequent appointment as Chief Operating Officer in May 2024.

Financial and operational performance

Darktrace's revenue for the period 19 April 2024 to 30 June 2025 was \$321.5 million. Gross margin which was impacted by purchase price allocation adjustments which reduced revenue was still robust at 70.5% or \$226.7 million for the period.

Darktrace's FY 2025 pro-forma Revenue of \$820.8 million increased 18.7% year-over-year, driven by an additional 202 customers in the year and increased revenues from cross selling new products to our existing customers. The growth in revenue has been achieved whilst maintaining a relatively stable direct cost base, resulting in a 13.8% increase in pro-forma gross profit.

The acquisition by Thoma Bravo has resulted in significant one-time transaction costs of \$74.8 million for the period.

In February 2025 Darktrace completed its second acquisition, acquiring Cado Security Limited for \$76.2 million, which specialize in cloud data capture and forensics capabilities further strengthening the existing cloud offering. Since acquisition Darktrace has integrated Cado's cloud forensics automation technology with its existing Active AI Security Platform providing a full-service investigation platform that supported cloud, container, serverless SaaS, and traditional forensic capture with XDR/endpoint triage capabilities. The benefit for customers is a reduction in the meantime to respond (MTTR), a better understanding of cloud risk, minimizing costs by enabling in-house cloud incident response, and closing the skills gap through automation for analysts of all levels, especially in multi-cloud environments.

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Product and technology vision

Darktrace is moving beyond the Artificial Intelligence Security Operations Centre (“AI SOC”) toward a fully AI-augmented CISO: a security leader supported by AI that can anticipate threats, accelerate response, and strengthen resilience across the business. CISOs must protect environments shaped by human behaviour, complex data flows, and increasingly interconnected systems while facing a threat landscape that is rapidly increasing in sophistication.

Our vision is built on more than a decade of R&D in AI purpose-built for cybersecurity. Applied to the right problems, Darktrace AI helps detect and respond to novel threats and reduce risk by identifying weaknesses before they are exploited. By continuously learning an organization’s unique patterns of activity, our AI maintains a real-time view of normal enabling earlier and more confident identification of changing conditions.

Unlike point solutions, we aim to apply this capability across the whole enterprise through the three domains CISOs are accountable for: People, Data, and Systems. These domains are inseparable - people create and access data, and both depend on systems that constantly evolve. As we extend coverage across all three, we advance toward a unified security operating model that makes Darktrace an essential, trusted partner.

Operating priorities

Our operating strategy is made up of three priorities that drive our decision-making in every functional area of the business.

Delivering customer excellence

We are raising consistency and quality across the full customer lifecycle - from first engagement to renewal and expansion. By improving how we sell, deploy, support, and measure outcomes, we aim to make every interaction easier and more valuable. This will strengthen retention, adoption, and sustainable growth.

Creating an unmatched employee experience

Great customer outcomes depend on employees feeling supported, empowered, and fairly rewarded. We are clarifying expectations and career pathways, strengthening performance and feedback, evolving compensation, and improving access to resources and communications. Our goal is to remain a talent magnet where people do their best work.

Building foundations for the future

To scale reliably, we are strengthening core processes, systems, and data visibility across the business. We are investing in the tools, governance, and enablement needed for consistent ways of working. This positions us to move from transformation into continuous improvement as we grow.

While our ambition is a fully AI-augmented CISO, the Darktrace ActiveAI Security Platform is already delivering differentiated cyber resilience. Darktrace is committed to investing in innovation to ensure our customers can manage risk and thrive. Our strategy serves our mission to be the essential cybersecurity platform, protecting businesses from unknown threats using AI that learns in real-time.

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1.2 Financial review

There are the first financial statements prepared for the Darktrace Midco I Group (Darktrace and/or the Group). The financial statements include the results for the acquired Darktrace Limited group from the date of acquisition (1 October 2024) to the 30 June 2025.

Pro-forma financial information for FY 2025 has been presented which includes the results of the Group acquired for the full year and excludes the effect of deferred revenue and capitalised commission fair value adjustments, required under IFRS 3 for the purpose of the Business combination accounting; furthermore the amortisation of the intangible assets acquired has been excluded from the FY 2025 pro-forma information. Pro-forma information for FY 2024 includes the results of Darktrace Limited (formerly plc) group for the year ended 30 June 2024 as previously reported. Revenue for the period 19 April 2024 to 30 June 2025 amounted to \$321.5 million; this includes revenue recognised since the acquisition date on 1 October 2024, adjusted for a fair adjustment to deferred revenue required when performing the Purchase Price Allocation (PPA).

The acquisition by Thoma Bravo has resulted in significant acquisition costs of \$85.1 million being incurred for the period. The group entered into a secured bank loan credit facility amounting to \$2.14 billion, therefore there are significant finance costs for the period of \$134.7 million.

The acquisition has also resulted in the recognition of significant intangible assets and a charge to the income statement for the amortisation of the assets acquired.

Income Statement Analysis

\$'000	For the period	FY 2025	FY 2024
	from 19 April 2024 to 30 June 2025	Pro-forma	Pro-forma
Revenue	321,542	820,757	691,421
Gross profit	226,510	709,091	622,358
Gross margin (%)	70.4%	86.4%	90.0%
Operating (loss) / profit (EBIT)	(524,531)	(54,929)	1,977
Net (loss) / profit	(527,478)	(170,434)	52,588

Pro-forma information has been prepared using the same accounting principles as per the former Darktrace Limited Group and therefore includes the results of the Group for 12 months. This excludes fair value adjustments to deferred revenue (\$301.7 million) and commission asset (\$50.7 million). Comparative periods are presented as if the Darktrace Limited Group had always been in place.

Revenue

Revenue in the current period includes revenue recognised since the acquisition on 1 October 2024. The fair value adjustment to deferred revenue at acquisition was fully unwound throughout the period, resulting in a reduction in revenue of \$301.7 million.

In comparison, pro-forma revenue for FY 2025 includes 12 months of revenue and excludes the fair value adjustment accounted for at acquisition on deferred revenue. Pro-forma revenue increased by \$129.3 million, or 18.7%, to \$820.8 million for the year. This increase was primarily attributable to a 2.1% net increase in Darktrace customers since 30 June 2024 and, a 10.9% year-over-year increase in average contract ARR in the same period.

Over 99% of revenue came from recurring subscription contracts with customers, with customer contracts typically being 36 months, with only \$1.0 million of one-time revenue recognised at a point in time for training and exceptional sale of appliances. These multi-year contracts result in significant contracted revenue which will convert to revenue in future years (see note 3 in the financial statements). Subscription revenue is recognised in accordance with IFRS 15 on a straight-line basis over the service period, from commencement date to termination date.

Gross profit margin and cost of sales

Pro-forma margin increased by \$86.7 million in the year. This was driven by the increase in revenue, partially netted by an increase in cost of sales by \$42.6 million or 61.7%, to \$111.7 million, due mainly to a reassessment of the costs allocated to this function. The fair value adjustment to deferred revenue of \$301.7 million, reduced revenue during the current period which has resulted in lower gross profit compared to the FY 2025 pro forma gross profit. All of the revenue adjustment as a result of the take private adjustment has been recognised in FY 2025 and therefore there will be no impact in future years.

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Cost of sales includes all costs relating to the deployment of Darktrace's software to customers, whether through physical appliances or in the cloud, and for providing both customer technical support and supplementary monitoring and response capabilities.

Management has reassessed the appropriateness of the cost of sales allocations as a result of the following changes:

- Changes to key roles in the exec team (CEO, CRO, CFO & CLO) as well as the ultimate ownership of the entity which have impacted overall strategy for growth and with that, the structure and definition of the roles of internal teams and therefore lines of report. This primarily affected technical enablement, Customer Success Managers ("CSM") and renewals teams with greater reporting segregation and more defined roles and responsibilities.
- Significant changes to the structure of the go-to-market teams which modified the role definition for CSMs and others as well as the creation of some entirely new teams such as professional services which are allocated to cost of sales.
- New Systems implemented for Finance and HCM which, together with the re-definition of cost centres, have allowed for greater granularity of posting and analysis than were available before. The systems went live in January 2024 and therefore only part of FY 2024 has the more granular data available for any analysis.

The most significant change to the estimate of the cost allocated to the cost of sale was driven by CSM costs now being fully apportioned to cost of sales. The change has been driven by the restructuring of the CSM role, re-aligned into new cost centres with a focus on a 'traditional' CSM role of supporting active customers, with their management structure and remuneration plans changing too. The role of this team and activities and therefore allocation, has changed over time: as the business grew and changed, the focus of this team evolved to be sale focused (mainly in helping the renewal phase) and later to help in delivering the revenue instead. In FY 2025 the Team have adopted a more traditional customer success role and therefore are fully allocated to cost of sales leaving the renewals to a different team which handles the contracting phase.

The change in the estimate of the cost of sales in FY 2025 has also been affected by a better estimate of the cost allocation due to the new systems implement and a better/more granular re-definition of the cost centres used in the year.

Operating (loss)/profit - EBIT

Major trends affecting the pro-forma EBIT for the period are:

- Increase in the SBP cost by \$112.6 million as a result of the acceleration of the legacy SBP at acquisition and accounting of the related incremental fair value.
- Increase in amortisation of the capitalised commission by \$37.4 million as a result of the increase in revenue.
- Research and development ("R&D") costs increased by \$23.6 million to \$78.6 million in the year mainly due to the Cado acquisition in the year.
- General and administrative ("G&A") costs increased by \$66.4 million in the year. This overall increase was primarily due to additional G&A headcount, increased share-based payment and a significant increase in IT and legal / professional costs.
- Acquisition costs of \$85.1 million have been incurred in the year, directly attributable to the cost incurred in relation to the acquisition of Darktrace Group and Cado Group in the year. Refer to note 4 of the consolidated financial statements for further details.
- Foreign exchange differences reduced by \$5.5 million from the prior year primarily because of rate volatility impacting the translation of monetary assets and liabilities denominated in currencies other than Darktrace's U.S. Dollar reporting currency, most significantly, the British Pound and the Euro.

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Financial Position Analysis

\$000	30 June 2025
Total assets	
Goodwill	2,293,952
Intangible assets	3,084,209
Property, plant and equipment	55,096
Right-of-use assets	38,070
Capitalised commission	86,632
Deferred tax asset	123,449
Deposits	7,689
Inventory	161
Trade and other receivables	171,375
Tax receivable	13,777
Cash and cash equivalents	381,614
Total liabilities	
Trade and other payables	(153,034)
Deferred revenue	(425,682)
Lease liabilities	(44,983)
Tax payable	(1,471)
Deferred tax liability	(770,894)
Provisions	(24,561)
Borrowings	(2,112,612)
Net asset	2,722,787

Goodwill and intangible assets

Following the acquisition of Darktrace Limited, the Group recognised goodwill for \$2.2 billion and the following intangible assets:

- Customer relationship of \$2.1 billion with an estimated useful life of 15 years
- Software of \$963 million with an estimated useful life of 9 years
- Brand of \$230 million with an estimated useful life of 15 years

Furthermore, on acquisition of Cado Security Limited, the Group recognised goodwill of \$60.0 million and Customer relationship for \$16.5 million with an estimated useful life of 8 years.

Deferred tax balances

Management considers a full recognition of the DTA in relation to losses carried forward is appropriate. This is also supported by the recognition of the deferred tax liability of \$770.9 million on intangible assets recognised at consolidated level as result of the PPA, which is greater than the value of the deferred tax asset (\$123.4 million) at 30 June 2025.

Deferred revenue

As the Group rarely invoices its multi-year contracts more than a year in advance this represents an increasingly small proportion of the Group's total invoicing, growth in non-current deferred revenue balances will therefore lag those of current deferred revenue

Borrowings

The group has entered into a secured bank loan credit facility which amounts to \$2.1 billion comprises of first and second lien loan facility (\$1.7 billion and \$4.1 million) having a carrying amount of \$2.1 billion at 30 June 2025. The first lien loan is payable in tranches within a span of 7 years and the second lien loan is payable at the end of an 8 year term.

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1.3 Key performance indicators (KPIs)

KPIs are financial and non-financial measures used by Darktrace Management to assess business performance, monitor principal risks and evaluate future expectations.

The key reporting metrics relate to our contracted revenues, specifically Annualised Recurring Revenue (ARR) and Future contract revenues, which provide insight into Darktrace’s recurring revenue base. This allows the performance of the business to be measured and gives management confidence in its financial plans due to its future revenue visibility.

Management considers Adjusted EBITDA margin to be a KPI as it is a useful measure of underlying operating performance, alongside other KPIs such as Operating profit margin (EBIT). Adjusted EBITDA excludes items such as share-based payment and related tax charges, appliance depreciation and amortisation of capitalised commission, as well as acquisition costs that are not indicative of, or that may impair the period-to-period comparability of, Darktrace’s core operating performance. Darktrace uses Adjusted EBITDA margin as its primary profitability measure when developing its internal budgets, forecasts and strategic plan, in analysing the effectiveness of its operating performance, and in other strategic assessments and communications.

Darktrace’s KPIs are Alternative Performance Measures (APMs), which are not defined under IFRS and are not intended to be a substitute for any IFRS measures of performance; wherever appropriate and practical, Darktrace provides reconciliations of its APMs to relevant IFRS measures where possible. APMs are developed and presented as Management consider them to be important supplemental measures to enhance stakeholders’ understanding of business growth, underlying profitability and other business performance and trends. APMs do not have standard definitions and therefore may not be comparable to similar measures presented by other entities.

Darktrace was acquired on 1 October 2024 and therefore the consolidated financial statements for the Group include the results of the consolidated group of companies under the former Darktrace plc entity (now named Darktrace Limited) from the period from 1 October to 30 June. For the purpose of the performance of the business, however, management has presented pro-forma information for the current and prior period. Therefore, pro-forma information for FY 2025 includes the results of the first three months of the year and excludes the effect of any fair value adjustments to the deferred revenue balance for PPA accounting. FY 2024 pro-forma information for Darktrace Group is also included.

ARR – Annualised Recurring Revenue

\$000	30 June 2025	30 June 2024 Pro-forma
Annualised recurring revenue	881,927	778,857
Year over year growth	13.2%	22.8%

Definition and relevance

ARR is the sum of the annualised committed subscription value of every contract for which Darktrace is entitled to recognise revenue, measured at the period’s constant currency rate (refer to section on historical financial information for definition). In a very small number of cases where a customer has an opt-out within six months of commencing a contract, Darktrace does not recognise ARR on that contract until after that opt-out period has lapsed. Where a one-off sale of appliances is required for legal or regulatory reasons, or where training or other services are provided on a one-off basis, this non-recurring portion of the contract value is excluded from ARR.

ARR is a key indicator of future revenues. In conjunction with other KPIs and IFRS measures, it allows the growth of the business to be tracked on a more current basis than can be measured by revenue, the success of its Go-to-Market strategy to be assessed quicker, and performance to be compared between periods.

Performance

At 30 June 2025, Darktrace increased its ARR by 13.2% over the prior year, driven primarily by a combination of a 2.1% year-over-year increase in customers and a 10.9% increase in average contract ARR across Darktrace’s total customer base, supported by a continued focus on upsells of new products and renewing with a pricing uplift. Darktrace has seen ARR growth across all regions in which it operates.

At 30 June 2025, 62.8% of total ARR came from customers with ARR over \$100,000, compared to 58.8% in the prior year. This continued shift reflects Darktrace’s focus on selling to larger customers with a broader product penetration while continuing to be able to support the addition of customers across the full range of customer sizes and requirements.

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Number of Customers

	30 June 2025	30 June 2024 Pro-forma
Number of customers	9,956	9,754

Definition and relevance

This is a count of total end-user entities that are generating ARR at the measurement date.

Performance

Darktrace added 202 net new customers in FY 2025, a year-over-year growth rate of 2.1%. Revenue growth was primarily driven by a higher average contract value as noted below.

Average contract ARR

\$	30 June 2025	30 June 2024 Pro-forma
Average contract ARR	88,582	79,850

Definition and relevance

Average contract ARR is the total ARR at the measurement date, divided by the number of customers at that measurement date. In combination with other measures, including shifts in the value distribution of ARR, metrics such as average contract ARR are key to assessing whether Go-to-Market strategies, such as sales team segmentation and changes in product mixes, are reflected in Darktrace's performance.

Performance

Average contract ARR at 30 June 2025 increased by 10.9% year-over-year to \$88,582. This primarily reflects upsells across Darktrace's existing customer base.

Adjusted EBITDA and margin

\$'000	For the period from 19 April 2024 to 30 June 2025	FY 2025 Pro-forma	FY 2024 Pro-forma
Adjusted EBITDA	(87,587)	236,415	178,998
Adjusted EBITDA margin	(27.2)%	28.8%	25.9%

Definition and relevance

Adjusted EBITDA is the Group's earnings before interest, taxation, depreciation and amortisation, adjusted to include appliance depreciation attributed to Cost of sales and amortisation of capitalised commissions, and adjusted to remove share-based payment charges and related employer tax charges, as well as certain one-off charges including the impairment of right-of-use assets and the one-off costs incurred in relation to the Thoma Bravo acquisition.

Due to the unpredictable nature of the non-cash charges, particularly the share-based payment (SBP) related employer tax charges (ETC) driven by movements in share price and therefore outside of Darktrace's control, these costs are excluded in the calculation of Adjusted EBITDA. This treatment improves the ability to make period-to-period comparisons of core operating performance and is consistent with treatment applied by listed European and US software peer companies.

For the calculation of this measure, Darktrace treats the appliance depreciation reflected in Cost of sales as though it were a current period cash cost. Unlike most other software companies, Darktrace supports on-premise software deployments on appliances that Darktrace owns, maintains and reuses over their useful lives. This treatment provides better comparability to other software companies that sell hardware (and recognise direct cash costs) to support similar deployments.

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Performance

Year-over-year, pro-forma Adjusted EBITDA increased by \$57.4 million, resulting in a 2.9 percentage point increase in Adjusted EBITDA margin to 28.8%. This margin expansion reflects continued scale efficiencies and ongoing discretionary cost management during the period.

A reconciliation of Operating profit (EBIT) to Adjusted EBITDA is shown in the table below.

For FY 2025, there was a \$0.2 million, or 1.3%, year-over-year increase in depreciation of appliances in Cost of sales, to \$17.0 million. Appliance depreciation did not grow in line with Darktrace's revenue growth, as more customers chose to have products deployed virtually, and as Darktrace sells more products that are only deployed virtually.

For FY 2025, there was a \$37.4 million, or 74.8%, year-over-year increase in amortisation of capitalised commissions to \$87.3 million. This is a result of both an increase in revenue during the year, and an increase in the commission rate earned by the Sales team, resulting from a change to the commission policy following a benchmarking exercise conducted to ensure Darktrace pay commissions in line with the market.

In calculating pro-forma Adjusted EBITDA, Darktrace added back \$172.2 million of Share-based payment (SBP) charges, an increase of \$112.6 million in the period. This increase was a result of the acceleration of all share-based payment charges as a result of the Thoma Bravo acquisition of Darktrace.

Furthermore, in FY 2025 Darktrace accounted for \$85.1 million one-off costs in relation to the future change in ownership as a result of the Thoma Bravo acquisition. As these costs do not reflect the underlying results of the business, they are by definition exceptional and have been adjusted out of this metric.

Reconciliation of Net Profit to Adjusted EBITDA

\$000	For the period from 19 April 2024 to 30 June 2025	FY 2025 Pro-forma	FY 2024 Pro-forma
Revenue	321,542	820,757	691,421
Net Profit	(527,478)	(170,434)	52,588
Taxation	(120,693)	(2,549)	(36,847)
Finance income	(11,038)	(17,326)	(16,784)
Finance cost	134,678	135,379	3,020
Operating profit (EBIT)	(524,531)	(54,929)	1,977
Operating profit margin (%)	(163.1)%	(6.7)%	0.3%
Depreciation & Amortisation	241,672	127,462	89,075
EBITDA	(282,860)	72,533	91,052
Appliance depreciation in cost of sales	(12,906)	(17,008)	(16,798)
Impairment of right-of-use asset	(217)	(217)	217
Amortisation of capitalised commission	(18,268)	(87,319)	(49,949)
Share-based payment (SBP) charges	145,810	172,228	59,654
Share-based payment and Cash Replacement Award (CRA) related employer tax charges	6,078	11,084	11,710
Acquisition costs	74,776	85,114	83,112
Adjusted EBITDA	(87,587)	236,415	178,998
Adjusted EBITDA margin (%)	(27.2)%	28.8%	25.9%

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Future contracted revenue

\$'000	30 June 2025	30 June 2024 pro-forma
Future contracted revenue	1,396,300	1,298,736

Definition and relevance

Future contracted revenue represents revenue expected to be recognised over the term of the contract (see note 3 to the consolidated financial statements for details). In line with IFRIC 22, the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income (in whole or part) is the date on which an entity initially recognises the non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration. One-time revenue is included in the calculation but because of the high proportion of subscription revenue in Darktrace's revenue base, it is not material. Future contract value does not include any opt-out clauses i.e. revenue expected after opt-out date, up to the termination date of the contract.

Future contracted revenues often known as RPO is a KPI used by software and Software-as-a-Service ("SaaS") companies; Darktrace reports on this KPI as it provides stakeholders with an indication of future years revenue and baseline revenue growth. It includes only future recurring contract value – more than 99% of Darktrace's contract value is subscription-based – with all one-time future contract values excluded. RPO reflects actual contract status so unrenewed contract values cease to be reflected at their termination dates and future-dated contract values only become included at their start dates.

Performance

Darktrace's multi-year contract strategy, creates significant revenue visibility. At 30 June 2025, future contract revenue was 14.3% higher than it was at 30 June 2024. This was primarily due a large cohort of signed contracts that came up for renewal in FY 2025. Therefore, despite the net add being lower than in FY 2024, more contracts were renewed leading to an increase in RPO.

\$'000	30 June 2025	30 June 2024
Due within 12 months	777,585	674,737
Due within 1-2 years	424,640	404,121
Due within 2-3 years	165,569	192,907
Due within 3-4 years	26,257	25,416
Due over 4 years	2,249	1,554
Total	1,396,300	1,298,736

1.4 Stakeholder Engagement & Section 172

This statement provides information about the key stakeholders relevant to Darktrace's success and complying with s.172 reporting requirements. This section sets out the strategic decisions taken over the year and explains how the Board had regard to the matters in s. 172 (1) (a) to (f) in reaching those decisions.

For the purposes of this report, the Board is considered to be the directors of Darktrace Midco I Limited and the members of Darktrace GP, LLC, the General Partner of Darktrace Topco, L.P. together with Management. The Board and each director acknowledges that the success of Darktrace's strategy is reliant on positive engagement with all the Group's stakeholders. The Board believes that Darktrace is stronger and can achieve its goals working in collaboration with, and having regard to, all stakeholders. Darktrace has a global and diverse community of stakeholders, each with its own interests in and expectations of it. Due to the scale and geographic spread of Darktrace businesses, stakeholder engagement mostly takes place at an operational level and the Board is therefore reliant on Management to help it fully understand the impact of the Group's operations on its stakeholders.

The Board considers the Group's key stakeholders to be its owners, customers and partners, its people, its suppliers and the communities in which the Group operates.

During the year, the Board considered information from across the Group's businesses in the form of reports and presentations from Management and took part in discussions which considered, where relevant, the impact of the Group's activities on its key stakeholders. These activities, together with direct engagement by the Board and individual directors with the Group's stakeholders, helped to inform the Board in its decision-making processes.

As a Board, the directors' collective role is to act as responsible guardians and stewards of the Group. In so doing, the Board ensures that the Group is optimally positioned to achieve its long-term sustainable aims and deliver value for its stakeholders. The Board recognises that balancing the needs and expectations of stakeholders is important, but it often must make difficult decisions based on competing priorities where the outcome is not positive for all of the Group's stakeholders. Decisions are not taken lightly, and the decision-making process has been structured to enable Directors to evaluate proposed business activities and the likely consequences of its decisions over the short, medium, and long term, with the aim of safeguarding the Group so that it can continue in existence, fulfilling its purpose and creating value for all stakeholders.

Stakeholders

Shareholders

Darktrace Limited (formerly plc) was purchased by Thoma Bravo in an all-share sale on 1 October 2024. In March 2025, employees of Darktrace were invited to invest in the group and at the same time, a management incentive programme was created, focused on senior leadership.

The key focus for Darktrace's Shareholders is to deliver long-term sustainable growth with the group being able to self-fund its growth strategy and investments due to its profitable business model. Key metrics for its owners to measure success include: ARR – annualised -recurring revenue, Adjusted EBITDA,; and Customer growth – total number of subscription customers to its cyber-AI platform.

Customers

Darktrace delivers its cyber-AI technology to its customers which defends their most critical digital assets. Whether that business is a multinational corporation with a huge digital footprint or a local business, Darktrace seeks to help them to continue to deliver their products and services to their customers by protecting their digital ecosystem from those who are seeking to exploit it for personal or political gain.

At the heart of Darktrace are its customers and Darktrace remains focused on bringing more of its cyber-AI technology to more organisations around the world. Darktrace customers want products that give them security and peace of mind to focus on what is important to them and their businesses combined with confidence that Darktrace operates efficiently and ethically, keeping its customers' data secure.

Channel Partners

Darktrace relies on channel partners, including resellers and referral partners, to generate a significant portion of its revenue.

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In July 2024 Darktrace refreshed its approach to working with channel partners by launching the Darktrace Defenders Partner Program. Alongside the investment made in people and technology to create a solid foundation for the global partner channel and drive deeper collaboration, Darktrace has now strengthened the support it offers to partners to enable their business with Darktrace to better serve their and Darktrace's customers. These include an Authorised Partner Program, supporting partners to gain the knowledge to become validated experts in Darktrace products, as well as access personalised role-based learning paths and technical sales tools.

These enhancements are designed to support Darktrace in making the most of the opportunities provided by the channel community with a view to a faster route to market for Darktrace and, in particular, faster expansion into new markets and deeper penetration into the US.

People

Darktrace's people are its greatest asset and are critical to the success of the business. They want to succeed in their roles, playing a part in meeting our ambition of being the essential cybersecurity partner in the era of AI. Darktrace's people want to work in an inclusive, ethical environments where they feel connected and impactful.

As referred to in the Responsible Growth & Governance section, Darktrace conducts a listening exercise annually through an employee engagement survey. The all-employee survey evidenced improved engagement through a year of business transformation. The internal conversation focused on alignment around the strategy and operating priorities to increase pride in and ownership of growth.

Suppliers

Darktrace's suppliers support the efficient operation of the business. Suppliers want to receive a fair price and to be paid on time for the products and services they provide.

Darktrace has excellent relationships with its key suppliers and Darktrace ensures the stability of those relationships by establishing appropriate credit lines that support Darktrace's growth. There are supplier due diligence checks in place, and Darktrace continues to evaluate and, where appropriate, improve its supplier controls and processes (including the on boarding process).

Community and broader ecosystem

Darktrace acknowledges that it can only succeed as a business if it uses its technology, expertise and scale to solve the challenges the communities it serves and depends on.

Darktrace understands its core responsibilities to be:

- Data protection and security
- Responsible AI innovation;
- Building a diverse technology and cyber workforce; and
- To act as a responsible user of its appropriate share of the world's finite resources

More information on Darktrace's community initiatives can be found in the Responsible Growth and Governance section (page 17).

Principal Board decisions and stakeholder engagement

Set out below are examples of decisions taken by the Board where the impacts on various stakeholders have been considered.

Thoma Bravo acquisition

Context: On 1 October 2024, the acquisition by Thoma Bravo completed. The transition from public to private was supported by the Board and Management and efforts were made to minimise disruption to the business while the new Board assessed opportunities for investment and development.

Decision making process: The Board had regard to the long-term sustainability of the business, and looked at investment opportunities, cost and organisational efficiencies and reorganisations within the business.

Stakeholder considerations: The Board had regard to the employees, customers, suppliers and partners by continuing to grow Darktrace as an independent business headquartered in the UK, with the following results:

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- Employees continued to be appropriately incentivised to support the long-term growth of the business;
- Darktrace retained its research and development capabilities in the UK and the Netherlands;
- There were no material restructurings or changes to Darktrace's Cambridge, UK headquarters, or other business operations;
- Darktrace continued to be a British tech champion operating at the forefront of AI to solve the problem of cyber security in the UK and around the world;
- Thoma Bravo supported Darktrace's continued engagement with its stakeholders, including government, to contribute to AI and cyber security resilience;
- Darktrace's ability to create high skilled jobs in the UK and invest in building world-class cyber AI capabilities to improve UK resilience continued; and
- Darktrace's continued growth globally, resulting in further opportunities for its people, was supported by the Board.

Impact of these actions on the long-term success of Darktrace: Darktrace had the guidance and backing of Thoma Bravo to implement the actions required to achieve the goals stated above, thereby consolidating its position as a leader within its industry.

Outcome: Darktrace continues to be a market leader employing 2,349 globally.

Management Incentive Plan and Co-Investment Scheme

Context: Following the delisting of Darktrace plc from the London Stock Exchange and the acceleration of award plans that were in place, there was a gap in the long-term incentive program that could be offered to current and future employees to drive engagement in the long-term sustainability of the business.

Decision making process: The Board looked at the options to incentivise Management and senior employees, and the offering to people at all levels of the business. Furthermore, under the previous arrangement, awards that were granted to employees after July 2024 were converted into Cash Replacement Awards ("CRA") with the same vesting schedule and the Board considered whether people should be permitted to commit those awards to a co-investment scheme, should one be offered

Stakeholder considerations: Shareholders – an engaged and bought-in workforce would increase the likelihood of long-term success; Employees – having ownership would help engagement and retention.

Impact of these actions on the long-term success of Darktrace: Putting in place a co-investment plan that was open to all employees gave everyone the chance to share in Darktrace's ongoing success and value creation as it delivers on its strategy. To enable employees and certain individuals to share in the ownership, and potential future growth, of the Darktrace Group as the company executes its strategy over the coming years.

Outcome: In March 2025 the Management Incentive Plan was rolled out, alongside a Co-Investment scheme which all then-current employees were invited to participate in.

Dallas Co-Head Office and Shipping Deployment Centre/ Offices Review and Consolidation

Context: A review was carried out of Darktrace's office locations to ensure the portfolio was working effectively and the need for some changes were identified. At the same time, it became clear that the lack of a deployment centre in the US was starting to constrain opportunities for growth.

Decision making process: The Board were asked to approve a new Executive office and a new deployment centre in Dallas. There was no central Executive office outside of the UK. Customers and Partners in the US were experiencing a reduced customer service due to shipping and customs issues. The reallocation of funds from offices with very low attendance would allow for investment in the offices that continue to operate. The Board had regard to the long-term sustainability of the business, the gap the lack of a US deployment centre was causing and the desirability of a central hub in the US for Management.

Stakeholder considerations: Employees – improved office facilities; Customers and Partners – improved customer service for shipping and reduced custom issues.

Impact of these actions on the long-term success of Darktrace: The central hub in Dallas would provide a geographically convenient hub from which to ship hardware to customers in the Americas. Executives in the US would be provided with a central hub. Offices that were being used would have investment to encourage a further increase in attendance and support the encouragement to have GTM teams in offices.

Outcome: The Board agreed to invest in both the set-up of a deployment centre and creation of an executive office in Dallas.

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Acquisition of Cado Security

Context: The opportunity to acquire a company with cloud data capture and forensics capabilities was identified, which would strengthen Darktrace’s cloud offering.

Decision making process: The Board looked at the product and Cado Security coverage of cloud data capture and forensics. The acquisition was seen as having the potential to strengthen Darktrace's cloud offering by integrating Cado's cloud forensics automation technology with Darktrace's existing ActiveAI Security Platform providing a full-service investigation platform that supported cloud, container, serverless SaaS, and traditional forensic capture with XDR/endpoint triage capabilities. The platform benefits would include reducing mean time to respond (MTTR), better understanding of cloud risk, minimizing costs by enabling in-house cloud incident response, and closing the skills gap through automation for analysts of all levels, especially in multi-cloud environments.

Stakeholder considerations: Customers - better cloud coverage; Partners – a more comprehensive product coverage for cloud; Employees – further enhancing the product offering and improving the long-term sustainability of the company by demonstrating innovation and growth in R&D.

Impact of these actions on the long-term success of Darktrace: Improved leadership in this space, and expansion of the R&D team. The acquisition and integration of the Cado product strengthened our cloud offering for cloud data capture and forensics and Darktrace was later recognized as a Leader in Gartner’s Magic Quadrant for Network Detection and Response (NDR).

Outcome: Darktrace announced its intention to acquire Cado Security in January 2025, with the acquisition completed by February 2025.

Section 172(1) (a) to (f)

Further details of how the Board and the Directors have fulfilled their section 172 of the Companies Act 2006 duties can be found throughout the Strategic and Governance reports as referenced against section 172 (1) (a) to (f) of the Companies Act 2006 below. Directors of the Group must act in the way they consider, in good faith, would be most likely to promote the success of the Group for the benefit of its members, and in doing so have regard (amongst other matters) to:

S172 Factor	More Information	Page Reference(s)
The likely consequences of any decision in the long term	Section 172 (1) Statement	11
The interests of the Group’s employees	People Strategy	19
	Product Update	3
	Responsible Business	16-20
	Section 172 (1) Statement	11
	Operating Priorities	3
The need to foster the Group’s business relationships with suppliers, customers and others	Responsible Business	16-20
	Section 172 (1) Statement	11
The impact of the Group’s operations on the community and the environment	Environment	16-20
	Ethics and Governance / Responsible Business	16-20
	Section 172 (1) Statement	11
The desirability of the Group maintaining a reputation for high standards of business conduct	Ethics and Governance / Responsible Business	16-20
	Section 172 (1) Statement	11
The need to act fairly between members of the Group	Operating Priorities	3
	Ethics and Governance / Responsible Business	16-20
	Section 172 (1) Statement	12

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Non-Financial Information Statement

The following table shows where the key content requirements of the Non-financial Information Statement (as required by sections 414CA and 414CB of the Companies Act 2006) are in this document and on the Darktrace website.

Content Requirement	Page Reference(s)
Darktrace's Key Performance Indicators	7-10
Ethics and Governance	
Governance and Leadership	20
Respect for Human Rights and Anti Modern Slavery	16
Anti-Bribery and Corruption Matters	16
Environment matters	16-20
Darktrace's People	
People and Culture	19
Employee Engagement	19
Diversity	21
Social Matters	19-20

Ethics and Governance

Human Rights: Darktrace has a Modern Slavery Policy, and the latest Modern Slavery Statement can be found on the Darktrace website at www.darktrace.com. Darktrace supports international standards on human rights and takes a zero-tolerance approach to modern slavery, as stated in its Modern Slavery Policy, and expects Darktrace people to do the same.

Anti-Bribery and Corruption

Darktrace has an Anti-Bribery and Corruption Policy supported by an automated Gifts and Hospitality process available to all employees to support reporting and compliance. Training and guidance to its people on anti-bribery and corruption is part of the general compliance training and a specific module on this matter is being developed. We also have The POD which is a central point for company policies to be stored and available for employees to read.

Governance and Oversight

In addition to the matters above, Darktrace has an Anti-Fraud Policy, an Anti-Money Laundering Policy and several other policies that support a robust compliance environment all of which are regularly reviewed and updated to remain in line with current requirements. A Whistleblowing Policy and reporting procedures alongside a third-party whistleblowing portal, which allows for anonymous reporting, ensures all Darktrace people, including contractors, can report any suspected wrongdoing safely. All reports are taken seriously and thoroughly investigated.

1.5 Responsible Growth and Governance

Strategy

At Darktrace, responsible growth is core to the Group's approach to innovation. In the past year Darktrace refreshed its brand promise with Defend Beyond – a commitment to customers, employees, and stakeholders that it will always go further to protect and empower defenders everywhere. This ethos underpins its governance approach as much as its technology.

At the forefront of cybersecurity innovation, the Group recognises its responsibility not only to ensure its technology continues to safeguard customers against evolving threats, but also to contribute meaningfully to the broader cyber ecosystem. This includes advancing a well-defined strategy for the responsible use and development of AI.

Darktrace approaches its wider societal impact through the lens of sustainability, recognising that long-term success depends on responsible stewardship across the pillars of environment, society, and governance. We are committed to ensuring that our operations, products, and culture contribute positively to our stakeholders and the communities in which we operate. This commitment is anchored in internationally recognised frameworks and standards, which are regularly reviewed by Management and the Board. Oversight at this level ensures that Darktrace remains accountable for its commitments, including our ambition to reduce environmental impact and progress towards achieving net zero emissions by 2040. Climate and broader ESG risks and opportunities, are embedded within Darktrace's Enterprise Risk Management (ERM) Framework.

Our Sustainability Strategy – Environment (TCFD & SEC)

The financial statements for Darktrace Midco I Limited include trading for the Darktrace Group for the period from 1 October 2024 to 30 June 2025. The Directors consider that the most meaningful climate information for users of the financial statements is represented by that disclosed below for the 12 months ended 30 June 2025 and therefore this is what has been disclosed below.

Darktrace seeks to reduce its environmental impact wherever possible. As part of this, adherence to regulations and ensuring compliance across all areas of responsible growth and governance remains a core priority. The most impactful of these are the environmental regulations that Darktrace complies with across the UK, EU and USA.

Below is an outline of Darktrace's approach to applicable regulations across all three pillars.

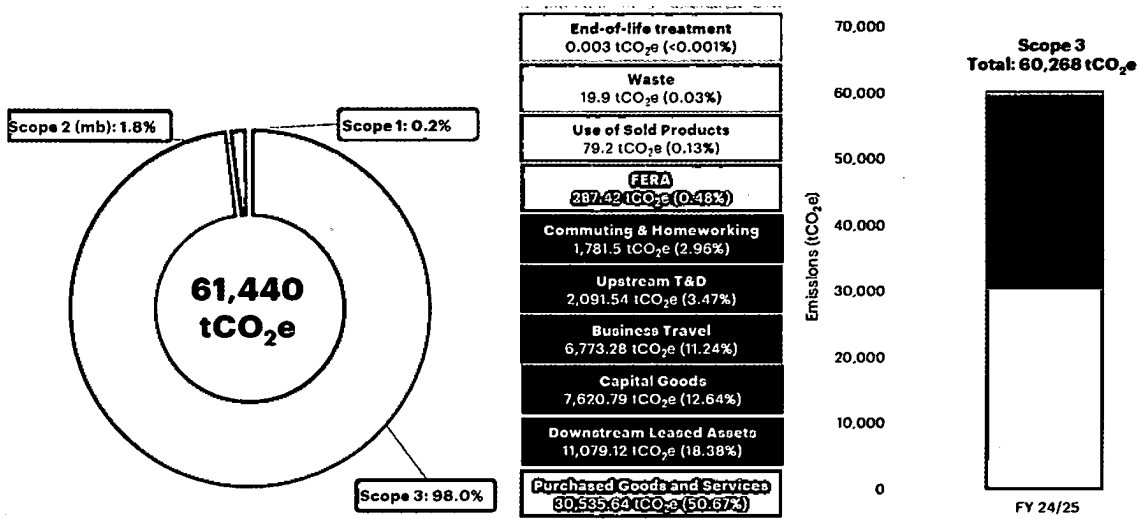
Our Environmental Compliance Strategy

Despite Darktrace's operations management having assessed that the Company's environment and climate related risks are not material to the business, Darktrace recognises that it is nonetheless important to demonstrate sustainability leadership by reducing its environmental impact and increasing its energy efficiency wherever possible, including across its products, offices, employee behaviours and operations.

Headline FY 2025 Carbon Emission Figures:

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Moving forward

Reducing scope 1 emissions on an absolute basis will require a dual focus on energy efficiency and renewable energy. Darktrace will continue to explore how it can use energy more efficiently to reduce energy intensity whilst also working to ensure that the energy we use is sourced from zero or low carbon sources.

Reducing scope 3 on an absolute basis will require deliberate, targeted actions, such as:

- Further engaging with suppliers to understand the availability of product or service-level emissions. This helps us to understand what is driving emissions, whereas spend-based estimates fail to uncover the underlying drivers of emissions.
- Developing a robust, centralised data collection process to aid data quality improvements, particularly in the areas of waste generated in operations and employee commutes/WFH, which are currently comparatively low quality; and
- Engaging with clients to understand renewable electricity usage for Darktrace appliances

Our Decarbonisation Strategy

As outlined above, Darktrace is dedicated to reducing its environmental impact beyond adherence to regulation. Details on steps already taken by Darktrace is set out below.

Sustainable Property

Management’s careful oversight of a hybrid working and hot desk policy has allowed Darktrace to optimise the footprint of the business, ensuring that offices are placed strategically around the world. Darktrace intends to futureproof its energy efficiency strategy by ensuring that renewable tariffs are in place across all new and existing office buildings wherever possible, to help Darktrace achieve energy zero in every location possible.

Darktrace regularly reviews its global portfolio of 30 offices to ensure efficiency and has made several changes in the second half of FY25. This includes opening upgraded offices in locations with a critical mass of staff while closing others where operational costs outweighed activity levels. Where offices have closed, Darktrace has provided affected teams with subscriptions to a leading remote workspace provider to support continued collaboration.

Sustainable Employees

Management introduced a new, robust travel policy which considers sustainability criteria as part of the employee travel approval process.

Sustainable Product

Management continued to evolve its repair, rebuild or recycle policy on hardware to ensure its hardware has a sustainable lifecycle. This initiative is in motion, with Darktrace’s development team working to migrate appliance-based UVs (light-weight software that allows data from multiple masters to be viewed from a single user interface (UI) to cloud-based equivalents with customers coming up for renewal, and Darktrace will encourage its customers to replace End of Life hardware with cloud-based alternatives wherever possible.

Additionally, Darktrace is exploring other options in its logistical and operational processes surrounding the product. Darktrace has implemented DHL’s program to lower carbon emissions with sustainable aviation fuel when transporting devices

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internationally. Darktrace is also opening a new logistic hub in the US to reduce international travel associated with hardware deployments.

Sustainable Supply Chain

Darktrace is committed to identifying its largest suppliers and conducting reviews to understand how they are decarbonising their operations. The introduction of Workday has improved supply chain data quality and Workday has facilitated Darktrace's evolution to a centralised procurement process, allowing the consideration of sustainability criteria for onboarding new suppliers. Driving data quality improvement in its scope 3 emissions, by reducing reliance on spend-based estimates and instead using primary data sourced directly from suppliers, is an immediate priority. This will allow Darktrace to better understand what drives its supply chain emissions as well as how to reduce them.

Darktrace's SECR Compliant Directors' Statement

Darktrace recognises that its operations have an environmental impact and is committed to monitoring and reducing its emissions year-over-year. Management is aware of its UK reporting obligations under The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018.

Darktrace has operational control of all of its subsidiaries which are also included in the data presented above.

Social Strategy

At the forefront of cybersecurity innovation, the Group recognises its responsibility not only to ensure its technology continues to safeguard customers against evolving threats, but also to contribute meaningfully to the broader cyber ecosystem. This includes advancing a well-defined strategy for the responsible use and development of AI.

In this respect, Darktrace will focus on three key areas: keeping our customers and society ahead of the changing threat landscape; the responsible advancement of AI and adherence to emerging AI regulation, and building the next generation of technologists at Darktrace and beyond.

Keeping our Customers and Society ahead of the Changing Threat Landscape

In the last year Darktrace has continued to invest in complementary customer training programmes that enable organisations with lean security teams to best use Darktrace products to protect themselves. Darktrace now offers over one hundred on-demand eLearning modules to its customers and through the recently launched Darktrace Academy also offers four certifications including Darktrace Essentials, Cyber Analyst, Cyber Engineer and Darktrace/Email to upskill in-house security teams. Through the Darktrace Academy, Darktrace also offers its employees external training, for example Cloud Certifications with AWS, to expand the technical skills of its go to market teams to better support SMBs.

Furthering its commitment to collaboration and information sharing, in the last year Darktrace provided strategic threat notifications to the National Cyber Security Centre – a part of GCHQ ("NCSC"); is an active member of the NCSC Operations Industry Threat Community and has strengthened its partnership with the Royal United Services Institute for cross industry collaboration on nation state threats and the resilience of critical infrastructure.

Responsible Innovation in Artificial Intelligence

Darktrace became one of the first cybersecurity companies globally to achieve ISO IEC 42001 certification, the world's first international standard dedicated to AI management systems. This milestone followed a rigorous eleven-month collaboration with the British Standards Institution, which audited Darktrace's comprehensive AI Management System encompassing governance, risk oversight, product development practices including anomaly detection, regressors, classifiers, neural networks, and large language models, as well as security research and HR processes. The certification complements Darktrace's existing compliance portfolio, which includes ISO IEC 27001, ISO IEC 27018, and Cyber Essentials, offering stakeholders independent assurance that its AI operates under the highest levels of transparency, accountability, and ethical governance.

With the launch of its Responsible AI Framework, Darktrace formalised its commitment through five foundational principles: privacy, interpretability, security and robustness, accuracy, and "do no harm". These principles guide every stage of Darktrace's AI development lifecycle, from initial design to deployment and governance. Darktrace's approach is informed by collaboration with global experts in academia and government, and by alignment with international frameworks US, EU, UK's and OECD. This ensures that the framework is rooted in international norms while tailored to the distinct demands of the cybersecurity industry.

Privacy is built in by design, limiting unnecessary data exposure and ensuring that sensitive information remains protected. Interpretability is embedded into Darktrace's tools, for example, Cyber AI Analyst enables users to track the hypothesis level reasoning behind every alert, including those that did not lead to an incident, enhancing transparency and trust. Security and

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robustness are foundational: Darktrace's Self Learning AI is continuously tested through penetration tests, red team exercises, and internal validations, and its operations are certified to ISO 27001 and ISO 27018 standards. Accuracy is achieved through a multi-layered AI approach that adapts dynamically to each customer's environment, using Bayesian meta classifiers to minimise false positives while detecting novel zero-day threats. Finally, the principle of "do no harm" prioritises human and AI partnership, ensuring that Darktrace's systems empower Security Operations Centre analysts, support fairness, and avoid unintended consequences.

Darktrace also contributed to global discussions on the future of responsible AI. Earlier this year, the company shared insight and expertise at the Paris AI Action Summit, helping to shape practical approaches that ensure the benefits of AI are realised securely and responsibly. Darktrace also shared insight and evidence with the White House on the development of America's AI Action Plan RFI.

Building the next generation of technologists at Darktrace and beyond

Darktrace has long welcomed individuals from a wide variety of backgrounds who are eager to pursue careers in cybersecurity and technology. The company remains committed to investing in the growth and development of its employees, ensuring they have the skills and expertise needed to deliver the full value of Darktrace's technologies to customers and prospects.

This year, Darktrace was named an anchor partner in the UK Government's newly launched Spärck AI Scholarships, a flagship initiative designed to accelerate exceptional STEM talent into AI research and industry leadership. Named in honour of pioneering computer scientist Karen Spärck Jones, the programme will fund full tuition master's degrees at leading UK universities and provide scholars with priority access to industry placements and mentorship with top AI companies, including Darktrace. The first cohort will target students with outstanding potential, such as winners of international STEM Olympiads, ensuring that world-class minds choose the UK, and Darktrace, as the place to launch their careers.

Darktrace is working closely with the UK Government to design the Spärck AI Scholarships, ensuring that the programme delivers maximum impact and creates a strong pipeline into research and industry leadership. Work placements at Darktrace are expected to begin in 2027.

In parallel, Darktrace continued its partnership with Loughborough University to support five Doctoral Researcher posts at the university's Cyber Security Centre. These positions focus on interdisciplinary research at the critical intersection of AI and cybersecurity, helping to build a robust pipeline of expertise in these vital technology sectors.

Darktrace continued its internship programme with CyberFirst, a programme led by the National Cyber Security Centre aimed at inspiring young people to develop cybersecurity skills and learn more about careers in the industry. Darktrace successfully placed six interns for eight-week summer placements with the Analyst and Solutions Engineer Teams, at its London office, with very positive engagement from the students.

Darktrace continued its partnerships with Year Up in the United States to close the opportunity gap in the cybersecurity industry and diversify its own talent pipeline. Year Up's mission is to enable young adults to move from minimum wage to meaningful careers in just one year.

Employee Engagement & Talent Development

Darktrace continued to enhance its employee engagement and overall People programme based on feedback from the employee survey. We've made improvements and upgrades to systems and processes to facilitate more efficient working, a focus driving strategic alignment of our workforce, and salary and career benchmarking to facilitate fair remuneration.

Darktrace has continued to create a working environment where its employees can develop talent and skills both professionally and personally. In the past year, the Darktrace Intelligence Academy has been instrumental in attracting, retaining, and developing its people, with a focus on getting the best out of each Darktrace employee not only for their role in the business, but in cultivating skills they can use to add value beyond their careers at Darktrace.

Governance

Darktrace's Governance strategy, guided by the early results of its materiality assessment, focuses primarily on evolving three key areas: data protection and security; good business practices; and Board composition.

Protecting customer data

During the year Darktrace continued to advance its approach of bringing its AI to each customer's data rather than aggregating customer data to train AI across one general model which, amongst other benefits, provides customers with peace of mind that

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their data is not being used inside LLM training sets without their knowledge. The Darktrace security team continuously updates and matures its processes relating to the storage and processing of data (customer, internal and third party) in line with applicable legal and regulatory requirements.

Darktrace's ISO 27001 certification is the central pillar for maintaining an effective information security management system to protect sensitive data across the enterprise. In addition, Darktrace is certified to ISO 27018, an industry recognised Information Security standard that speaks to the protection and management of Personally Identifiable Information ("PII") in public cloud environments. This provides independent validation on a regular basis that customer data is protected and managed appropriately in Darktrace's cloud hosted product.

Protecting Darktrace systems

Darktrace uses the ActiveAI Security Platform to defend its systems from cyber-attack, resulting in key improvements in Darktrace's risk metrics, security objectives and strategic goals. To safeguard the use of AI across the business, Darktrace's ChatGPT policy enables employees to safely operate at the cutting edge of AI research and continue to be active in AI transformation.

Good business practices - Robust oversight, management and effective communication

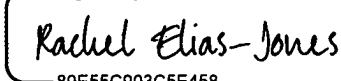
In FY 2025, we continued the journey to transform how Darktrace sells to and serves its customers and partners by rolling out Salesforce as our core Customer Relationship Management ("CRM") and quoting platform. The goal was simple: give our teams the tools to move faster, smarter, and with more consistency across the business. Less manual effort, richer data, and a single source of truth on our customers.

Darktrace launched Salesforce across the business in October 2025. This milestone is the foundation for how Darktrace will scale. Darktrace connected systems will sit at the heart of customer excellence, employee experience, and operational consistency. They are the catalyst that will fuel Darktrace's next chapter and set us up to deliver with speed, clarity, and impact.

Board Composition

Following completion of the Thoma Bravo transaction, the Chair and the Non-Executive Directors of Darktrace plc stepped down. A restructure of the companies in the group took place, with the introduction of companies to sit above the former Darktrace plc, now renamed Darktrace Limited. At the start of the financial year Sacha May was a sole director of Darktrace Midco I Limited, and on 30 May 2025 he stepped down and Catherine Graham and Rachel Elias-Jones were appointed. Following the end of the financial year, Catherine Graham stepped down and Philip Pearson was appointed.

Signed by:



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Rachel Elias-Jones

SVP of Global Finance

Director

19 December 2025

Darktrace 2025 Annual Report

Directors' Report

2.1 Directors' report

The Directors have pleasure in presenting their Annual Report and audited financial statements of Darktrace and the Group for the period ended 30 June 2025.

The Directors' report contains certain statutory, regulatory and other information and incorporates, by reference, the Strategic Report, Directors' Remuneration Report and Remuneration Policy included elsewhere in this document.

Corporate details

Luke Midco I Limited was incorporated under the UK Companies Act 2006 (the "Act") on 19 April 2024 as a private company, limited by shares, with registered number 15662253 and was renamed Darktrace Midco I Limited on 3 June 2025.

Strategic report

The Strategic Report is a requirement of the Act and can be found on pages 3-20. Darktrace has chosen, in accordance with section 414C(11) of the Act, to include the following matters of strategic importance in its Strategic Report that would otherwise be disclosed in the Directors' Report. This information should be read in conjunction with this Directors' Report:

- information on our environmental strategy, greenhouse gas emissions, energy consumption and energy efficiency is set out on pages 16-20;
- Employee involvement in share schemes is set out on pages 45-49;
- a summary of the Group's approach to business ethics, employee welfare and practice, environmental and community matters is set out in the ESG sections on pages 16-20;

Future development and prospects

On 21 July 2025, Darktrace acquired 100% of the share capital of Mira Security Limited, a leading provider of network traffic visibility solutions. The acquisition complements Darktrace's existing offerings, strengthening the Group's cloud offering for cloud data capture and forensics.

Results and dividends

The audited financial statements of the Group and of Darktrace for the period under review are set out on pages 29-70 and pages 71-77 respectively. Darktrace intends to retain any earnings to expand the growth and development of its business and, therefore, does not anticipate paying dividends in the foreseeable future.

Research and Development (R&D)

The Group has 391 employees working in research and development. Research and development costs were \$62.3 million for the period 19 April 2024 to 30 June 2025. These are the costs associated with the Group's efforts to develop new products for its platform, expand the features of its platform, and ensure the platform's continuing reliability, availability and scalability. These costs are primarily made up of the labour and related costs remaining after capitalisation of allowable labour and related development costs, and the amortisation of such costs capitalised. Additionally, research and development does contain allocated overhead costs, primarily rents and other facilities costs that are allocated on a per employee basis.

Financial instruments

The Group's financial risk management is controlled by a central treasury department ("Group treasury") under policies approved by the Board. Group treasury identifies and evaluates financial risks in close co-operation with the Group's CFO and other Executive Directors and Management. The Board authorises written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity. See note 21 of the consolidated financial statements for further details.

Diversity and Inclusion

The Group's policies support the creation of a diverse and inclusive culture where everyone is welcome. These policies demonstrate our commitment to providing equal opportunities to all employees irrespective of age, disability, gender, race, religion, beliefs, sex or sexual orientation. The Group provides equal opportunities to all job applicants and provides full and fair consideration of applications from people with disabilities, having regard to their particular aptitudes and abilities. Each candidate will be assessed based on their individual skills and qualifications, while also considering the accommodations that can be reasonably provided to support their success in the role. For any current employee who becomes disabled, significant effort is made to provide the necessary training and support to enable them to continue their employment. Darktrace's commitment to

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Directors' Report

equal treatment extends to training, career development, and promotion opportunities, all of which are offered on an equal basis as far as possible to both disabled and non-disabled people.

Stakeholder and Employee Engagement

Details of Darktrace's stakeholder and employee engagement is described in the Stakeholder Engagement & Section 172 statement of the Strategic Report. In addition, Darktrace has established an Employee Forum as a critical part of its employee engagement, and it is through this that employees' views can be put forward to the Board.

Going concern

In adopting the going concern basis for preparing the financial statements, the Directors have considered the Group's principal risks and uncertainties in the current operating environment and assessed these risks via a series of scenario analyses designed to evaluate the capacity of the Group to withstand a prolonged period of adverse financial conditions.

Forecasts and sensitivities have been prepared based on a series of scenarios incorporating plausible yet severe impacts on revenue and ARR, the Group's cost base, and the Group's consolidated statement of financial position. Furthermore a reverse stress test has been performed on the plausible worst case scenario to assess the impact of implausible delays in cash collections prior to even utilising its RCF.

Based on the Group's forecasts, the Directors are satisfied that the Group has adequate resources to continue as a going concern for the period to 31 December 2026. Accordingly, the Directors have prepared the financial statements on the going concern basis.

Directors

The Directors of Darktrace Midco I Limited who served throughout the period and up to the date of signing of this Annual Report (except where noted) were:

- Catherine Graham (CFO) (appointed 30 May 2025 and stepped down on 24 September 2025)
- Rachel Elias-Jones (SVP of Global Finance) (appointed 30 May 2025)
- Sacha May (appointed 19 April 2024 and resigned on 30 May 2025)

After 30 June 2025, additional Directors were appointed as follows:

- Philip Pearson (Chief Strategy Officer) (appointed 24 September 2025)

Darktrace has made qualifying third party indemnity provisions for the benefit of its Directors (and directors of Darktrace's subsidiaries) in relation to certain losses and liabilities that they may incur in the course of acting as Directors of Darktrace, its subsidiaries or associates, which remain in force at the date of this report. In addition, Darktrace has in place appropriate directors' and officers' liability insurance. This cover also extends to employees of the Group who serve on the board of Darktrace's subsidiaries.

Share capital

Certain key information relating to Darktrace Midco I Limited shares is shown below:

- Darktrace's shares as at 30 June 2025 comprised: 3,201,297 A-2 ordinary shares of \$0.001 each which rank equally in all respects and 28,802,655 A-1 preference shares of \$ 1 each.
- The holders of A-2 Ordinary Shares are entitled to attend and vote at general meetings of the company, and the shares rank equally for voting purposes. On a show of hands each member has one vote and on a poll each member has one vote per share held. The holders of A-1 Preference Shares are not entitled to attend or vote at general meetings of the company by virtue of their holding of such shares.
- Each A-1 Preference Share is entitled to participate in any validly declared dividend. Each share ranks in the order ascribed in Article 40 of the Darktrace Midco I Limited's Articles of Association for any distributions made and the shares are redeemable at the option of Darktrace Midco I Limited or holder, and in a manner determined by the directors.
- Each A-2 Ordinary Share is entitled to any validly declared dividend as long as there is no outstanding dividend payable to a preference shareholder. Each share ranks in the order ascribed in the Articles.

Further information regarding Darktrace's share capital including changes during the year is set out in note 8 to the financial statements.

Articles of association

The Articles of Association for Darktrace Midco I Limited were adopted on 20 November 2024.

Financial risk management

Details of financial risk management are disclosed earlier in this Directors Report in note 21 to the financial statements.

Darktrace 2025 Annual Report

Directors' Report

Corporate governance

The Statement of Directors' Responsibilities in respect of this Annual Report and the financial statements appears on page 23 and 24.

Political donations

Darktrace and its subsidiaries did not make any political donations or incur any political expenditure during the period ended 30 June 2025.

Related party transactions with Directors

Details of related party transactions with Directors are disclosed in the Financial Statements in note 25.

Overseas branches

Darktrace Midco I Limited has no branches outside the UK but Darktrace Holdings Limited has a branch in Dubai which was established in 2019 and a branch in Italy which was established in May 2023. In addition a Permanent Establishment in Spain was registered in December 2023.

Post balance sheet events

Details of important events affecting Darktrace since 30 June 2025 are disclosed in note 28 to the financial statements.

Signed by:



89E55C903C5E458...
Rachel Elias-Jones
 SVP of Global Finance
 Director
 19 December 2025

Directors' responsibility statement

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year that give a true and fair view of the financial position of the Group and Darktrace and the financial performance and cash flows of the Group for that period. Under that law the Directors have prepared the consolidated financial statements of the Group in accordance with UK-adopted International Accounting Standards and with the requirements of the Companies Act 2006 as applicable to companies reporting under those standards. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs and profit or loss of the Company and Group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable international accounting standards in conformity with the requirements of the Companies Act 2006, as amended have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

The Directors are responsible for the maintenance and integrity of the corporate and financial information provided about Darktrace. Legislation of the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Each of the Directors, whose names and functions are listed on section 'Darktrace Midco I Limited (formerly Luke Midco I Limited) information' at page 78, confirms that, to the best of each person's knowledge:

Darktrace 2025 Annual Report

Directors' Report

- the Annual Report, taken as a whole is fair, balanced and understandable and provides the information necessary for shareholders to assess Darktrace Midco I Limited and the Group's performance, business model and strategy;
- the Group financial statements, which have been prepared in accordance with UK-adopted International Accounting Standards and with the requirements of the Companies Act 2006 as applicable to companies reporting under those standards, which give a true and fair view of the assets, liabilities, financial position and profit of the Group and Darktrace Midco I Limited; and
- the Strategic Report and Directors' Report include a fair review of the development and performance of the business and the position of Darktrace Midco I Limited and the Group, together with a description of the principal risks and uncertainties that they face.

Disclosure of information to auditors

Each of the Directors at the time when this Report was approved confirmed that:

- so far as the Director is aware, there is no relevant audit information of which Darktrace's auditors are unaware; and
- he or she has taken all the steps that he or she ought to have taken as a Director to make himself or herself aware of any relevant audit information and to establish that Darktrace's auditors are aware of that information.

This confirmation is given in accordance with section 418(2) of the Act.

Signed by:



89E55C903C5E458...

Rachel Elias-Jones
SVP of Global Finance
Director
19 December 2025

Independent auditor's report to the members of Darktrace Midco I Limited

Opinion

We have audited the financial statements of Darktrace Midco I Limited ('the parent company') and its subsidiaries (the 'group') for the period ended 30 June 2025 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Financial Position, the Consolidated Statement of Changes in Equity, the Consolidated Statement of Cash Flows, and the related notes 1 to 28 to the consolidated financial statements, the Parent Company Statement of Financial Position, the Parent Company Statement of Changes in Equity and the related notes 1 to 10 to the Parent Company financial statements, including material accounting policy information for the parent company and the group. The financial reporting framework that has been applied in the preparation of the group financial statements is applicable law and UK adopted international accounting standards. The financial reporting framework that has been applied in the preparation of the parent company financial statements is applicable law and United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

In our opinion:

- the financial statements give a true and fair view of the group's and of the parent company's affairs as at 30 June 2025 and of the group's loss for the period then ended;
- the group financial statements have been properly prepared in accordance with UK adopted international accounting standards;
- the parent company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group and parent company's ability to continue as a going concern for the period to 31 December 2026.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the group's ability to continue as a going concern.

Other information

The other information comprises the information included in the annual report set out on pages 2 to 25, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we

have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 24, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the group and determined that the most significant are those relating to the reporting framework (UK adopted international accounting standards and FRS 101), the Companies Act 2006, the relevant direct and indirect tax compliance regulations, as well as relevant employment laws in the United Kingdom
- We understood how Darktrace Midco I Limited is complying with those frameworks by making inquiries of management and those responsible for legal and compliance procedures to understand how the Company maintains and communicates its policies and procedures to ensure compliance. We corroborated this through our review of Company's Board minutes

and through enquiry of employees. We also reviewed correspondence with the relevant tax authorities regarding tax compliance.

- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by understanding the potential incentives and pressures for management to manipulate the financial statements and understanding the areas in which this would most likely arise. Our procedures included discussions with management and those charged with governance, as well as understanding the policies and processes that the company has established to address risks identified, or that otherwise prevent, deter and detect fraud.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved using data analytics to sample from the entire population of journal entries, identifying transactions which did not meet our expectations based on specific criteria, to investigate, gain an understanding and agree to source documentation. Our procedures also included verifying that material transactions are recorded in compliance with UK Adopted International Accounting Standards for the group, FRS 101 for the parent company and where appropriate Companies Act 2006. We also challenged assumptions and judgments made by management by reviewing third party evidence wherever possible and, leveraged our data analytics platform in performing our work on revenue recognition. Compliance with other operational laws and regulations was covered through inquiry with management, in-house legal team, and the Directors, reading of the board meeting minutes and correspondence with the relevant authorities. Where instances of non-compliance with laws and regulations were identified, we assessed and challenged management's response, reviewed underlying workings and involved professionals, where required, to consider the appropriateness of the response taken by the management of the Group and Company.

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

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



*Ruth Logan (Senior Statutory Auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Cambridge
19 December 2025*

Darktrace 2025 Annual Report**Financial Statements****3.2 Consolidated Financial Statements****Consolidated Statement of Comprehensive Income**


		For the period from 19 April 2024 to 30 June 2025
		\$'000
Revenue	3	321,542
Cost of sales		(95,032)
Gross profit		226,510
Sales and marketing costs		(285,486)
<i>Sales and marketing amortisation of acquired intangible assets</i>	16	(115,093)
Research and development costs		(62,330)
<i>Research and development amortisation of acquired intangible assets</i>	16	(83,355)
General and administrative costs		(133,645)
Acquisition costs	4	(74,776)
Foreign exchange differences	21	(1,380)
Other operating income	23	5,024
Operating loss		(524,531)
Finance costs	6	(134,678)
Finance income	6	11,038
Loss for the year before taxation		(648,171)
Taxation	24	120,693
Net loss for the year attributable to shareholders of Darktrace Midco I Limited		(527,478)
Items that are, or may be, subsequently reclassified to profit or loss		-
Total comprehensive loss for the financial year		(527,478)

Darktrace 2025 Annual Report Financial Statements

Consolidated Statement of Financial Position

	Notes	30 June 2025 \$'000
Non-current assets		
Goodwill	15	2,293,952
Intangible Assets	16	3,084,209
Property, plant and equipment	17	55,096
Right-of-use assets	18	38,070
Capitalised commission	11	31,997
Deferred tax asset	24	123,449
Deposits		7,689
		5,634,462
Current assets		
Inventory		161
Trade and other receivables	12	171,375
Capitalised commission	11	54,635
Tax receivable		13,777
Cash and cash equivalents	19	381,614
		621,562
Total assets		6,256,024
Current liabilities		
Trade and other payables	13	(153,034)
Deferred revenue	3	(402,190)
Lease liabilities	18	(11,394)
Tax payable	24	(1,471)
Deferred tax liability	24	(13,893)
Provisions	14	(10,514)
Borrowings	7	(9,037)
		(601,533)
Non-current liabilities		
Deferred revenue	3	(23,492)
Lease liabilities	18	(33,589)
Deferred tax liability	24	(757,001)
Provisions	14	(14,047)
Borrowings	7	(2,103,575)
		(2,931,704)
Total liabilities		(3,533,237)
Net assets		2,722,787
Equity		
Share capital	8	28,806
Share premium	8	3,196,995
Capital contribution		24,464
Retained earnings		(527,478)
Total equity attributable to equity shareholders of Darktrace Midco I Limited		2,722,787

These financial statements were approved by the Board of Directors and authorised for issue on 19 December 2025. They were signed on its behalf by:

Signed by:

 Rachel Elias-Jones
 SVP of Global Finance
 Director
 Company No. 15662253

Darktrace 2025 Annual Report

Financial Statements

Consolidated Statement of Changes in Equity

	Notes	Share capital \$'000	Share premium \$'000	Capital Contribution \$'000	Retained earnings \$'000	Total equity \$'000
19 April 2024		-	-	-	-	-
Loss for the period		-	-	-	(527,478)	(527,478)
Total comprehensive loss		-	-	-	(527,478)	(527,478)
Darktrace acquisition	2	28,806	3,171,489	-	-	3,200,295
Share based payment charge	9	-	-	19,742	-	19,742
Cado acquisition	2	-	25,506	4,722	-	30,228
Transactions with shareholders		28,806	3,196,995	24,464	-	3,250,265
30 June 2025		28,806	3,196,995	24,464	(527,478)	2,722,787

Darktrace 2025 Annual Report

Financial Statements

Consolidated Statement of Cash Flows

	Notes	For the period from 19 April 2024 to 30 June 2025 \$'000
Cash generated from operations		
Profit for the period after tax		(527,478)
Depreciation of PPE* and Right of Use Assets	17,18	27,296
Amortisation of intangible assets	16	196,107
Amortisation of capitalised commission	11	18,268
Impairment of capitalised commission and PPE		281
Loss on disposal of PPE*		1,286
Unrealised foreign exchange differences		3,720
Credit loss charge		478
Share based payment charge	9	94,078
Finance costs	6	134,678
Finance income	6	(11,038)
Other operating income	23	(5,024)
Taxation	24	(120,693)
Operating cash flows before movements in working capital		(188,041)
Increase in trade and other receivables		(68,794)
Increase in capitalised commission		(105,181)
Increase in trade and other payables		62,596
Decrease in provisions		(126,218)
Increase in deferred revenue	3	358,989
Decrease in inventory		34
Net cash flow from operating activities before tax		(66,615)
Tax paid		(6,678)
Net cash inflow from operating activities		(73,293)
Investing activities		
Acquisition of Darktrace Business, Net of Cash Acquired		(4,668,608)
Acquisition of Cado Business, Net of Cash Acquired		(41,164)
Borrowing costs capitalised		(71,537)
Purchase of PPE*		(16,262)
Finance income	7	11,038
Cash outflow from investing activities		(4,786,533)
Financing activities		
Repayment of lease liabilities		(11,274)
Borrowings	7	2,395,000
Payment of interest on borrowings		(88,669)
Repayment of borrowings		(254,338)
Capital contribution		3,200,295
Cash inflow from financing activities		5,241,014
Net changes in cash and cash equivalents		381,188
Cash and cash equivalents, beginning of year		-
Unrealised exchange difference on cash and cash equivalents		426
Cash and cash equivalents, end of year	19	381,614

*Property, Plant, and Equipment

Darktrace 2025 Annual Report

Group Financial statements

Notes to the Consolidated Financial Statements

General information

Company information

Darktrace Midco I Limited (formerly Luke Midco I Limited) is a company incorporated in England and Wales under company number 15662253. The principal place of business is Maurice Wilkes Building, St John's Innovation Park, Cowley Road, Cambridge, CB4 0DS.

1 Basis for preparation

The Company and Group information

The UK parent company, Darktrace Midco I Limited (formerly Luke Midco I Limited, the Company) has been defined as 'the Company' and the Darktrace Group as 'the Group' or 'Darktrace'.

Basis of preparation

These consolidated financial statements are for the period from incorporation (19 April 2024) to 30 June 2025. This is the first financial statements prepared for the Company and the Group and therefore no comparatives have been presented.

The consolidated financial statements of the Group have been prepared in accordance with UK-adopted International Accounting Standards and with the requirements of the Companies Act 2006 as applicable to companies reporting under those standards.

They have been prepared under the historical cost convention except for certain financial instruments which are measured at fair value.

All amounts in the consolidated financial statements and notes have been rounded off to the nearest thousand USD, unless otherwise stated.

New standards, amendments, IFRIC interpretations and new relevant disclosure requirements adopted by the Group

The group has applied the following standards and amendments for the first time for its annual reporting period commencing 19 April 2024:

- Classification of Liabilities as Current or Non-current and Non-current liabilities with covenants – Amendments to IAS 1;

The amendments listed above are not expected to significantly affect the current or future periods.

New standards and interpretations not yet adopted

Certain new accounting standards and amendments to accounting standards have been published that are not mandatory for 30 June 2025 reporting periods and have not been early adopted by the group. The group's assessment of the impact of these new standards and amendments is set out below:

(a) Amendments to IAS 21 -- Lack of Exchangeability (effective for annual periods beginning on or after 1 January 2025) In August 2023, the IASB amended IAS 21 to help entities to determine whether a currency is exchangeable into another currency, and which spot exchange rate to use when it is not. Darktrace Midco I Limited does not expect these amendments to have a material impact on its operations or financial statements.

(b) Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7 (effective for annual periods beginning on or after 1 January 2026) On 30 May 2024, the IASB issued targeted amendments to IFRS 9 and IFRS 7 to respond to recent questions arising in practice, and to include new requirements not only for financial institutions but also for corporate entities. These amendments:

- clarify the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
- clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;
- add new disclosures for certain instruments with contractual terms that can change cash flows (such as some financial instruments with features linked to the achievement of environment, social and governance targets); and
- update the disclosures for equity instruments designated at fair value through other comprehensive income (FVOCI)

Darktrace Midco I Limited does not expect these amendments to have a material impact on its operations or financial statements.

Darktrace 2025 Annual Report

Group Financial statements

(c) IFRS 19 Subsidiaries without Public Accountability: Disclosures (effective for annual periods beginning on or after 1 January 2027) Issued in May 2024, IFRS 19 allows for certain eligible subsidiaries of parent entities that report under IFRS Accounting Standards to apply reduced disclosure requirements. Darktrace Midco I Limited does not expect these amendments to have a material impact on its operations or financial statements.

(d) IFRS 18 Presentation and Disclosure in Financial Statements (effective for annual periods beginning on or after 1 January 2027) IFRS 18 will replace IAS 1 Presentation of financial statements, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though IFRS 18 will not impact the recognition or measurement of items in the financial statements, its impacts on presentation and disclosure are expected to be pervasive, in particular those related to the statement of financial performance and providing management-defined performance measures within the financial statements.

Management is currently assessing the detailed implications of applying the new standard on the group's consolidated financial statements.

From the high-level preliminary assessment performed, the following potential impacts have been identified:

- Although the adoption of IFRS 18 will have no impact on the group's net profit, the group expects that grouping items of income and expenses in the statement of profit or loss into the new categories will impact how operating profit is calculated and reported. From the high-level impact assessment that the group has performed, the foreign exchange differences currently aggregated in the line item 'foreign exchange differences' in operating profit might need to be disaggregated, with some foreign exchange gains or losses presented below operating profit.
- The line items presented on the primary financial statements might change as a result of the application of the concept of 'useful structured summary' and the enhanced principles on aggregation and disaggregation. In addition, since goodwill will be required to be separately presented in the statement of financial position, the group will disaggregate goodwill and other intangible assets and present them separately in the statement of financial position.
- The group does not expect there to be a significant change in the information that is currently disclosed in the notes because the requirement to disclose material information remains unchanged; however, the way in which the information is grouped might change as a result of the aggregation/disaggregation principles. In addition, there will be significant new disclosures required for:
 - management-defined performance measures;
 - a break-down of the nature of expenses for line items presented by function in the operating category of the statement of profit or loss – this break-down is only required for certain nature expenses; and
 - for the first annual period of application of IFRS 18, a reconciliation for each line item in the statement of profit or loss between the restated amounts presented by applying IFRS 18 and the amounts previously presented applying IAS 1.
- From a cash flow statement perspective, there will be changes to how interest received and interest paid are presented. Interest paid will be presented as financing cash flows and interest received as investing cash flows, which is a change from current presentation as part of operating cash flows.

The group will apply the new standard from its mandatory effective date of 1 January 2027. Retrospective application is required, and so the comparative information for the financial year ending 30 June 2027 will be restated in accordance with IFRS 18.

Going concern

In adopting the going concern basis for preparing the financial statements, the Directors have considered the Group's principal risks and uncertainties in the current operating environment and assessed these risks via a series of scenario analyses designed to evaluate the capacity of the Group to withstand a prolonged period of adverse financial conditions.

Forecasts and sensitivities were prepared based on a series of scenarios incorporating plausible yet severe impacts on revenue and ARR, the Group's cost base, and the Group's consolidated statement of financial position. Furthermore, a reverse stress test was performed on the plausible, but severe, worst case scenario, to establish what circumstances – including those beyond reason - might trigger a negative cash position within the going concern period (without utilisation of the Company's RCF).

Given the extremity of these conditions, and the implausibility of the Directors not enacting any active cost saving measures in response to these conditions, the reverse stress test further reinforced the Directors' assertion that Darktrace has adequate resources to continue as a going concern for the period to 31 December 2026. Accordingly, the Directors have prepared the financial statements on the going concern basis.

Foreign currency translation

Functional and presentation currency

The consolidated financial statements are presented in U.S. Dollars ("USD") which is the functional currency of the Company.

Darktrace 2025 Annual Report

Group Financial statements

Group companies

Items included in these consolidated financial statements are measured using the functional currency for Darktrace Midco I Limited. The functional currency of Darktrace Midco I Limited is also the functional currency of all subsidiaries.

Transactions and balances

Foreign currency transactions are translated into the functional currencies of Darktrace Midco I Limited and all of its subsidiaries using the exchange rate as at the time of transaction. Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation of monetary assets and liabilities denominated in foreign currencies at month end exchange rates, are generally recognised in the consolidated statement of comprehensive income. All foreign exchange gains and losses are presented in the consolidated statement of comprehensive income on a net basis within foreign exchange differences. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. Realised foreign exchange differences relating to working capital balances are included in the relevant lines within the cash flow statement; unrealised foreign exchange differences are reported separately in the cash flow.

Basis of consolidation

These financial statements present the results of Darktrace Midco I Limited and its subsidiaries as the Group. Intercompany transactions and balances between the Company and its subsidiaries are therefore eliminated in full.

Subsidiaries are entities over which Darktrace Midco I Limited is exposed or has rights to variable returns from its involvement with the subsidiary, and it can affect those returns through its power over the subsidiary. Darktrace Midco I Limited can direct decisions through its ownership and, if applicable, voting rights. Except for Darktrace Midco II Limited, Darktrace Finco US Limited, Darktrace UK Limited, Darktrace Group Limited and Darktrace Bidco Limited, all the Company's subsidiaries have been acquired by, Darktrace Midco I Limited, and no subsidiaries have been closed or otherwise disposed of. Where subsidiaries are acquired, the profit or loss attributable to shareholders includes the profit or loss of the subsidiary from the date of acquisition. Where subsidiaries to be disposed of during the year, the profit or loss attributable to shareholders would include the profit or loss of the subsidiary to the date of disposal.

The directors have determined that they control an entity called Darktrace Employee Benefit Trust ("EBT"), even though Darktrace Midco I Limited owns 0% of the issued capital of this entity. Equiniti Trust (Jersey) Limited is the trustee of EBT. It is a controlled entity of Darktrace Midco I Limited, because Darktrace Midco I Limited is exposed to, and has right to, variable returns from this entity and is able to use its power over the entity to affect those returns, therefore EBT has been consolidated.

Impairment of non-financial assets

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Intangible assets that are not subject to amortisation because they are not yet in use are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period. Reversals of impairment losses are limited such that the value of the asset cannot exceed the carrying amount it would have had no impairment been recognised.

Key judgements and estimates

The preparation of consolidated financial statements in accordance with IFRS requires Management to make judgements, estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the year end and the reported amount of revenues and expenses during the reported period. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and for any future periods affected. The areas involving significant judgements and estimates are:

- Significant judgement in revenue recognition in determining one performance obligation exists – see note 3
- Significant judgement in assessment of control of appliances – see note 17
- Significant judgement in accounting of old share-based payment modification at acquisition - see note 9
- Significant judgement in accounting of cash-replacement awards at acquisition – CRA accounting – see note 9
- Significant judgement in accounting of prepaid CRA for co-investment in parent entity equity – see note 9
- Significant judgement in accounting treatment of the Company preference shares – see note 8
- Significant estimate in share price used to calculate provision for SBP related employer's tax charges – see note 14

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Performance of the Group

2 Business Combinations

Acquisitions

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises:

- The fair value of the assets transferred;
- The liabilities incurred to the former owners of the acquired business;
- The equity interests issued by the group;
- The fair value of any asset and liability resulting from a contingent consideration arrangement; and
- The fair value of any pre-existing equity interest in the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The group recognises any non-controlling interest in the acquired entity, on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

The excess of:

- The consideration transferred;
- The amount of any non-controlling interest in the acquired entity; and
- The acquisition date fair value of any previous equity interest in the acquired entity over the fair value of the net identifiable assets acquired is recorded as goodwill.

If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised directly in profit or loss as a bargain purchase.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or as a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value, with changes in fair value recognised in profit or loss.

On 1 October 2024, Darktrace Bidco Ltd acquired 100% of the issued share capital of Darktrace Limited (previously Darktrace plc). Under the terms of the Acquisition, each Darktrace Shareholder has received, for each Darktrace Share, \$7.75 in cash. The Acquisition values Darktrace's entire issued ordinary share capital at approximately \$5.4 billion. Settlement of the Consideration paid by Bidco was on 10 October 2024.

Details of the purchase consideration, the net assets acquired and goodwill are as follows:

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Darktrace Limited Acquisition

Acquiree's net assets at the acquisition date	Fair values on acquisition \$'000
Intangible assets (note 16):	
- Customer relationship	2,070,409
- Software	963,011
- Brand	230,232
Property, plant and equipment (note 17)	57,120
Right-of-use assets (note 18)	43,307
Deferred tax asset (note 24)	95,477
Inventory	194
Trade and other receivables	110,013
Tax Receivable	3,072
Cash and cash equivalents	567,494
Trade and other payables	(55,742)
Deferred revenue	(66,288)
Provisions (note 14)	(76,443)
Lease liabilities (note 18)	(49,220)
Deferred tax liability (note 24)	(862,888)
(A) Net identifiable assets and liabilities	3,029,748
Consideration paid:	
Cash consideration to shareholders	5,307,946
Cash replacement awards (CRA) (note 9)	27,561
Cash settled share-based payment modification	(71,856)
(B) Total consideration	5,263,651
Goodwill (B-A) (note 15)	2,233,903

Adjustments to the consideration paid

- CRA: Awards granted in August 2024 were included in the 'acquisition agreement'. The replacement award granted by the acquirer at takeover are in substance a mandatory replacement by the acquirer in a business combination and relevant guidance as per IFRS 3 has been applied (note 9). The company accounted for the pre-combination amount as a liability with the corresponding amount in goodwill in the consolidated financial statements. The total amount to be accounted for as an increase in goodwill is determined by reference to the fair value of the awards outstanding as at the acquisition date.
- Cash settled share-based payment modification: Following the acquisition of Darktrace Limited, awards granted by Darktrace before FY25 up to the limit of 1 million share per employee vested. Awards in excess of 1 million shares per employee lapsed and replacement awards were granted. The acceleration is deemed to benefit the acquirer and the combined entity, making it separate from the business combination under IFRS 3. Thoma Bravo implicitly approved the acceleration by not replacing the awards and instead paying cash as part of the purchase consideration. To the extent the payment represents the fair value of awards that would have been vested under their original terms, it is treated as part of the purchase consideration. Any excess amount —representing compensation for post-combination services—were recognised as a post-combination expense and deducted from the consideration paid.

Significant fair value adjustment to the net asset acquired before PPA

Management has remeasured the fair value of the deferred revenue liability on the basis of the remaining costs to fulfil the obligation plus a market participant margin, resulting in a 'hair-cut' to the liability at acquisition of \$302 million, or c.82%. The liability has unwound in full before 30 June 2025 reducing significantly the revenue recognised in the period.

Darktrace has 48 leases in total, of which 21 are short-term (less than 1 year) and 27 are longer-term. Management have identified one unfavourable lease which has been captured on the opening balance sheet. Based on our review of the information provided to-date and discussions with Management, we have not identified any other favourable or onerous contracts or arrangements in place which are not captured in our customer relationships valuation. Management has remeasured the fair value of the ROU assets and related liabilities at acquisition date, resulting in a net increase of net asset of \$9.1 million overall.

For further details on the intangible assets recognised at acquisition please see note 15 and note 16.

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Cado Limited Acquisition

On 7 February 2025, Darktrace acquired 100% of the issued share capital of Cado Security Group, a cloud-native investigation and response automation platform. The acquisition complements the group's existing offering.

Details of the purchase consideration, the net assets acquired and goodwill are as follows:

	Fair values on acquisition \$'000
Acquiree's net assets at the acquisition date	
Intangible assets (note 16):	
- Software	16,533
- Customer relationship	131
Property, plant and equipment (note 17)	1
Trade and other receivables	777
Cash and cash equivalents	4,800
Deferred revenue	(405)
Trade and other payables	(986)
Deferred tax liability (note 24)	(4,707)
(A) Net identifiable assets and liabilities	16,144
Consideration paid:	
Cash consideration to shareholders	45,965
Stock consideration to shareholders	25,506
CLN Premium	4,722
(B) Total consideration	76,193
Goodwill (B-A) (note 15)	60,049

3 Revenue from contracts with customers

Revenue recognition policy

The Group does not recognise any revenue until there is a legally binding contract in place direct with a customer or with a reseller partner acting on behalf of a customer (i.e. end-user), the commencement date of that agreement has passed, and the obligations to fulfil that contract have been met. It applies the IFRS 15: Revenue from Contracts with Customers, principles-based, five step model to all contracts as follows:

- Identify the contract with the customer,
- Identify the distinct performance obligations in the contract,
- Determine the transaction price,
- Allocate the transaction price to the performance obligations in the contracts, on a relative stand-alone selling price basis, and
- Recognise revenue when the entity satisfies its performance obligations.

The Group has only a single performance obligation for most contracts, giving access to the Group's Cyber AI Platform and ancillary services to its customers as such the transaction price is the total amount charged to the Customer over the service period.

Most of the Group's revenue is derived from multi-period subscription or licence contracts that allow access to the Cyber AI Platform. This revenue is recognised on a straight-line basis over the subscription or license period as the customer simultaneously receives and consumes the benefits from the products it purchased within the Group's Cyber AI Platform as throughout the life of the contract. The Group's efforts are expended evenly throughout the subscription period and therefore using the input method under IFRS 15, it is appropriate to recognise revenue on a straight-line basis. The Group does not have any variable consideration as defined under IFRS 15.

In a very small number of cases, the Group sells supplementary training or extra appliances separately from its software product deployments, but always to customers who have software product deployments. The revenue from these contracts is recognised at the point in time when the training or appliance is delivered.

Contracts where terms are subsequently modified (for upsells, license expansions, etc) are assessed in accordance with IFRS 15 and are treated either as a separate contract with revenue recognition commencing from the modification date or as a cumulative catch-up adjustment to revenue recognised at the point of modification based on the new contractual terms.

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Contracts where it is not probable that the entity will collect the consideration to which it will be entitled in exchange for the goods or services that will be transferred to the customer and for which a suspension notice has been applied and the performance obligations relating to future services is considered curtailed, are considered ceased and therefore related deferred revenue balances are derecognised and any receivable balance fully provided or written off. In this case, Management accounts for the remainder of the contract as if the criteria to be a contract had not been met (IFRS 15).

The Group deploys a significant portion of its software on appliances that it delivers to the customer. These appliances are encrypted devices that can only be used to run the Group's software. They cannot be used for any other purpose and have no separate value to the customer, and as the Group retrieves its appliances at the end of deployments, each appliance may be redeployed multiple times, in multiple situations over its useful life. The Group considers that the appliances it deploys are an integral part of the delivery mechanism for the service to the customer and are not normally sold to the customer unless required for legal or regulatory reasons.

Customers are generally billed in advance, with credit terms of typically 30-60 days, in line with market practice. In instances where payment for the subscription is within 12 months or less of the service being provided Darktrace has taken the practical expedient under the standard of not adjusting for any financing component. In some instances, the Group bills in advance for periods of greater than one year. In these instances no financing component is deemed to be present as this arrangement is customer driven.

Principal versus agent assessment

Darktrace sells its products and services either directly to end-users or through reseller partners (channel partners). The business operates two types of partner relationships, one where the contract is with the reseller partner and another where it is with the end-user but the partner receives a referral fee.

Most partner deals involve a reseller partner who takes Darktrace to the end-users. In these instances, Darktrace sells to the reseller partner, who is the contracting entity, and therefore different from the end-user that will be provided with the services. Darktrace will only invoice the partner and it is the partner who controls pricing with the end-user, and bears the credit and foreign currency risk.

When revenues are generated through a reseller partner, Darktrace requires that every partner contract be related to a specific end-user (Darktrace has a direct operating relationship with the end-user as most partner contracts are co-sold and Darktrace employees carry out the vast majority of pre-sale product scoping directly with the end-user). Darktrace only recognises revenue for the contract value between Darktrace and the partner, it does not recognise any benefit from any mark-up that the partner adds to determine its price to the end-user. Once the Darktrace/partner and partner/end-user contracts have been finalised and the end-user is able to deploy the purchased products and services, Darktrace will recognise revenue as required under IFRS 15.

An intermediary partner is the principal in an arrangement with the end-user, and therefore, Darktrace's customer, if it controls the offering before it is transferred to the end-user. As Darktrace controls all aspects of the products and services it sells, including setting the price to the reseller partner (but not the end-user), and bears the credit and foreign exchange risk in its contract with the reseller partner, it has concluded that Darktrace is a principal in its contracts with reseller partners. Darktrace has also considered the role of the reseller partner in their contract with the end-user, and based on all information available, primarily considering the control of pricing and the assumption of credit and foreign exchange risk, has concluded that the reseller is principal in their contract with the end-user. While Darktrace has responsibility under its Master Service Agreement for fulfilment of the products and services provided to the end-user, the reseller partner has responsibility for the pricing of Darktrace products to the end-user, and any invoicing and credit concerns.

There is a smaller cohort of referral partners who Darktrace works with who will initiate the customer contact, but who do not take on the contractual risk. In these cases, Darktrace enters into a direct contract with the end user and is therefore the principal in these transactions. The partner will earn usually a commission or a fee which is classified as sales and marketing cost.

Significant judgement in revenue recognition in determining one performance obligation exists

Group revenue is from subscription contracts and is recognised over the term of the contract.

Management considers that these contracts consist of a single performance obligation, which is the ongoing access to the portions of the Cyber AI platform purchased by the customer. The Cyber AI platform is a single combined solution, with customers able to choose the appropriate product mix based on their own needs. The key contractual elements considered by Management included the deployment of the software (on appliances or virtually), the core software products and subsequent updates. Appliance deployments typically take an hour or less once the appliance is received by the customer, and virtual deployments can be enabled immediately, so deployment is in line with start of the subscription contract that has, on average, a three-year life. Subsequent updates to the platform ensure that the latest software is available with the latest capabilities but do not materially change the functionality of the platform. The products and, to a lesser extent, services are significantly integrated to provide a

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combined output and services which are highly interdependent with (and are not separately available from) the subscription products within the Cyber AI platform. Some customers may purchase ancillary services or training, but these are immaterial to the total contract value and are not deemed to impact the assessment of there being only a single performance obligation.

Disaggregation of revenue

Revenue recognised at a point in time is not significant to the reported results in any year. This includes revenue generated by separate contracts for training and sale of appliances. In the period 19 April 2024 to 30 June 2025, this revenue amounted to \$0.8 million.

	For the period from 19 April 2024 to 30 June 2025 \$'000	For the period from 19 April 2024 to 30 June 2025 % of revenue
USA	114,617	35.6%
United Kingdom	40,756	12.7%
Europe	86,171	26.8%
Rest of World	79,998	24.9%
	321,542	100.0%

Revenue from customers has been attributed to the geographic market based on contractual location. No single customer accounted for more than 10% of revenue in FY 2025.

Contract assets and liabilities related to contracts with customers

The following table provides information on accrued revenue and deferred revenue from contracts with customers.

	30 June 2025 \$'000
Accrued income	4,509
Total accrued income	4,509
Current deferred revenue	402,190
Non-current deferred revenue	23,492
Total deferred revenue	425,682

Accrued income is due to timing in raising invoices, and remains to be an immaterial value relative to revenue recognised.

Contracts are typically invoiced between one month and more than three years in advance, with the majority of contracts being invoiced annually in advance. Deferred revenue reflects the difference between invoicing and associated payment terms, and fulfilment of the performance obligation and has increased year-over-year as expected with the continued growth in revenue.

Details of costs to obtain contracts with customers are shown in note 11.

Future contracted revenue (formerly revenue expected to be recognised)

Future contracted revenue represents revenue expected to be recognised over the term of the contract, i.e. over the subscription period, from the contract commencement date to the end of the subscription period as identified in the contract, calculated by valuing all uninvoiced future contract value, including one-time product or service purchases, at the exchange rates in effect on the reporting date, and all previously invoiced future revenue at the relevant transaction exchange rates. In line with IFRIC 22, the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income (in whole or part) is the date on which an entity initially recognises the non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration. One-time revenue is included in the calculation but because of the high proportion of subscription revenue in Darktrace's revenue base, it is not material. Future contract value does not include any opt-out clauses i.e. revenue expected after opt-out date, up to the termination date of the contract.

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	30 June 2025
	\$'000
Due within 12 months	777,585
Due within 1-2 years	424,640
Due within 2-3 years	165,569
Due within 3-4 years	26,257
Due over 4 years	2,249
	1,396,300

4 Material profit or loss items

Cost of sales

Cost of sales is made up of two primary cost categories: the cost of software deployment and labour costs for support or supplemental monitoring and response services.

The largest of the deployment costs is depreciation on appliances used to deliver the software to customers under contracts. The depreciation of appliances is apportioned to Cost of sales based on the proportion of the Group's appliance pool deployed to customer sites and all appliance depreciation related to customer contracts is recognised in Cost of sales. Where the Group deploys software to a contracted customer virtually, the associated hosting costs are also recognised in Cost of sales. Cost of sales also includes shipping costs and other costs necessary to deploy the Group's software products.

Operating cost apportionment

Wherever possible, operating costs are attributed to either Sales and marketing, Research and development or Other administrative costs by the direct method. When costs apply to more than one cost category, they are apportioned using an allocation methodology based on the most appropriate direct data source.

The Group apportions the depreciation of appliances used to run Proof of Value ("POV") demonstrations for prospects (see note 17 for additional detail) to Sales and marketing. Similarly, for POVs of virtually deployed products, the associated hosting costs are recognised as Sales and marketing costs. Also, pre-sales support staff, whose costs are primarily attributed to Sales and marketing, may also perform post-sales support functions. This work is tracked, and the compensation costs associated with that work are allocated to Cost of sales.

Research and development ("R&D") primarily consists of compensation and other directly attributable costs of the staff who develop the Group's software products. The Group capitalises the costs of development work that meets the criteria for capitalisation and amortises those costs beginning once the software is released to production and/or brought into use. Developers and Analysts working in the Group's R&D function may also provide supplemental monitoring and response services to customers. This work is tracked, and the compensation costs associated with that work are allocated to Cost of sales. Research and development expenditures that do not meet the criteria for capitalisation, are recognised as expense when incurred. Development costs previously recognised as expenses are not recognised as assets in any subsequent period. Development costs for features and enhancements that are available to all customers without additional charge, are expensed as incurred. Amortisation of capitalised development costs is recognised as R&D cost (note 16).

Share based payment cost and related share-option related employer tax charges are apportioned on a direct basis depending on the department the employee reports into. The share-based payment expense together with the employer related tax charges are proportionately attributed to Cost of sales for those functions where an attributed labour cost is already allocated to Cost of sales.

The Group has identified a number of items which are material due to their nature and or amount. These are listed separately here to provide a better understanding of the financial performance of the Group, if not presented elsewhere in these financial statements.

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	For the period from 19 April 2024 to 30 June 2025 \$'000
Acquisition related costs	74,776
Professional fees	28,813
Hosting fees	21,885
Auditors' remuneration	8,217
Software implementation costs	8,153
Legal fees	4,352
Accounting advice costs	3,619

Acquisition related costs

The aggregate fees and expenses incurred up to 30 June 2025 in connection to the acquisition of Darktrace, Cado and Mira are listed below. For details on the acquisition of Darktrace and Cado see note 2 and for details on the acquisition of Mira see note 28.

	For the period from 19 April 2024 to 30 June 2025 \$'000
Acquisition costs:	\$'000
Financial and corporate broking advice	35,267
Stamp duty	26,926
Legal advice	8,922
Accounting advice	2,725
Other professional services	936
	74,776

Hosting fees related to customer contracts are classified within cost of sales for an amount of \$19.9 million and those related to POV are classified to sales and marketing costs for an amount of \$2.0 million.

Professional fees largely relate to consultancy services provided by Thoma Bravo. Legal fees relate to ongoing legal support provided for IP/Patents and employment matters.

Software implementation costs includes \$6.5m related to the implementation of Salesforce (the new CRM being implemented in the year) and \$1.1 million related to the implementation of Workday (ERP finance system).

Auditors' remuneration

	For the period from 19 April 2024 to 30 June 2025 \$'000
Audit of the Group and UK subsidiaries	3,517
Audit of overseas subsidiaries	221
Total audit fees	3,738
Non statutory audit of parent entity	2,027
Total non-statutory audit fees	2,027
Compliance services related to assistance with corporate tax returns	23
Tax advisory services	2,429
Total non-audit fees	2,452

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5 Employee costs

Employees benefits

Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the consolidated statement of financial position.

Post-employment obligations - defined contribution plans

For defined contribution plans, the Group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

The Company operates a stakeholder pension scheme and contributes to several personal pension schemes on behalf of its employees. The Group also contributes to State-sponsored pension schemes in multiple countries as legislated.

Bonus plans

The Group recognises a liability and an expense for bonuses based on Management 's best estimate of the expected payment for discretionary bonuses and then will make the appropriate adjustments if necessary, at the time these bonuses are paid. The Group recognises a liability where contractually obliged or where there is a past practice that has created a constructive obligation.

Cash replacement awards (CRA)

The Company operates a share-based payment arrangement with its employees. Following the acquisition of Darktrace, the pre-acquisition arrangement has been replaced by a new FY25 scheme; at the point of acquisition, the awards changed from being settled in equity to being settled by cash by the parent entity. Post-acquisition, the Company continues to recognise an amount for the service provided by the employees over the remaining vesting period. Refer to note 9 for further details.

Employee benefits expense

Expenses recognised for the Group's employee compensation and benefits is presented below:

	For the period from 19 April 2024 to 30 June 2025 \$'000
Wages and salaries	298,552
Social security	44,109
Pension	5,108
Employee cost	347,769
Share based payment charge (note 9)	145,809
Total cost	493,578

Total cost is split by function is as follows:

	For the period from 19 April 2024 to 30 June 2025 \$'000
Cost of sales	53,039
Sales and marketing	303,569
Research and development	57,660
General and administrative	79,320
Total cost	493,578

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The average number of employees, including Executive Directors, during the year was as follows:

	For the period from 19 April 2024 to 30 June 2025
	Number
Sales and marketing	1,594
Research and development	391
General and administrative	364
	2,349

Directors' emoluments and benefits were as follows:

	For the period from 19 April 2024 to 30 June 2025
	\$'000
Emoluments	184
Gains on exercise of share options	-
	184

Total amounts payable to the highest paid director were \$184,437 in respect of emoluments. No Directors were members of the Group's defined contribution pension scheme.

Debt and equity

6 Finance costs and finance income

Finance cost and income

The Group earns interest on its cash balances through its deposits with banks. Interest income on financial assets at amortised cost is calculated using the effective interest method and is recognised in the consolidated statement of comprehensive income as part of finance income.

The Group has an interest expense on financial liabilities which is measured at amortized cost. The interest expense is calculated using the effective interest rate method as per IFRS 9 Financial Instruments. The effective interest rate is calculated on initial recognition of a liability and is revised periodically based on the market rate for the external debt.

Interest expense is recognised in the recognised in the consolidated statement of comprehensive income as part of finance costs in the period in which they are incurred.

	For the period from 19 April 2024 to 30 June 2025
	\$'000
Finance costs	
Bank loan interest	131,273
Interest on lease liabilities	2,368
Bridge loan interest	884
Interest on loan note with parent entity	153
Total finance costs	134,678
Finance income	
Interest income from cash and cash equivalents	11,038
Total finance income	11,038

Bank loan interest relates to interest incurred on the first and second lien loan (\$1.7 billion and \$410 million) taken during the year. Refer to note 7 for further detail.

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7 Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates. In the balance sheet, bank overdrafts are shown within borrowings in creditors: amounts falling due within one year.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

Borrowings are classified as creditors: amounts falling due within one year unless the company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period in which case they are classified as creditors: amounts falling due after more than one year.

Borrowing costs are recognised in profit or loss in the period in which they are incurred.

	Current \$'000	Non-Current \$'000	For the period from 19 April 2024 to 30 June 2025 \$'000
Secured			
Bank loans	9,037	2,103,575	2,112,612
Total borrowings	9,037	2,103,575	2,112,612

Bank Loans

The group has entered into a new secured bank loan credit facility which amounts to \$2.14 billion comprises of first and second lien loan facility (\$1.7 billion and \$410 million) having a carrying amount of \$2.1 billion at 30 June 2025. The first lien loan is payable in tranches within a span of 7 years and the second lien loan is payable at the end of an 8 year term.

The group also has the ability to draw down on an additional \$150 million revolving credit facility if required. This carries the same terms as the first lien loan facility. The cost paid for the RCF for an amount of \$2.7 million has been treated as a prepayment.

Compliance with loan covenants

Darktrace Midco I Limited has complied with the financial covenants of its bank loans during the period presented (refer to note 20).

Fair value

The fair values are not materially different from their carrying amounts, since either:

- the interest payable on those borrowings is close to current market rates, or
- the borrowings are of a short-term nature.

8 Share capital and share premium

Contributed equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

Preference shares accounted for as equity

Preference shares are non-redeemable and therefore the appropriate classification is determined by the other rights that attach to them - in particular, distributions to holders.

While preference shares rank more senior than ordinary shares in any redemption scenario, they are not redeemable at the option of the holder. In practice the issuer can defer redemption of both principal and yield till liquidation, liquidation is not

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predetermined, and the PS shareholders cannot enforce liquidation under the terms of the preference shares. Furthermore, the redemption of preference shares is not contingent on the occurrence of an event that is outside the issuer's control (i.e. takeover). Preference shares do not obligate the issuer to provide cash or other financial assets (redemption of principal and yield is at the discretion of the issuer). Therefore preference shares are classified as equity under IAS 32 (judgement).

Equity comprises the following:

- **Share capital:** represents the nominal value of equity shares. Where shares are redeemed or purchased wholly out of profits available for distribution, a sum equal to the amount by which the company's share capital is diminished on cancellation of the shares (the nominal value of the shares) is transferred to the capital redemption reserve in line with section 733 of Companies Act.
- **Share premium:** represents the excess over nominal value of the consideration received for equity shares, net of any transaction costs associated with the issue of shares.
- **Capital contribution:** when Darktrace Parent Limited (parent company) grants rights to its equity instruments to employees of its subsidiaries, the subsidiary does not have an obligation to provide its parent's equity instruments to its employees. The subsidiary should, in its own financial statements, measure the services received from its employees in accordance with the requirements of IFRS 2 applicable to equity-settled share-based payment transactions. There will be a corresponding increase recognised in equity as a capital contribution from the parent company.
- **Retained earnings:** represents retained profits and losses.

Share capital	No. of ordinary shares of \$0.001 each	No. of preference shares of \$1.00 each	Total no. of shares	Share capital \$'000	Share premium \$'000
At 19 April 2024	-	-	-	-	-
A-2 Ordinary shares issued in the period	3,201,297	-	3,201,297	3	345,532
A-1 Preference shares issued in the period	-	28,802,655	28,802,655	28,803	2,851,463
At 30 June 2025	3,201,297	28,802,655	32,003,952	28,806	3,196,995

The Company issued 3,201,295 A-2 ordinary shares of \$0.001 each and 28,802,655 A-1 preference shares to Darktrace Parent Limited during the year. The Company also issued a further 2 A-2 ordinary shares of \$0.001 each to Darktrace Parent Limited for \$12.8 million, to be settled by the assignment of loan notes issued by Darktrace Parent Limited.

9 Share based payments

The parent company operates equity and cash settled share-based payment schemes. The equity settled share-based payments are measured at fair value at the date of grant. Having a graded vesting schedule, the fair value determined is expensed on a straight-line basis over the requisite service period for each separately vesting portion of the award as if the award was, in substance, multiple awards. The charge for the period is allocated to the relevant consolidated statement of comprehensive income categories where the employment costs of the employee who is granted the equity options are charged.

The fair value of awards granted is recognised as an employee benefits expense, with a corresponding increase in equity in the form of capital contribution from the parent entity. The total amount to be expensed is determined by reference to the fair value of the awards granted:

- including any market performance conditions (e.g. the entity's share price)
- excluding the impact of any service and non-market performance vesting conditions (e.g. profitability, sales growth targets and remaining an employee of the entity over a specified time period), and
- including the impact of any non-vesting conditions (e.g. the requirement for employees to save or hold shares for a specific period of time).

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of awards that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to capital contribution. When the awards are exercised, the appropriate number of shares is issued to the employee. The proceeds received from exercised options, net of any directly attributable transaction costs, are credited directly to equity.

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Modification of share-based payments

Where the effect of the modification is to increase the value of the award to an employee, the incremental fair value is recognised as a cost. The incremental fair value is the difference between the fair value of the original award and that of the modified award, both measured at the date of modification.

Management Incentive Plan

Employees are compensated with equity instruments (MIP), and cash award (EAR) that is based on the fair value of the parent entity's equity instruments (EAR) for their services (*the arrangement is subject to services & non-market performance vesting conditions. Some market performance condition is also in place*). They will receive the fair value of their shares (MIP) awards (EAR) upon ceasing employment, depending on the leaver condition or upon TB's exit. The arrangement is in scope of IFRS 2 *Share Based Payment*.

MIP

As management plans a buyback for leavers (i.e. cash settlement where applicable), and based on communication to employees, management believes there is a mutual understanding and an expectation to buy back shares granted to employees when they leave at the lower between the cost and the fair value. This along with past practice of settling in cash creates a present obligation to settle in cash and therefore the award for leavers is classified as cash settled. Management therefore treats leavers as cash settled and non-leavers are as equity settled.

The arrangement involves multiple vesting scenarios: awards vest either through the satisfaction of vesting conditions (service conditions) as the vesting period in place ends (scenario 1) or through the occurrence of an exit that will trigger acceleration of unvested shares (scenario 2). Accordingly, exit is a non-vesting condition for scenario 1 and will be reflected in measuring the grant date fair value. For scenario 2, exit is a vesting condition (non-market performance condition) and will not be reflected in measuring the grant date fair value. A switching approach will be applied. At grant date, management is to estimate the fair value of the equity instruments for each possible outcome and account for the share-based payment based on the most likely outcome at the reporting date. Subsequently, if the alternative vesting scenario becomes more probable, management will switch to the relevant fair value and immediately recognise a cumulative adjustment between the different grant date fair values (GDFFs).

EAR

EAR holders will receive cash payments based on the fair value of equity shares, the obligation for EAR is classified as cash settled share-based payment as per IFRS 2.

The MIP shares & EAR awards are subject to time vesting conditions and performance-based vesting conditions based on the relevant executive categories of the participant employee

Old share-based payments plan modification at acquisition – significant judgement

The remuneration committee used its discretion to vest all existing awards at takeover and capped the number of vesting awards per employee at 1m. Awards in excess of 1m awards lapsed and a cash award were granted by the acquirer subject to continued employment. Management considers these adjustments not pre-determined because the discretion in the original award terms was not sufficiently clear to create a valid expectation with the employees as to the nature of the adjustments on a change-in-control. As such modification accounting has been applied.

The acceleration of below 1 million shares is deemed to benefit TB and the combined entity, making it separate from the business combination under IFRS 3. TB implicitly approved the acceleration by not replacing the awards and instead paying cash as part of the purchase consideration. To the extent the payment represents the fair value of awards that would have been vested under their original terms, it is treated as part of the purchase consideration. Any excess amount—representing compensation for post-combination services—should be recognised as an expense.

For the replacement awards granted for awards in excess of 1 million per employee management has measured the fair values of both the replacement and original awards at the acquisition date in line with IFRS 2. The portion of the replacement award attributable to pre-combination service has been calculated by applying the ratio of the vesting period completed at the acquisition date to the greater of the total vesting period and the original vesting period of the acquirer's awards, multiplied by the acquisition date fair value of the original award. This amount has been treated as part of the purchase consideration (goodwill) in consolidation and cost of investment in separate financials). Any excess of the replacement awards' fair value over this calculated amount will be recognised as post-combination remuneration expense.

FR25 AIP awards at acquisition – CRA accounting – significant judgement

Following the acquisition of Darktrace by Thoma Bravo, the AIP awards were replaced by cash replacement awards. The terms of the replacement were agreed as part of the acquisition execution agreement and as such, management considers the cash replacement award to be a mandatory replacement award under IFRS 3. The Group has applied IFRS 3 guidance for mandatory replacement awards and recorded a liability for amounts assessed to be for pre-acquisition services, with a corresponding amount

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recognised in goodwill. The amount related to post-acquisition services is accounted for under IAS 19, with a charge and liability being recorded over the remaining service period.

These awards consisted of two vesting scenarios, one being an equity settled arrangement and the other being a cash award that is settled by the acquirer on takeover. The award is effectively a share-based payment plan with a cash settlement alternative, with the cash settlement contingent on an event outside the control of issuer and counterparty (change in control). The classification of such awards is based on whether the contingent is probable. As these awards effectively consists of 2 alternative vesting scenarios (regular IFRS 2 vesting and cash settlement by acquirer), switch accounting has been applied at the date of acquisition.

The company accounted for the pre-combination amount as a liability with the corresponding amount to goodwill in the consolidated financial statements. The total amount to be accounted for as an increase in goodwill was determined by reference to the fair value of the awards outstanding as at the acquisition date. See note 2 for details.

CRA prepaid for co-investment in parent (CIP) entity equity (significant judgement)

During the year management offered to a wide pool of Darktrace group employees the possibility of co-investing into parent equity. The opportunity for the employees includes vesting their own funds and share in the ownership of the Darktrace group equity or, alternatively, use their existing CRAs to subscribe to the CIP.

Management has determined the present value of the obligation for preferred shares the employees co-invested into and for any excess over the carrying value of reclassified CRA obligation, over the remaining service period, the parent company will recognise an investment in subsidiaries with a corresponding obligation for preferred shares compensation. Each of the subsidiaries of Midco I and therefore the consolidated accounts, include the recognition of employee cost with a corresponding capital contribution.

CRA funded CIP program

The CIP was funded through the CRA, providing existing CRA holders the option to subscribe to CIP. This option was treated as a modification of the original cash-settled arrangement into an equity-settled arrangement. As a result, the incremental fair value arising from this modification was recognized in accordance with applicable accounting standards.

The CIP CRA funded program involves the issuance of both preferred and ordinary shares. Preferred shares fall in scope of IAS 19 *Employee Benefits*. For ordinary shares, employees are compensated with equity instruments for their services (*the arrangement is subject to services vesting conditions*). They will receive the fair value of their shares upon ceasing employment, depending on the leaver condition or upon exit. The arrangement for ordinary shares is in scope of IFRS 2 *Share Based Payment*.

The arrangement involves multiple vesting scenarios, awards vest either through the satisfaction of vesting conditions (service conditions) as the vesting period in place ends (scenario 1) or through the occurrence of an exit that will trigger acceleration of unvested shares (scenario 2). Accordingly, exit is a non-vesting condition for scenario 1 and will be reflected in measuring the grant date fair value. For scenario 2, exit is a vesting condition (non-market performance condition) and will not be reflected in measuring the grant date fair value. A switching approach will be applied. At grant date, management is to estimate the fair value of the equity instruments for each possible outcome and account for the share-based payment based on the most likely outcome at the reporting date. Subsequently, if the alternative vesting scenario becomes more probable, management will switch to the relevant fair value and immediately recognise a cumulative adjustment between the different grant date fair values (GDFVs).

Cash funded CIP program

The ordinary shares offered meet the definition of the employee share purchase plans ("ESPP"). In an ESPP, the employees are usually entitled to buy shares at a discounted price. Management has estimated the fair value of the ordinary shares subscribed. As the purchase price was below fair value, management has recognised the difference as a cost for the period.

Share-based payment charges have been recorded in the consolidated statement of comprehensive income within the following functional areas.

	For the period from 19 April 2024 to 30 June 2025
	\$'000
Cost of sales	8,501
Sales and marketing	72,663
Research and development	23,270
General and administrative	41,375
Total share-based payment expense	145,809

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Share based payment for the period includes \$87.5 million related to the incremental fair value accounted for the modification of the old SBP scheme at acquisition. In addition share based payment for the period also includes \$51.7 million related to cost attributable to the acquisition accounting. Refer to note 2 for details.

The share-based payment expense together with the employer related tax charges is proportionately attributed to Cost of sales for those functions where an attributed labour cost is already allocated to Cost of sales.

Share-based payments are calculated in accordance with IFRS 2 – Share-based Payment. The Company has used a Monte Carlo Model for the AIP awards granted before acquisition and for the MIP and EAR.

MIP and EARs time based awards will vest over a 4 year period with the 25% vesting on the first anniversary and the remaining tranches vesting a further 2.0834% at the end of each month thereafter (up to a maximum of 100%). MIP awards with performance conditions will vest each year on the anniversary of the vesting start date, over a 4 year period in 25% tranches.

	MIP For the period from 19 April 2024 to 30 June 2025 Awards Number	EARS For the period from 19 April 2024 to 30 June 2025 Awards Number	Total For the period from 19 April 2024 to 30 June 2025 Awards Number
Outstanding at 1 July	-	-	-
Granted	19,279,759	1,333,315	20,613,074
Lapsed	(552,489)	-	(552,489)
Exercised	-	-	-
Outstanding at 30 June	18,727,270	1,333,315	20,060,585
Exercisable at 30 June	-	-	-

MIP and EAR valuations

Management has performed a valuation of the 100% EV of the Company on the basis of 'Fair Value' as defined under IFRS 13 as 'the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.'.

In determining the appropriate methodology to be adopted in valuing the underlying equity of the Company, we have considered the following:

- the nature of the business;
- the availability of financial data; and
- the assumptions in the forecast data.

Noting the nature of the business and its current cashflow stream, management has considered a DCF methodology as primary valuation methodology in determining the 100% EV of the Company, which has been supplemented with EV/Revenues and EV/EBIT multiple-based valuation approaches.

The capital rights of the Awards are akin to an option due to the large amounts of shareholder debt like instruments (i.e. Preference Shares). Therefore the Awards are accounted for in the same way as an option.

IFRS 2 and IAS 19 do not prescribe which model should be used. IFRS 2 only requires that the valuation technique be consistent with generally accepted valuation methodologies for pricing financial instruments, and incorporate all factors and assumptions that knowledgeable, willing market participants would consider in setting the price, while IAS 19 refers to Fair Value under IFRS 13.

A Monte Carlo Model is considered reasonable to determine the Fair Value of the Awards given there is a Hurdle for the Awards to meet before they are entitled to any return. In this regard, the entitlement of the B-2 Ordinary shares, C Ordinary share and EARs are subject to the Preference Shares and the participation of the market-based performance vesting C Ordinary shares are subject to MM achieved by Thoma Bravo.

It should be noted, in accordance with IFRS 2 any non-market-based performance conditions (i.e. the vesting conditions) have not been considered as part of the initial value of the Awards but should be considered in estimating the number of instruments

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which are expected to vest for calculating the charge in the financial statements. The table below presents the key assumptions for the awards valued at different grant dates during the current year:

	MIP - RSU tranche	MIP - PSU tranche	MIP - RSU tranche	EARS	EARS
Grant date (Range)	09-Mar-25	09-Mar-25	24-Jun-25	09-Mar-25	24-Jun-25
Fair value per award	\$3.35	\$1.65	\$2.95	\$2.95	\$2.95
Expected life in years (Range)	1.56 - 2.56 years	1.56 - 2.56 years	1.25 - 2.25 years	1.56 - 2.56 years	1.25 - 2.25 years
Expected volatility	56%	56%	55%	56%	55%
Risk free interest rate (Range)	4.00% - 4.02%	4.00% - 4.02%	3.71% - 3.90%	4.00% - 4.02%	3.71% - 3.90%
Dividend yield	0%	0%	0%	0%	0%
Number of awards	13,918,755	4,959,413	401,591	1,276,508	56,807

10 Capital Management Policies and Procedures

The Group's objectives when managing capital are to safeguard the ability to continue as a going concern, to provide adequate returns for shareholders, and maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may issue new shares or sell assets to reduce debt. The Group monitors capital based on the carrying amount of the equity less cash and cash equivalents as presented on the face of the consolidated statement of financial position.

	30 June 2025 \$'000
Capital	
Total equity	2,722,787
Less cash and cash equivalents	(381,614)
Total capital	2,341,173
Overall financing	
Total equity	2,722,787
Plus leasing liabilities, borrowings and other financing liabilities	(2,157,595)
Total financing	565,192

Loan Covenants

Under the terms of the bank loan, the group is required to comply with the following financial covenants at the end of each annual and interim reporting period:

- Net debt leverage ratio must be not more than 7.85:1.00 applicable if the Revolving Credit Facility is utilised in the period only.

As the facility was not utilised in the period ending 30 June 2025, this is not applicable.

Working Capital

11 Capitalised Commission

Commission Cost Recognition

Commission costs are all recognised as Sales and Marketing ("S&M") costs. The Group pays commissions to sales staff and to referral partners. IFRS 15 requires that certain costs incurred in both obtaining and fulfilling customer contracts be deferred on the consolidated statement of financial position where recoverable and amortised over the period that an entity expects to benefit from the customer relationship. The only significant cost falling within the remit of IFRS 15 is the portion of commission costs classified as a cost of contract acquisition.

Darktrace pays 100% of all future sales commissions upfront. Darktrace is required, under IFRS 15, to capitalise substantially all new sales commissions, with substantially all commissions deemed to meet the criteria of being incurred solely to acquire the

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contract. Together with related social security and similar contributions, most commissions are therefore capitalised and amortised over the customer contract term, with the amortisation being recognised as an S&M cost.

Refer to note 1 for impairment of non-financial assets.

	30 June 2025
Geographic market	\$'000
USA	30,113
United Kingdom	11,185
Europe	24,723
Rest of World	20,611
	86,632
Current	54,635
Non-current	31,997
	86,632
Amortisation in the year	18,268
Impairment in the year	281

12 Trade and Other Receivables

Trade receivables are recognised initially at the amount of consideration that is unconditional, unless they contain significant financing components when they are recognised at fair value. They are subsequently measured at amortised cost using the effective interest method, less expected credit loss provision.

The Group has adopted the simplified model of recognising lifetime expected credit losses for all trade receivables on a collective basis as there are shared credit risk characteristics, grouped on basis of geography and days past due. The amount of the provision is determined as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted using the original effective interest rate. See note 1 for a description of the Group's impairment policies.

The Group defines a trade receivable as in default (i.e., credit impaired) if it is more than 90 days past due, unless it has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate. The Group writes off trade receivables when in its view there is no reasonable expectation of recovery.

Darktrace considers two main parameters where a customer is considered to have defaulted. The first is where a customer breaches its contractual obligation to provide payment in relation to provided services and there are no other available avenues to recover the outstanding debt. The second is where a customer has terminated the agreement with Darktrace outside of its contractual rights.

Deposits

Deposits are financial assets measured at amortised cost, primarily related to cash deposits in connection to leases for the Group's offices. Where the agreement is for a term longer than one year, the related deposit is classified as long term. Refer to note 19 for accounting treatment of short-term deposits classified as cash and cash equivalent instead.

	30 June 2025
	\$'000
Trade receivables	124,257
Prepayments	35,432
Accrued income	4,509
Amounts owed from parent entity	3,047
Other receivables	2,649
Deposits	1,481
As at 30 June	171,375

The carrying value of trade receivables is considered a reasonable approximation of fair value due to the short-term nature of the balance.

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared

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credit risk characteristics and the days past due. The Group allocates each exposure to a credit risk grade based on data that is determined to be predictive on the risk of loss (including but not limited to external ratings, audited financial statements, management accounts and cash flow projections and available press information about customers) and applying experienced credit judgement. Credit risk grades are defined using qualitative and quantitative factors that are indicative of the risk of default.

Exposures within each credit risk grade are segmented by geographic region and an ECL rate is calculated for each segment based on delinquency status and actual credit loss experience over the past 3 years as well as forward looking factors. These rates are multiplied by scalar factors to reflect differences between economic conditions during the period over which the historical data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

The Group has recorded an expected credit loss provision for trade receivables as determined under the requirements of IFRS 9, at 30 June 2025 of \$4.0 million.

The movement in the expected credit loss provision is as follows:

	For the period from 19 April 2024 to 30 June 2025
	\$'000
At the beginning of the period	-
Business combination	5,560
Charge for the period	(678)
Reversal on collected amounts	(856)
Expected credit loss provision at year end	4,026
Receivables written off during the year	2,601

The expected credit loss for trade receivables was determined as follows:

	up to 30 days	up to 60 days	up to 90 days	more than 90 days	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
30 June 2025					
Expected credit loss rate	0.4%	9.7%	15.6%	49.6%	3.0%
Gross carrying amount for	119,393	5,793	2,345	5,262	132,793
Lifetime expected credit	(488)	(563)	(366)	(2,608)	(4,026)

The net movement in the expected credit loss provision has been included in general administrative cost in the consolidated statement of comprehensive income.

13 Trade and Other Payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year or any other period which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the end of the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

Amounts falling due within one year:

	30 June 2025
	\$'000
Accruals	85,853
Loan payable to parent	46,160
Social security and other taxes	12,015
Trade payables	9,006
As at 30 June	153,034

Accruals includes:

- \$44.6 million accrued commission and bonuses
- \$26.1 million accrued salaries and partner fees
- \$10.1 million accrued hosting fees and professional fees including audit and accountancy
- \$3.6 million accrued marketing and recruitment costs

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- \$1.5 million accrued legal fees

Loan payable to parent is a loan held with Darktrace Parent Limited in relation to the Co-Invest Programme ("CIP") and Management Incentive Programme ("MIP"). During February 2025, Darktrace Parent Limited launched 2 new employees' benefits schemes; management is offering the CIP and MIP to enable employees and certain individuals to share in the ownership, and potential future growth, of the Darktrace group as management executes their strategy over the coming years.

14 Provisions

Provisions are recognised where a legal or constructive obligation exists at the balance sheet date, as a result of a past event, where the amount of the obligation can be reliably estimated and where the outflow of the economic benefit is probable.

FY25 AIP awards at acquisition – CRA accounting – significant judgement

Awards granted in August 2025 were included in the 'acquisition agreement'. Vesting of these awards are subject to meeting the relevant vesting conditions (i.e. service condition for RSUs and performance based and service condition for PSU). These awards were granted in July 2024 onwards and the terms include a takeover clause which sets out what happen in the event of the anticipated acquisition by Darktrace Bidco Limited.

The new award consists of two vesting scenarios, one being an equity settled arrangement and the other being a cash award that is settled by the acquirer on takeover. The award is effectively a share-based payment plan with a cash settlement alternative, with the cash settlement contingent on an event outside the control of issuer and counterparty (change in control). The classification of such awards is based on whether the contingent is probable.

The terms of the new awards included the cash replacement settled by the acquirer. Since the terms of the award include the replacement award, there is no modification. The replacement award is in substance a mandatory replacement by the acquirer in a business combination and relevant guidance as per IFRS 3 has been applied (**Judgement**).

This award effectively consists of 2 alternative vesting scenarios (regular IFRS 2 vesting and cash settlement by acquirer). Switch accounting is applied at the date of acquisition. (**Judgement**).

The company accounted for the pre-combination amount as a liability with the corresponding amount in goodwill in the consolidated financial statements. The awards represent cash settled share-based payments awarded to their employees. The total amount to be accounted for as is determined by reference to the fair value of the awards outstanding as at the acquisition date.

The total cost and related liability are recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied.

	Provision for share-based payment tax \$'000	Provision for contingent acquisition costs \$'000	CRA Provision \$'000	Other provision \$'000	30 June 2025 Total provision \$'000
Opening provision	-	-	-	-	-
Business combination	13,959	74,156	-	2,287	90,402
Accrual/(release) for the year	2,171	5,190	70,702	(370)	77,693
Utilisation	(14,145)	(79,346)	(49,101)	(942)	(143,534)
Closing provision	1,985	-	21,601	975	24,561
Current	1,235	-	9,174	105	10,514
Non-current	750	-	12,427	870	14,047
Total provision	1,985	-	21,601	975	24,561

Other provision includes an estimate of the tax charges in relation to permanent establishment rules in countries where there is no subsidiary, a provision for dilapidations and a provision for onerous contracts in line with IAS 37.

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Long Term Assets

15 Goodwill

Goodwill arising on the acquisition of a subsidiary is recognised as an asset at the date that control is acquired (the acquisition date).

Goodwill is measured as the excess of:

- the sum of the consideration transferred,
- the amount of any non-controlling interest in the acquiree and
- the fair value of the acquirer’s previously-held equity interest (if any) in the entity over the net fair value of the identifiable net assets recognised.

If, after reassessment, the Group’s interest in the net fair value of the acquiree’s identifiable net assets exceeds the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer’s previously-held equity interest (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Goodwill is not amortised but is reviewed for impairment at least annually. Any impairment loss is recognised immediately in the consolidated statement of comprehensive income and is not subsequently reversed.

Impairment testing is applied in the order set out by IAS 36.98: assets within a CGU first, where there is indication of impairment, then the CGU, then the group of CGUs to which goodwill has been allocated.

	For the period from 19 April 2024 to 30 June 2025 \$'000
Goodwill	
As at 19 April 2024	-
Darktrace acquisition	2,233,903
Cado acquisition	60,049
As at 30 June	2,293,952

Goodwill arose upon the acquisition of Darktrace Limited (formerly Darktrace plc) and Cado Security Limited during the period ended 30 June 2025 (see note 2 for details). The assets are allocated to a single Darktrace CGU (corresponding to the single operating segment) and is monitored, therefore at the consolidated group level. IAS 36 requires Management to perform impairment tests annually for goodwill and indefinite lived assets. Since 1 July 2025 Cado Security Limited is dormant, and all assets and activities have been transferred to Darktrace Holdings Limited. Functional currency for both entities has been determined to be the same currency as the Group i.e. USD and therefore there will be no foreign exchange differences going forward on goodwill.

The recoverable amount of the single CGU has been calculated based on its value in use, estimated as the present value of projected future cash flows for the next 5 years covered by the most recent approved budget and forecasts. Cash flow projections beyond the period covered by the most recent budgets/forecasts, had been estimated by extrapolating the projections based on the budgets/forecasts using the long-term growth rate.

The key assumptions used in the estimation of the recoverable amount as at 30 June 2025 are set out below. The value assigned to the key assumptions represented Management’s assessment of future trends in the relevant industries and have been based on historical data from both external and internal sources.

- Discount rate: 11.8%. This rate was calculated as pre-tax rate and reflects both the market assessment of the time value and the risk of the specific assets.
- Long-term growth rate: 2.5% consistent with industry benchmark and the economic outlook of the countries where the Group operates.
- Forecast FY26-FY30 EBITDA compound annual growth rate of 19.6%: The VIU scenario is based on Management’s projections, which assume sustained margin expansion driven by ongoing operational efficiencies and economies of scale, supported by the Company’s growing recurring revenue model.

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The Group has performed sensitivity analyses, using reasonably possible changes in the long-term growth rates, forecasted cash flows and pre-tax discount rates arising from reasonably possible trading and economic scenarios. The sensitivity analysis showed that no impairment charges would result from these scenarios.

16 Intangible Assets

Customer relationship

Customer relationships acquired in a business combination are recognised at fair value at the acquisition date. It has an estimated useful economic life of 15 years and is subsequently carried at cost less accumulated amortisation and impairment losses.

Brand

The Darktrace brand has traded since 2013 and has good market presence. Brand acquired in a business combination is recognised at fair value at the acquisition date. It has an estimated useful life of 15 years and is subsequently carried at cost less accumulated amortisation and impairment losses.

Software

Software acquired in a business combination is recognised at fair value at the acquisition date. It has an estimated useful economic life of 9 years and is subsequently carried at cost less accumulated amortisation and impairment losses.

The Group capitalises allowable costs related to the development of new products and related significant functional enhancements to its Cyber AI platform. The directly attributable costs capitalised are employee costs including the appropriate portion of relevant compensation-related overheads. Costs are only capitalised when the following criteria are met:

- it is technically feasible to complete the software so that it will be available for use,
- Management intends to complete the software so that it will be available for use,
- there is an ability to use or sell the software,
- it can be demonstrated how the software will generate probable future economic benefits,
- adequate technical, financial and other resources to complete the development and to use or sell the software are available, and
- the expenditure attributable to the software during its development can be reliably measured.

These capitalised development costs are recorded as intangible assets and amortised from the point at which the developed assets are released for use, typically as a part of major version or product releases.

Capitalised development costs are amortised on a straight-line basis over a three-year period unless the related software is removed from service prior to that date, in which case the remaining amortisation related to the software removed from use would be accelerated. Amortisation is classified as Research and development costs.

Costs associated with maintaining software programmes are recognised as an expense as incurred.

	Customer Relationship \$'000	Brand \$'000	Software \$'000	For the period from 19 April 2024 to 30 June 2025 Total \$'000
Cost				
As at 19 April 2024	-	-	-	-
Business combination (Darktrace)	2,070,409	230,232	963,011	3,263,652
Business combination (Cado)	131	-	16,533	16,664
As at 30 June	2,070,540	230,232	979,544	3,280,316
Amortisation				
As at 19 April 2024	-	-	-	-
Charge for the year	(103,519)	(11,511)	(81,077)	(196,107)
As at 30 June	(103,519)	(11,511)	(81,077)	(196,107)
Net book value as at 30 June	1,967,021	218,721	898,467	3,084,209

All amortisation of intangible assets is charged to the consolidated statement of comprehensive income and is included within research and development costs.

17 Property, Plant and Equipment

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Property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to the consolidated statement of comprehensive income during the reporting period in which they are incurred.

The depreciation methods and periods used by the Group are as follows:

Appliances	5 years straight line
Leasehold improvements	Lower between EUL and lease term on straight line
Equipment	2-5 years straight line

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the consolidated statement of comprehensive income.

Other Assets

Other assets included within property, plant and equipment are generally IT equipment for employee use and a small amount of infrastructure equipment. The Group also has office fit out costs, furniture, other tangible property including leasehold improvements.

Appliances

Most of the Group's property, plant and equipment is comprised of the appliances used to deploy its software. Appliances are encrypted with the Group's software and deployed both to customers for the fulfilment of contracts and potential customers for POV demonstrations. These appliances are deployed, retrieved and redeployed many times over their useful lives and may be on customer or prospect sites, interchangeably, at any given time. The Group retains ownership of these appliances and depreciates them over an estimated five-year useful economic life. The depreciation of these assets is apportioned to either Cost of sales or Sales and marketing based on the proportion of appliances deployed to customers and prospects in each period.

Significant judgement in assessment of control of appliances

The Group is required to assess if, as part of the assessment of the performance obligations, there is an embedded lease within the contract relating to the appliances used to deploy its software. Due to the length of the contracts, averaging approximately three years, and the underlying asset value, it is appropriate to assess if there is an inherent lease embedded within the contract.

The Group considered its continued ownership of the appliances, the appliances having a useful economic life in excess of the typical contract length (appliances are accounted for on an estimated useful life of five years based on the Group's experience to date) in determining if there was a lease. It is also Management's judgement that the Group retains control of the appliances throughout the performance period as the Group directs the use of the asset. Therefore Management's judgement that the Group's contracts do not contain leases under IFRS 16.

	Leasehold improvements \$'000	Equipment \$'000	Appliances \$'000	For the period from 19 April 2024 to 30 June 2025 Total \$'000
Cost				
As at 19 April 2024	-	-	-	-
Business combination	7,096	7,499	42,525	57,120
Additions	680	2,534	14,021	17,235
Disposals	-	(2,119)	(7,722)	(9,841)
As at 30 June	7,776	7,914	48,824	64,514
Depreciation				
As at 19 April 2024	-	-	-	-
Charge for the period	(1,588)	(3,270)	(13,416)	(18,274)
Disposals	-	1,864	6,992	8,856
As at 30 June	(1,588)	(1,406)	(6,424)	(9,418)
Net book value as at 30 June	6,188	6,508	42,400	55,096

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Depreciation of appliances is apportioned to cost of sales based on the proportion of the Group's appliance pool deployed to customer sites in each period, and all appliance depreciation related to customer contracts is recognised in Cost of sales. Depreciation of appliances used to run POV demonstrations for prospects is apportioned to Sales and Marketing based on the proportion of the Group's appliance pool deployed to prospect sites in each period. Where appliances are at client sites or in transit and there is doubt about their recoverability, they are impaired: the impairment for the year amounted to \$0.1 million.

The depreciation charges for Property, plant and equipment have been made in the consolidated statement of comprehensive income within the following functional areas:

	For the period from 19 April 2024 to 30 June 2025
	\$'000
Depreciation	
Cost of sales	12,906
Sales and marketing	3,220
Research and development	846
General and administrative	1,302
	18,274

Inventory – Appliances for Federal use

Inventory includes those appliances that are purchased for the purpose of being sold to potential and future customers for Darktrace Federal Inc. Under the specific requirements of segregation of this entity, those future customers may require for the appliances used to deploy the software as POV or for future contracts to be sold to them. Those appliances are distinct from appliances used in any other country or for any other Industry as they are purchased specifically for this subsidiary and retained in dedicated space before they are deployed to the potential or future customer.

Inventory is stated at the lower of cost and net realisable value. Cost is determined on the basis of weighted average costs and comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition.

	For the period from 19 April 2024 to 30 June 2025
	\$'000
Inventory	161

18 Leases

The Group leases various offices and equipment. Rental contracts are typically made for fixed periods of 6 months to 8 years but may have extension options as described below.

Contracts may contain both lease and non-lease components. Under IFRS 16 'Leases' the Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable,
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date,
- amounts expected to be payable by the Group under residual value guarantees,
- the exercise price of a purchase option if the Group is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the Group's exercising of that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee

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would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Group:

- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by subsidiaries, which do not have recent third-party financing,
- makes adjustments specific to the lease, e.g., term, country, currency and security, and
- if a readily observable amortising loan rate is available to the individual lessee (through recent financing or market data) which has a similar payment profile to the lease, then the Group entities use that rate as the basis to determine the incremental borrowing rate.

Right-of-use Assets

Right-of-use assets are measured at cost considering the following:

- the amount of the initial measurement of lease liability,
- any lease payments made at or before the commencement date less any lease incentives received,
- any initial direct costs, and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life (typically first expected break clause to be executed if this is expected) and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases of equipment and all leases of low-value assets are recognised on a straight-line basis as an expense in the consolidated statement of comprehensive income. Short-term leases are leases with a lease term of 12 months or less without a purchase option. Low-value assets are generally comprised of IT equipment and small items of office furniture.

Extension and Termination Options

Extension and termination options are included in several property leases across the Group. These are used to maximise operational flexibility in terms of managing the assets used in the Group's operations. Most of the extension and termination options held are exercisable only by the Group and not by the respective lessor.

Refer to note 1 for impairment of non-financial asset.

Right-of-use assets capitalised on the consolidated statement of financial position are as below:

	For the period from 19 April 2024 to 30 June 2025 \$'000
Cost:	
As at 19 April 2024	-
Business combination	43,307
Additions	4,086
Disposals	(3,604)
As at 30 June	43,789
Depreciation:	
As at 19 April 2024	-
Charge for the period	(9,022)
Disposals	3,303
As at 30 June	(5,719)
Net book value at 30 June	38,070

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The depreciation charges for right-of-use assets have been made in the consolidated statement of comprehensive income within the following functional areas:

	For the period from 19 April 2024 to 30 June 2025 \$'000
Depreciation	
Cost of sales	(1,766)
Sales and marketing	(5,050)
Research and development	(1,087)
Other administrative	(1,119)
Total	(9,022)

Lease liabilities are presented in the consolidated statement of financial position as follows:

	30 June 2025
Current	11,394
Non-current	33,589
As at 30 June	44,983

The Group has leases for office space around the world. With the exception of short-term leases and leases of low value underlying assets, each lease is reflected on the consolidated statement of financial position as a right-of-use asset and a lease liability.

The Group must keep the offices it leases in a good state of repair and return the offices in a condition as good as their original condition at the end of the lease. Further, the Group must insure any leasehold improvements made to the offices and incur servicing fees in accordance with the lease contracts.

The following table describes the nature of the Group's leasing activities by type of right-of-use asset recognised on the consolidated statement of financial position:

Year	Right-of-use asset	No. of right-of-use assets leased	Range of remaining term	Average remaining lease term	No. of leases with extension options	No. of leases with early break clause
30 June 2025	Office space	29	0-8 years	3.3 years	8	10

The lease liabilities are secured by the related underlying assets. The table below shows undiscounted lease maturity analysis:

Lease maturity analysis	30 June 2025
Lease liabilities, short term	14,115
1 - 2 years	11,405
2 - 5 years	21,590
Over 5 years	6,303
Total liabilities	53,413

Amounts Recognised in the Consolidated Statement of Comprehensive Income

The Group has elected not to recognise a lease liability for short term leases (leases with an expected term of 12 months or less) or for leases of low value assets. Payments made under such leases are expensed as incurred. The expense relating to payments not included in the measurement of the lease liability is disclosed below.

	For the period from 19 April 2024 to 30 June 2025 \$'000
Office space	
Short-term leases	2,171
Low value leases	732
Total	2,903

The future minimum rentals under non-cancellable leases are as follows:

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Office space	30 June 2025
	\$'000
Within one year	1,456
Low value lease rentals	2,062
	3,518

The Group also holds leases for office equipment such as photocopiers for which it has taken the small value exemption.

Amounts Recognised in the Consolidated Statement of Cash Flows

	For the period from 19 April 2024 to 30 June 2025
	\$'000
Cash outflows for leases	11,274
Total cash outflow	11,274

Financial Risk Management

19 Cash and Cash Equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents includes cash on hand and other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Deposits at call are presented as cash equivalents if they have a maturity of three months or less from the date of acquisition and are repayable with 24 hours' notice with no loss of interest.

	30 June 2025
	\$'000
Cash at bank and in hand	204,871
Deposits at call	176,743
Cash and cash equivalents	381,614

\$57.5m relates to restricted cash which relates to funds in the Employee Benefit Trust that is ear-marked for employee benefits.

20 Changes in Liabilities Arising from Financing Activities

The changes in the Group's liabilities arising from financing activities can be classified as follows:

	Lease liabilities	Borrowings	Shareholder's Loans	Total
	\$'000	\$'000	\$'000	\$'000
19 April 2024	-	-	-	-
Changes from financing cash flows				
Repayment of lease liabilities	11,274	-	-	11,274
Repayment of borrowings	-	254,338	-	254,338
Interest payment	-	87,785	884	88,669
Other changes				
Interest expense	(2,368)	(131,426)	(884)	(134,678)
New leases	(4,086)	-	-	(4,086)
Foreign exchange movements	191	-	-	191
30 June 2025	5,011	210,697	-	215,708

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The group has entered into a new secured bank loan credit facility with Goldman Sachs, which amounts to \$2.14 billion comprises of first and second lien loan facility (\$1.74 billion and \$4.10 million) having a carrying amount of \$2.08 billion at 30 June 2025. The first lien loan is payable in tranches within a span of 7 years, and the second lien loan is payable at the end of an 8 year term.

Under the terms of the bank loan, the group is required to comply with the following financial covenants at the end of each annual and interim reporting period:

- Net debt leverage ratio must be not more than 7.85:1.00 applicable if the Revolving Credit Facility is utilised in the period only.

As the facility was not utilised in the period ending 30 June 2025, this is not applicable.

21 Risk Management Objectives and Policies

The Group's financial risk management is controlled by a central treasury department ("Group treasury") under policies approved by the Board of Directors. Group treasury identifies and evaluates financial risks in close co-operation with the Group's CFO and other Executive Directors and Senior Managers. The Board authorises written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative and non-derivative financial instruments, and investment of excess liquidity.

Market Risk

Foreign Exchange Risk

The table below details the Group's exposure to foreign currency risk, in currencies different from the Company functional currency:

	AUD	CAD	EUR	GBP	JPY	Other currencies	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Trade receivable	2,549	4,256	33,660	20,964	549	2,567	64,545
Deposits	146	246	527	5,614	57	261	6,851
Cash and cash equivalents	1,254	5,583	9,700	11,752	152	2,740	31,181
Trade payables	(79)	(28)	(176)	(2,798)	(147)	(153)	(3,381)
30 June 2025	3,870	10,057	43,711	35,532	611	5,415	99,196

The aggregate net foreign exchange loss recognised in other administrative expenses are:

	For the period from 19 April 2024 to 30 June 2025
	\$'000
Net foreign exchange loss	(1,380)

As shown in the table above, the Group is primarily exposed to changes in USD/GBP and USD/EUR exchange rates. The sensitivity of profit or loss to changes in the exchange rates arises mainly from EUR or GBP denominated financial assets and liabilities.

	For the period from 19 April 2024 to 30 June 2025
	\$'000
USD/EUR exchange +/- 10%	(3,974) / 4,857
USD/GBP exchange +/- 10%	(3,229) / 3,946

The Group operates a natural hedging strategy where possible to mitigate its foreign exchange risk.

Price Risk

The Group has no significant exposure to equity securities price risk.

Credit Risk

Credit risk arises from cash and cash equivalents, contractual cash flows of deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding receivables.

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Credit risk is managed on a Group basis. Certain partners who are significant are independently rated through credit agencies, if there is no independent rating an internal review is carried out. The Credit manager assesses the credit quality of the partner, taking into account its financial position, as well as experience for customers and partners in the same region. There are no significant concentrations of credit risk, whether through exposure to individual customers or partners, specific industry sectors or regions.

The Group's main financial assets that are subject to the expected credit loss model are trade receivables. While cash and cash equivalents are also subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial. Refer to note 12 for a trade receivable impairment analysis.

The Board approved Treasury policy governs the credit limits for deposits with banks and financial institutions. Credit ratings and limits are reviewed on monthly basis by Group Treasury. The credit ratings for the deposits classified as cash and cash equivalents ranges from BBB+ to A+.

Trade receivables are fully provided where there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group, and a failure to make contractual payments for a period of greater than 6 months past due. The general credit loss provision will begin to be provided from thirty days past due based on the historic default rates adjusted for regional performance. Impairment losses on trade receivables are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

Liquidity Risk

Prudent liquidity risk management involve maintaining sufficient cash and marketable securities, and the availability of funding through an adequate amount of committed credit facilities, to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, Group treasury maintains flexibility in funding by maintaining both liquid cash and availability under committed credit lines.

	For the period from 19 April 2024 to 30 June 2025
	\$'000
Expiring beyond one year (bank loans)	2,103,576
30 June 2025	2,103,576

Maturity of Financial Liabilities

The table below presents the Group's financial liabilities by relevant maturity grouping, based on their contractual maturities. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

	Less than 12 months \$'000	Between 1 - 2 years \$'000	Between 2 - 5 years \$'000	Over 5 years \$'000	Carrying amount liabilities \$'000
Trade payables	9,006	-	-	-	9,006
Accruals	18,039	-	-	-	18,039
Lease liabilities	14,115	11,405	21,590	6,303	53,413
Borrowings	187,328	186,016	550,634	2,338,192	3,262,170
30 June 2025	228,488	197,421	572,224	2,344,495	3,342,628

22 Summary of Financial Assets and Liabilities by Category

The carrying amounts of the assets and liabilities as recognised at the consolidated statement of financial position date of the years under review may also be categorised as follows:

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	For the period from 19 April 2024 to 30 June 2025
	\$'000
Financial assets at amortised cost	
Deposits	9,170
Trade receivables and accrued income	128,767
Cash and cash equivalents	381,614
Total financial assets at amortised cost	519,551
Financial liabilities at amortised cost	
Trade payables	(9,006)
Accruals	(18,039)
Lease liabilities	(44,983)
Borrowings	(2,112,613)
Total financial liabilities at amortised cost	(2,184,641)

Accruals include all the financial liabilities at amortised cost, hence exclude payroll accruals in note 13.

Other notes

23 Other Operating Income

R&D Tax Credit / Government Grants

The Group has made claims for tax credits under HMRC's Research and Development Expenditure Credit (RDEC) scheme since 2019 which is reflected as other operating income on the consolidated statement of comprehensive income. This accounting treatment is in accordance with IAS 12 Income Tax and IAS 20 Government grants.

	For the period from 19 April 2024 to 30 June 2025
	\$'000
R&D tax credit under HMRC RDEC scheme	3,808
Other income	1,216
Total other operating income	5,024

24 Income tax

Income Tax

The income tax expense or credit for the period comprises current tax for the year, based on the applicable income tax rate for each jurisdiction, adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses, where applicable.

Current tax is the expected tax payable or receivable on the taxable income for the year, using tax rates enacted or substantively enacted at the end of the reporting period, and any adjustment to tax payable in respect of previous periods in the countries where the Group operates and generates taxable income. Any uncertain tax treatments are reviewed, documented and communicated to the Board as appropriate. The Group finance function monitors any uncertain items on a regular basis, working closely with the local tax advisor to understand any potential changes to the associated risk. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes.

Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

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Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and where the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the Group entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised, or the deferred income tax liability is settled.

Income tax is recognised as an expense or income and included in the consolidated statement of comprehensive income for the period, except to the extent that the tax arises from a transaction or event that is not itself recognised in the consolidated statement of comprehensive income, for example when it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Under IFRS Standards, if the amount of the tax deduction (or estimated future tax deduction) exceeds the amount of the related cumulative share-based payment expense, this indicates that the tax deduction relates not only to remuneration expense but also to an equity item. Accordingly, the tax benefit is allocated:

- to profit or loss to the extent it arises from the cumulative remuneration expense recognised; and to equity for any excess benefit (and subsequent reduction in the excess). The excess is determined at each reporting date on a cumulative basis.
- If the tax deduction received (or expected to be received) is less than or equal to the cumulative compensation expense, all amounts are allocated to profit or loss.

Deferred tax balances recognised in the year

The Group has recognised a deferred tax liability of \$770.9 million as a result of the intangible assets recognised at acquisition (see note 2) and has recognised deferred tax asset of \$123.4 million at 30 June 2025 mainly on account of significant tax losses in the UK available for offset against future taxable profits and against the deferred tax liabilities recognised at acquisition.

Future policy

The Group will continue to assess the deferred tax asset against the recognition criteria in line with the external reporting deadlines, considering the most up-to-date forecasts available at that time. If there is a significant unforeseen future event that would have a significant bearing on the above analysis, Darktrace will consider the impact on the deferred tax position at the point in time, outside of the usual review process.

	For the period from 19 April 2024 to 30 June 2025 \$'000
Current tax (credit)/expense:	
UK current tax	
Foreign withholding tax suffered	1,267
Foreign taxation	2,713
Total current tax	3,980
Deferred tax (credit)/expense:	
Origination and reversal of timing differences	(124,673)
Total deferred tax	(124,673)
Taxation	(120,693)

The relationship between the expected tax expense based on the UK effective tax rate of the Group at 25%, and the tax expense recognised in the consolidated statement of comprehensive income can be reconciled as follows:

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	For the period from 19 April 2024 to 30 June 2025 \$'000
Profit for year before taxation	(648,171)
Tax Rate	25.0%
Tax on profit on ordinary activities at standard CT rate 25%	(162,043)
Effects of:	
Tax rates in foreign jurisdictions	(211)
Non-deductible expenses	40,294
Overseas taxes deducted at source	1,267
Total tax on (credit)/charge on ordinary activities for the year	(120,693)

Deferred Tax Assets and Liabilities

The tax rate applied considers 25.0% for UK and 25.4% for US as these are tax rate expected to be applicable by the time the loss will be unwound.

	30 June 2025		
	Asset \$'000	Liability \$'000	Net \$'000
Fixed Asset timing differences		(5,121)	(5,121)
Short term temporary differences	23,705	(8,772)	14,933
Losses carried forward	99,744	-	99,744
Intangible asset arising on business combination		(757,001)	(757,001)
Total	123,449	(770,894)	(647,445)

Movement in deferred tax asset and deferred tax liabilities

	For the period from 19 April 2024 to 30 June 2025 \$'000
19 April 2024	-
<i>Business combination:</i>	
Deferred tax asset recognised on acquisition (Darktrace Acquisition)	95,477
Deferred tax liability recognised on acquisition (Darktrace Acquisition)	(862,888)
Deferred tax liability recognised on acquisition (Cado Acquisition)	(4,707)
<i>(charged)/credited through the income statement:</i>	
Deferred tax asset movement	13,794
Deferred tax liability movement	110,879
30 June 2025	(647,445)

25 Related Party Transactions

The Company and the Group had no ultimate controlling party until 30 September 2024. There were no related party transactions with Directors to disclose in any of the years presented. Refer to note 5 for directors' remuneration. From 1 October 2024 the new ultimate controlling party is Thoma Bravo L.P. The ultimate parent undertaking and the smallest and largest Company to consolidate these financial statements from 1 October 2024 is Darktrace Midco I Limited.

Key Management Remuneration

The Group considers to be part of the key management personnel the members of the Board (including the Executive Directors) and three Senior Managers who exert control over the strategy and direction of the Group.

Their costs in the period were as follows:

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	For the period from 19 April 2024 to 30 June 2025 \$'000
Wages and salaries	5,537
Bonus and commission	4,079
Social security costs	688
Benefits	117
Total short-term benefits	10,421
Pension costs	65
Cash replacement awards	29,994
Share-based payment charge	37,694
Share-option related employer tax charges	(1,096)
	77,078

Short term employee benefits of the Group's key management personnel include salaries and non-cash benefits.

Other related party disclosures

Other related parties include transactions with companies under common directorship.

	Transaction value For the period from 19 April 2024 to 30 June 2025 \$'000	Balances outstanding 30 June 2025 \$'000
Fees for management support services	17,067	-
Revenue received	(126)	-
Amounts receivable by parent entity	-	3,047
Amounts payable to parent entity	-	(46,160)
	16,941	(43,113)

26 Capital Commitments

The Group had no capital commitments at 30 June 2025.

27 Subsidiaries

The group's subsidiaries at 30 June 2025 are set out below. Unless otherwise stated, they have share capital consisting solely of ordinary shares, and the proportion of ownership interests held equals the voting rights held by the group. The country of incorporation or registration is also their principal place of business of each entity. Darktrace Midco II Limited is the solely directly owned subsidiary; all other subsidiaries are owned by the Group.

For the period ended 30 June 2025 the company has taken advantage of the audit exemption for subsidiary companies under section 479A of the Companies Act 2006 for the following entities:

- Darktrace Midco II Limited
- Darktrace Group Limited
- Darktrace Finco UK Limited

The members of the company have not required an audit under section 476 of the Act for the above-mentioned subsidiaries.

The directors acknowledge their responsibilities under the Act for preparing accounts and maintaining adequate accounting records.

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Subsidiary	Country of registration	Registered office	Year of incorporation		Proportion held	Principal activity
Darktrace Midco II Limited	UK	Maurice Wilkes Building St John's Innovation Park Cowley Road Cambridge CB4 0DS	2024	Directly owned by the Company	100%	Holding entity
Darktrace Group Limited	UK	Maurice Wilkes Building St John's Innovation Park Cowley Road Cambridge CB4 0DS	2024	Indirectly owned by the Group	100%	Holding entity
Darktrace Bidco Limited (UK)	UK	Maurice Wilkes Building St John's Innovation Park Cowley Road Cambridge CB4 0DS	2024	Indirectly owned by the Group	100%	Holding entity
Darktrace Limited (formerly plc)	UK	Maurice Wilkes Building St John's Innovation Park Cowley Road Cambridge CB4 0DS	2021	Indirectly owned by the Group	100%	Holding entity
Darktrace Finco US LLC	USA	C/O The Corporation Trust Company, Corporation Trust Center 1209 Orange St Wilmington New Castle DE 19801	2024	Indirectly owned by the Group	100%	Financing entity
Darktrace Finco UK Limited	UK	Maurice Wilkes Building St John's Innovation Park Cowley Road Cambridge CB4 0DS	2024	Indirectly owned by the Group	100%	Financing entity - dormant
Darktrace, Inc	USA	C/O Paracorp Incorporated 2140 S DuPont Highway Camden Delaware 19934 USA	2013	Indirectly owned by the Group	100%	Sales and marketing services

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Subsidiary	Country of registration	Registered office	Year of incorporation		Proportion held	Principal activity
Darktrace Federal Inc.	USA	C/O The Corporation Trust Company Corporation Trust Center 1209 Orange Street, Wilmington, New Castle, Delaware, United States, 19801	2022	Indirectly owned by the Group	100%	Trading entity
Darktrace Holdings Ltd	UK	Maurice Wilkes Building St John's Innovation Park Cowley Road Cambridge, United Kingdom, CB4 0DS	2013	Indirectly owned by the Group	100%	Trading and research and development services
Darktrace Singapore Pte Ltd	Singapore	4 Shenton Way, #28-03 SGX Centre 2, Singapore 068807	2015	Indirectly owned by the Group	100%	Sales and marketing services
Darktrace Australia Pty Ltd	Australia	C/O BP Woodward & Associates, Level 5 Suite 501, 83 York Street, Sydney NSW 2000, Australia	2015	Indirectly owned by the Group	100%	Sales and marketing services
Darktrace Japan KK	Japan	12-1-605 Okahigashi-cho Hirakata City Osaka, Japan	2015	Indirectly owned by the Group	100%	Sales and marketing services
Darktrace South Africa Pty Ltd	South Africa	Oakdene House - 229 Carina Street, Waterkloof Ridge Pretoria Gauteng 0181	2016	Indirectly owned by the Group	100%	Sales and marketing services
Darktrace Ireland Limited	Ireland	88 Harcourt Street, Dublin 2, D02 DK18, Ireland	2019	Indirectly owned by the Group	100%	Sales and marketing services
Darktrace SaS	France	38 avenue des Champs-Elysees 75008 Paris	2019	Indirectly owned by the Group	100%	Sales and marketing services
Darktrace Hong Kong Ltd	Hong Kong	31/F Tower Two Time Square Matheson Street Causeway Bay Hong Kong	2019	Indirectly owned by the Group	100%	Sales and marketing services
Subsidiary	Country of registration	Registered office	Year of incorporation		Proportion held	Principal activity

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Group Financial statements

Darktrace Colombia SaS	Colombia	Cra 16 # 97-46 Torre 1 piso 6 Bogota Colombia	2019	Indirectly owned by the Group	100%	Sales and marketing services
Darktrace Canada, Inc	Canada	Suite 2501- 550 Burrard Street, Vancouver, British Columbia, V6C 2B5, Canada	2020	Indirectly owned by the Group	100%	Sales and marketing services
Darktrace Mexico, SA De CV	Mexico	Boulevard Manuel Avila, Camacho No 76 PB Colonia: Lomas de Chapultepec Alcatia: Miguel Hidalgo Ciudad de Mexico C.P. 11000	2020	Indirectly owned by the Group	100%	Sales and marketing services
Darktrace GmbH	Germany	Nonnenbrücke 12, 96047 Bamberg, Germany	2020	Indirectly owned by the Group	100%	Sales and marketing services
Darktrace Employee Benefit Trust	Jersey	26 New Street, St Helier, Jersey, JE2 3RA	2021	Indirectly owned by the Group	100%	Employee benefit trust
Darktrace Netherlands B.V.	Netherlands	WTC The Hague, Tower E, Prinses Margrietplantsoen 42, 2595 BR, Den Haag, Netherlands	2015	Indirectly owned by the Group	100%	Sales and marketing and research and development services
Darktrace Korea Limited	South Korea	4th Floor LS YongSan Tower 92, Hangang-daero Yongsan-gu Seoul Republic of Korea 04386	2022	Indirectly owned by the Group	100%	Sales and marketing services
Darktrace Sweden AB	Sweden	c/o TMF Sweden AB, Vasagatan 38, 111 20 Stockholm, Sweden	2022	Indirectly owned by the Group	100%	Sales and marketing services
Darktrace New Zealand Limited	New Zealand	Turner Hopkins, Floor 1 1 The Strand Takapuna Auckland 0622 New Zealand	2023	Indirectly owned by the Group	100%	Sales and marketing services
Cado Security Limited	UK	3rd Floor 1 Ashley Road, Altrincham, Cheshire, United Kingdom, WA14 2DT	2020	Indirectly owned by the Group	100%	Trading entity

Darktrace Holdings Limited has also branch offices in Dubai, in Italy and in Spain.

Darktrace 2025 Annual Report**Group Financial statements**

Branch/permanent establishment	Country of registration	Registered office	Year of registration
Permanent Establishment of Darktrace Holdings Limited in Spain - (Establecimiento Permanente de Darktrace Holdings Limited en Espana)	Spain	CRESA - Calle Santa Engracia 151 2º 3ª 28003 Madrid Spain	2023
Darktrace Holdings Limited - Italian Branch	Italy	Via Tiziano 32 Milano (MI) Cap 20145 Italy	2023
Darktrace Holdings Limited- Dubai Branch	Dubai	Level 42, Emirates Towers Sheikh Zayed Road Dubai UAE	2019

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Group Financial statements

28 Post Balance Sheet Events

Directorate change

On 24 September 2025, Catherine Graham stepped down as Chief Finance Officer (CFO) with immediate effect and Suman Raju, has been appointed as her successor. Suman Raju assumed the role of CFO and has also been appointed to the Darktrace Board of Directors with effect from 24 September 2025. Philip Pearson (Chief Strategy Officer) was appointed to the Darktrace Board of Directors with effect from 24 September 2025.

Mira acquisition

On 21 July 2025, Darktrace acquired 100% of the share capital of Mira Security Limited, a leading provider of network traffic visibility solutions. The acquisition complements Darktrace's existing offerings, strengthening the Group's cloud offering for cloud data capture and forensics. Mira will be fully consolidated into the Group's accounts for the year ending 30 June 2026.

Share capital reduction and cancellation of preference shares

On 19 November 2025 Darktrace Midco I Limited reduced all of its share premium on the outstanding A-1 preference shares and A-2 ordinary shares creating distributable reserves.

Dividend distribution

On 20 November 2025 the Company distributed \$840.0 million to Darktrace Parent Limited by way of:

- An interim dividend of \$459.0 million on the accrued and outstanding A-1 preference shares up to 19 November 2025; and
- A share buy-back of 3,814,296 number of A-1 preference shares for \$381.4 million.

Shares conversion

On 20 November 2025 the Company converted all of its A-1 preference shares into A-2 ordinary shares as follows:

- Subdivision of the 24,988,359 A-1 preference shares of USD 1.00 each into 24,988,359,000 A-1 preference shares of USD 0.001 each.
- 24,988,359,000 of the A-1 preference shares of USD 0.001 converted into 24,988,359,000 A-2 ordinary shares of USD 0.001 each.

Following the conversion, the issued capital of the Company is \$24,991,560.297 of 24,991,560.297 A-2 ordinary shares.

Refinancing

On 20 November 2025, Darktrace refinanced its third-party debt and added new debt capital of \$750 million to the First Lien loan with Goldman Sachs. No changes were made to the terms of the original loan facility; payable in tranches within a span of 7 years with interest accruing daily at a rate of 4.3 per cent per annum above Term SOFR, payable quarterly.

New subsidiaries

In October 2025, a new legal entity, Darktrace Saudi LLC, was incorporated with an office in Riyadh expected to be opened in January 2026. This is reinforcing Darktrace's long-term commitment to supporting customers and partners across the MENA region.

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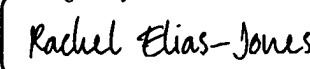
Company Financial statements

Company Statement of Financial Position

	Notes	30 June 2025 \$'000
Non-current assets		
Investments	5	3,200,295
Deferred tax asset		298
		3,200,593
Current assets		
Other receivables	6	26,658
Cash and cash equivalents		-
		26,658
Total assets		3,227,251
Current liabilities		
Trade and other payables	7	(2,345)
		(2,345)
Total Liabilities		(2,345)
Net Assets		3,224,906
Equity		
Share capital	8	28,806
Share premium		3,196,995
Capital contribution	8	395
Retained earnings		(1,289)
		3,224,906

As permitted by section 408 of Companies Act 2006, a separate Statement of comprehensive income for Darktrace Midco I Limited has not been included in these financial statements. Darktrace Midco I Limited total comprehensive loss for the year amounted to \$1.6 million.

These financial statements were approved by the Board of Directors and authorised for issue on 19 December 2025. They were signed on its behalf by:

Signed by:

89E55C903C5E458...
 Rachel Elias-Jones
 SVP of Global Finance
 Director
 Company No. 15662253

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Company Financial statements

Company Statement of Changes in Equity

	Notes	Share capital \$'000	Share premium \$'000	Capital contribution \$'000	Retained earnings \$'000	Total equity \$'000
19 April 2024		-	-	-	-	-
Total comprehensive loss for the year						
Loss for the period		-	-	-	(1,289)	(1,289)
Total comprehensive loss for the year		-	-	-	(1,289)	(1,289)
Shares issued in the period	8	28,806	3,171,489	395		3,200,690
Subscription of loan notes with parent entity	8	0	25,506	-	-	25,506
Transactions with owners		28,806	3,196,995	395	-	3,226,196
30 June 2025		28,806	3,196,995	395	(1,289)	3,224,906

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Company Financial statements

Notes to the Company Financial Statements

1 Company information

Darktrace Midco I Limited is a company incorporated in England and Wales under company number 15662253. The principal place of business is Maurice Wilkes Building, St John's Innovation Park, Cowley Road, Cambridge, CB4 0DS.

2 Basis for preparation

These financial statements are for the period from incorporation (19 April 2024) to 30 June 2025. This is the first financial statements prepared for the Company and therefore no comparatives have been presented.

The financial statements have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS 101). They have been prepared under the historical cost convention except for certain financial instruments which are measured at fair value, and in accordance with the Companies Act 2006.

The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires Management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

The following exemptions from the presentation and disclosure requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101:

- Paragraphs 45(b) and 46 to 52 of IFRS 2, 'Share-based payment' (details of the number and weighted average exercise prices of share options, and how the fair value of goods or services received was determined).
- IFRS 7, 'Financial instruments: Disclosures'.
- Paragraphs 91 to 99 of IFRS 13, 'Fair value measurement' (disclosure of valuation techniques and inputs used for fair value measurement of assets and liabilities).
- The following paragraphs of IAS 1, 'Presentation of financial statements':
 - 10(d) (statement of cash flows);
 - 16 (statement of compliance with all IFRS);
 - 38A (requirement for minimum of two primary statements, including cash flow statements);
 - 38B-D (additional comparative information);
 - 111 (statement of cash flows information); and
 - 134-136 (capital management disclosures).
- IAS 7, 'Statement of cash flows'.
- Paragraphs 30 and 31 of IAS 8, 'Accounting policies, changes in accounting estimates and errors' (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective).
- Paragraph 17 of IAS 24, 'Related party disclosures' (key management compensation).
- The requirements in IAS 24, 'Related party disclosures', to disclose related party transactions entered into between two or more members of a group.

All amounts in the financial statements and notes have been rounded off to the nearest thousand USD, unless otherwise stated.

Going concern assumption

The Company meets its day-to-day working capital requirements through its cash reserves. The Company's forecasts and projections, show that the Company should be able to operate within the level of its current cash reserves. After making enquiries, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for at least 12 months. The Company therefore adopts the going concern basis in preparing its financial statements.

Darktrace 2025 Annual Report

Company Financial statements

New standards, amendments, IFRIC interpretations and new relevant disclosure requirements adopted by the Group

The Company has applied the following standards and amendments for the first time for its annual reporting period commencing 19 April 2024: Classification of Liabilities as Current or Non-current and Non-current liabilities with covenants – Amendments to IAS 1.

New standards and interpretations not yet adopted

Certain new accounting standards and amendments to accounting standards have been published that are not mandatory for 30 June 2025 reporting periods and have not been early adopted by the Company. The Company's assessment of the impact of these new standards and amendments is set out below:

(a) Amendments to IAS 21 -- Lack of Exchangeability (effective for annual periods beginning on or after 1 January 2025) In August 2023, the IASB amended IAS 21 to help entities to determine whether a currency is exchangeable into another currency, and which spot exchange rate to use when it is not. Darktrace Midco I Limited does not expect these amendments to have a material impact on its operations or financial statements.

(b) Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7 (effective for annual periods beginning on or after 1 January 2026). Darktrace Midco I Limited does not expect these amendments to have a material impact on its operations or financial statements.

(c) IFRS 19 Subsidiaries without Public Accountability: Disclosures (effective for annual periods beginning on or after 1 January 2027) issued in May 2024, IFRS 19 allows for certain eligible subsidiaries of parent entities that report under IFRS Accounting Standards to apply reduced disclosure requirements. Darktrace Midco I Limited does not expect these amendments to have a material impact on its financial statements.

(d) IFRS 18 Presentation and Disclosure in Financial Statements (effective for annual periods beginning on or after 1 January 2027) IFRS 18 will replace IAS 1 Presentation of financial statements, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Darktrace Midco I Limited does not expect these amendments to have a material impact on its financial statements.

The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

Foreign currency translation

Functional and presentation currency

These financial statements are presented in U.S. Dollars ("USD") which is the functional currency of the Company.

Transactions and balances

Foreign currency transactions are translated into the functional currencies of Darktrace Midco I Limited using the exchange rate as at the time of transaction. Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation of monetary assets and liabilities denominated in foreign currencies at month end exchange rates, are generally recognised in the statement of comprehensive income. All foreign exchange gains and losses are presented in the statement of comprehensive income on a net basis within foreign exchange differences. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

3 Key judgements and estimates

The preparation of financial statements in accordance with IFRS requires Management to make judgements, estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the period end and the reported amount of revenues and expenses during the reported period. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and for any future periods affected.

The areas involving significant judgements is the preference shares accounted for as equity; see note 8 for details.

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Company Financial statements

4 Employee costs

Employees benefits

Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the consolidated statement of financial position.

Post-employment obligations - defined contribution plans

For defined contribution plans, the Group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

The Company operates a stakeholder pension scheme and contributes to several personal pension schemes on behalf of its employees. The Group also contributes to State-sponsored pension schemes in multiple countries as legislated.

Bonus plans

The Group recognises a liability and an expense for bonuses based on Management's best estimate of the expected payment for discretionary bonuses and then will make the appropriate adjustments, if necessary, at the time these bonuses are paid. The Group recognises a liability where contractually obliged or where there is a past practice that has created a constructive obligation.

The average number of employees, including Executive Directors, during the year as follows:

	For the period from 19 April 2024 to 30 June 2025
	Number
General and administrative	1
	1

Directors' emoluments and benefits were as follows:

	For the period from 19 April 2024 to 30 June 2025
	\$'000
Emoluments	184
	184

The directors of the company are also directors of the holding company and fellow subsidiaries. The directors received total remuneration for the year of \$1,368,997 (FY24: \$0), all of which was paid by the holding company.

The directors do not believe that it is practicable to apportion this amount between their services as directors of the company and their services as directors of the holding and fellow subsidiary companies.

5 Investments in subsidiary undertakings

Investments in subsidiaries are held at cost less accumulated impairment losses. The Company has a wholly owned subsidiary called Darktrace Midco II, a private company limited by shares, that was incorporated on 22 April 2024. The subsidiary is recognised in the accounts at cost.

Investments are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Investments that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

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Company Financial statements

	30 June 2025
	\$'000
19 April 2024	-
Investment in Darktrace Midco II	3,200,295
30 June 2025	3,200,295

6 Other Receivables

Receivables are recognised initially at the amount of consideration that is unconditional, unless they contain significant financing components when they are recognised at fair value. They are subsequently measured at amortised cost using the effective interest method, less expected credit loss provision.

	30 June 2025
	\$'000
Amounts owed from parent entity	25,948
Other receivables	710
Total trade and other receivables	26,658

Amounts owed from parent entity relates to loan notes assigned during the year in exchange for 2 A-2 Ordinary Shares of \$0.001 each in the parent entity.

7 Trade and Other Payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year or any other period which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the end of the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

Amounts falling due within one year:

	30 June 2025
	\$'000
Amounts owed to subsidiary undertakings	2,042
Accruals	303
Total trade and other payables	2,345

Amounts owed to subsidiary undertakings represent amounts owed to Darktrace Holdings Ltd, for the settlement of insurance and other fees paid by Darktrace Holding Ltd on behalf of the Company.

8 Share Capital

Contributed equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

Preference shares accounted for as equity – significant judgement

Preference shares are non-redeemable and therefore the appropriate classification is determined by the other rights that attach to them - in particular, distributions to holders.

While preference shares rank more senior than ordinary shares in any redemption scenario, they are not redeemable at the option of the holder. In practice the issuer can defer redemption of both principal and yield till liquidation, liquidation is not predetermined, and the PS shareholders cannot enforce liquidation under the terms of the PS. Furthermore, the redemption of preference shares is not contingent on the occurrence of an event that is outside the issuer's control (i.e. takeover). Preference shares do not obligate the issuer to provide cash or other financial assets (redemption of principal and yield is at the discretion of the issuer). Therefore, preference shares are classified as equity under IAS 32 (**judgement**).

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Company Financial statements

Equity comprises the following:

- Share capital: represents the nominal value of equity shares. Where shares are redeemed or purchased wholly out of profits available for distribution, a sum equal to the amount by which the company's share capital is diminished on cancellation of the shares (the nominal value of the shares) is transferred to the capital redemption reserve in line with section 733 of Companies Act.
- Share premium: represents the excess over nominal value of the consideration received for equity shares, net of any transaction costs associated with the issue of shares.
- Retained earnings: represents retained profits and losses.

	No. of ordinary shares of \$0.001 each	No. of preference shares of \$1.00 each	Total no. of shares	Share capital \$'000	Share premium \$'000
At 19 April 2024	-	-	-	-	-
A-2 Ordinary shares issued in the year	3,201,297	-	3,201,297	3	345,532
A-1 Preference shares issued in the year	-	28,802,655	28,802,655	28,803	2,851,463
At 30 June 2025	3,201,297	28,802,655	32,003,952	28,806	3,196,995

In October 2024, the Company issued 3,201,295 A-2 ordinary shares of \$0.001 each and 28,802,655 A-1 preference shares to the parent company during the year.

The Company also issued a further 2 A-2 ordinary shares of \$0.001 each to the parent company for \$25.5 million, to be settled by the assignment of loan notes issued by Luke Parent Limited.

9 Other related party disclosures

Other related parties include transactions with companies under common directorship.

	Transaction value For the period from 19 April 2024 to 30 June 2025 \$'000	Balances outstanding 30 June 2025 \$'000
Amounts payable to parent entity	-	(153)

10 Other notes

Capital Commitments

The Company had no capital commitments at 30 June 2025.

Information Included in the Notes to the Consolidated Financial Statements

Some of the information included in the notes to the consolidated financial statements is directly relevant to the financial statements of the Company as follows:

- Note 4 – Auditors' remuneration;
- Note 25 – Key management personnel;
- Note 25 – Related parties;
- Note 27 – Subsidiaries;
- Note 28 – Post balance sheet events.

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Glossary

Darktrace Midco I Limited

Company number

15662253

Registered office

Maurice Wilkes Building, St John's Innovation Park, Cowley Road, Cambridge, United Kingdom, CB4 0DS

Website

www.darktrace.com

Corporate Advisers (as at 30 June 2025)

Bankers

HSBC Bank Plc

Legal Advice

Vistra Trust Company Limited

Auditor

Ernst & Young LLP

Directors at time of signing

- Rachel Elias-Jones (SVP of Global of Finance) (appointed 30 May 2025)
- Philip Pearson (Chief Strategy Office) (appointed 24 September 2025)

Glossary

AGM

Annual General Meeting

Adjusted EBITDA

Adjusted EBITDA is the Group's earnings before interest, taxation, depreciation and amortisation, adjusted to include appliance depreciation attributed to cost of sales and amortisation of capitalised commissions, and adjusted to remove uncapitalised share-based payment charges and related employer tax charges, as well as certain one-off charges including the impairment of right-of-use assets.

AI

Artificial Intelligence

AIP

Award Incentive Plan

APAC

Asia-Pacific

APMs

Alternative Performance Measures

ARR

Annual Recurring Revenue

AWS

Amazon Web Services

Board

The board of directors of the Company

CAGR

Compound Annual Growth Rate

CEO

Chief Executive Officer

CFO

Chief Financial Officer

CGU

Cash Generating Unit

CRM

Customer Relationship Management

CSM

Customer Success Management

Cybersprint

Darktrace Netherland B.V. formerly Cybersprint B.V.

Company

Darktrace Midco I Limited

Darktrace (or Group)

Darktrace Midco I Limited and its consolidated subsidiaries and subsidiary undertakings.

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Glossary

DCF

Discounted Cash Flow

Directors

The Executive Directors, the Nominee Directors and the Independent Directors

DTA

Deferred Tax Asset

EBIT

The Group's operating profit or loss

EBITDA

The Group's EBIT plus depreciation and amortisation

EBT

Darktrace Employee Benefit Trust

EGM

Extraordinary General Meeting

EMEA

Europe, Middle East and Africa EU European Union

ERM

Enterprise Risk Management

ERP

Enterprise Resource Planning

ESG

Environmental, Social and Governance

EU

European Union

Executive Directors

The executive Directors of the Company

FCA

The UK Financial Conduct Authority

FTE

Full Time Equivalent

FY 2024

Financial year ended 30 June 2024

FY 2025

Financial year ended 30 June 2025

Pro-forma FY2025

Financial year ended 30 June 2025 including the results for the acquired Darktrace plc group for 12 months and excluding fair value adjustments to revenue results of Business combination accounting.

FYE

Fiscal Year End

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G&A

General and Administrative

GHG

Green House Gas

Group (or Darktrace)

Darktrace Midco I Limited and its consolidated subsidiaries and subsidiary undertakings.

HCM

Head Count Management

IFRS

International Financial Reporting Standards: UK-adopted International Accounting Standards

Independent Directors

The independent Directors appointed to the Board

IoT

Internet of Things

KPI

Key Performance Indicator

LATAM

Latin America

NED

Non-executive director

OT

Operating Technology

POV

Proof Of Value

PPA

Purchase Price Allocation

R&D

Research & Development

RPO

Recurring Performance Obligations and/or Future Contracted Revenue

SaaS

Software as a Service

S&M

Sales and Marketing

SBP

Share-Based Payments

SECR

Streamlined Energy and Carbon Reporting

TAM

Total Addressable Market

TCFD

Darktrace 2025 Annual Report

Glossary

Task Force on Climate-Related Financial Disclosures

Thoma Bravo

Thoma Bravo, L.P. and its subsidiaries or funds managed or advised by Thoma Bravo, L.P.

TSR

Total Shareholder Return

UK

United Kingdom of Great Britain and Northern Ireland

USA

United States of America

VIU

Value In Use