

SOPHOS SECURITY TECHNOLOGY LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

REGISTERED NUMBER: 551093

SOPHOS SECURITY TECHNOLOGY LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

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SOPHOS SECURITY TECHNOLOGY LIMITED

DIRECTORS AND OTHER INFORMATION

Directors

Stuart Fillingham
Jacqueline Denton

Secretary

Wilton Secretarial Limited

Registered office

6th Floor
2 Grand Canal Square
Dublin 2

Auditors

Ernst & Young
Chartered Accountants
City Quarter
Lapps Quay
Cork

Registered number

551093

SOPHOS SECURITY TECHNOLOGY LIMITED

DIRECTORS' REPORT

The directors present their directors' report and financial statements for the year ended 31 March 2025.

Principal activities

The principal activity of the Company is the provision of research and development services and technical support to a fellow group undertaking.

Business review

There has been no significant change in activities during the year. Turnover increased by €0.7m to €7,010,593 during FY25 (2024 Turnover: €6,289,608) driven in large by a increase in headcount, supporting operations in Ireland, providing technical and marketing support to Sophos Ltd across all endpoint products.

Principal risks and uncertainties

The directors consider that the following are the principal risk factors that could materially and adversely affect the Company's future operating profits or financial position:

- Deterioration in general economic conditions in the IT security market in particular. The market for the Company, and its affiliated companies' products is characterised by rapidly changing technology, changes in customer requirements and preferences and the introduction of new products and services embodying new technologies. There can be no assurances that competitors of the Company's affiliated companies will not succeed in developing technologies and products that are more effective than the Company's affiliated companies' products.
- The Company is dependent upon certain key figures of its senior technical and management team for its continued success. Although the Company enters into employment arrangements with each of its key personnel to secure their services, the retention of their services cannot be guaranteed. The Company may be unsuccessful in attracting and retaining key personnel required to continue to grow the services provided.
- The Company is exposed to general economic risk, including changes in the economic outlook in its principal markets and government changes in industrial, fiscal, monetary or regulatory policies.
- The recent conflicts in Ukraine and Israel have generated a significant amount of uncertainty from both a geo-political and world-wide economic perspective which has negatively affected businesses worldwide. The Company, along with other subsidiaries in the Group, has taken and is continuing to take, certain steps to mitigate the impact of the change in market conditions on its business (as further discussed in the consolidated financial statements of the group in which the entity is consolidated), its short-term growth outlook, and also to support and accelerate the Company's strategic transition to be a next-generation cybersecurity leader. Actions to date have been successful at mitigating the downside impact of these global events.

The directors are confident that they have put in place a strong management team and suite of products capable of dealing with the above issues as they arise.

SOPHOS SECURITY TECHNOLOGY LIMITED

DIRECTORS' REPORT (continued)

Going concern

The financial statements have been prepared on a going concern basis given that the Company has net current assets of €2,530,712 at 31 March 2025 (2024: €1,379,951). In making this determination, the directors considered the cash flow forecasts for the foreseeable future. On this basis the directors are satisfied that the Company should have adequate resources to continue in operational existence for the foreseeable futures, and for this reason, the directors of the Company are satisfied that it is appropriate to prepare these financial statements on a going concern basis.

Results for the year

The results of the Company for the year are set out in the profit and loss account on page 9 and in the related notes.

Dividends

The directors do not recommend the payment of a dividend (2024: €Nil)

Research and development

The Company is involved in research and development activities and during the year incurred €2,089,767 (2024: €1,825,808) in research costs that were expensed.

Directors and secretary and their interests

The directors and secretary who held office at 31 March 2025 had no interests in the shares in, or debentures or loan stock of, the Company and in options to acquire shares in the Company.

The following were directors of the Company during the financial year:

Stuart Fillingham
Jacqueline Denton

Post balance sheet events

There have been no significant events between the year-end date and the date of signing the financial statements, affecting the Company, which require adjustment to or disclosure in the financial statements.

Accounting records

The directors believe that they have complied with the requirements of Sections 281 to 285 of the Companies Act 2014 with regard to adequate accounting records by employing accounting personnel with appropriate expertise and by providing adequate resources to the financial function. The accounting records of the Company are maintained at The Pentagon, Abingdon Science Park, Abingdon, Oxfordshire, OX14 3YP, United Kingdom.

SOPHOS SECURITY TECHNOLOGY LIMITED

DIRECTORS' REPORT (continued)

Relevant audit information

The directors believe that they have taken all steps necessary to make themselves aware of any relevant audit information and have established that the Company's statutory auditors are aware of that information. In so far as they are aware, there is no relevant audit information of which the Company's statutory auditors are unaware.

Independent auditor

The auditors, Ernst & Young, Chartered Accountants, will continue in office in accordance with section 383(2) of the Companies Act 2014

On behalf of the board:

sbd fillingham

Stuart Fillingham
Director

JDenton

Jacqueline Denton
Director

Date: 21 August 2025

SOPHOS SECURITY TECHNOLOGY LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS

The directors are responsible for preparing the directors' 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. Under that law they have elected to prepare the financial statements in accordance with FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*, as applied in accordance with the provisions of the Companies Act 2014.

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 assets, liabilities and financial position of the Company and of its profit or loss for that year. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the assets, liabilities, financial position and profit or loss of the Company and enable them to ensure that the financial statements comply with the Companies Act 2014. They are responsible for such internal controls as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities. The directors are also responsible for preparing a directors' report that complies with the requirements of the Companies Act 2014.

On behalf of the board

sbd fillingham

Stuart Fillingham
Director

JDenton

Jacqueline Denton
Director

Date: 21 August 2025



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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SOPHOS SECURITY TECHNOLOGY LIMITED

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Sophos Security Technology Limited ('the Company') for the year ended 31 March 2025, which comprise profit and loss account and other comprehensive income, the balance sheet, the statement of changes in equity and notes to the financial statements, including the summary of significant accounting policies set out in note 1. The financial reporting framework that has been applied in their preparation is Irish Law and FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland issued in the United Kingdom by the Financial Reporting Council.

In our opinion the financial statements:

- give a true and fair view of the assets, liabilities and financial position of the company as at 31 March 2025 and of its profit for the year then ended;
- have been properly prepared in accordance with FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland; and
- have been properly prepared in accordance with the requirements of the Companies Act 2014.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) 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 Company in accordance with ethical requirements that are relevant to our audit of financial statements in Ireland, including the Ethical Standard issued by the Irish Auditing and Accounting Supervisory Authority (IAASA), 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 Company's ability to continue as a going concern for a period of at least twelve months from the date when the financial statements are authorised for issue.

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 company's ability to continue as a going concern.



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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SOPHOS SECURITY TECHNOLOGY LIMITED (Continued)

Other information

The directors are responsible for the other information. The other information comprises the information included in the Directors' report and financial statements other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2014

In our opinion, based solely on the work undertaken in the course of the audit, we report that:

- the information given in the directors' report for the financial year ended for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report, other than those parts relating to sustainability reporting where required by Part 28 of the Companies Act 2014, has been prepared in accordance with applicable legal requirements.

We have obtained all the information and explanations which, to the best of our knowledge and belief, are necessary for the purposes of our audit.

In our opinion the accounting records of the Company were sufficient to permit the financial statements to be readily and properly audited and the financial statements are in agreement with the accounting records.

Matters on which we are required to report by exception

Based on the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

The Companies Act 2014 requires us to report to you if, in our opinion, the disclosures required by sections 305 to 312 of the Act, which relate to disclosures of directors' remuneration and transactions are not complied with by the Company. We have nothing to report in this regard.



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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SOPHOS SECURITY TECHNOLOGY LIMITED (Continued)

Respective responsibilities

Responsibilities of directors for the financial statements

As explained more fully in the directors' responsibilities statement set out on page 5, the directors are responsible for the preparation of the financial statements in accordance with the applicable financial reporting framework that give a true and fair view, and for such internal control as they 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 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 management either intends to liquidate the Company or to cease operations, or has 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 (Ireland) 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.

A further description of our responsibilities for the audit of the financial statements is located on the IAASA's website at: https://iaasa.ie/wp-content/uploads/docs/media/IAASA/Documents/audit-standards/Description_of_auditors_responsibilities_for_audit.pdf. This description forms part of our auditor's report.

The purpose of our audit work and to whom we owe our responsibilities

Our report is made solely to the Company's members, as a body, in accordance with section 391 of the Companies Act 2014. 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.

A handwritten signature in black ink that reads 'Owen Smithers'.

Owen Smithers
for and on behalf of
Ernst & Young Chartered Accountants and Statutory Audit Firm

Cork

Date: 22 August 2025

SOPHOS SECURITY TECHNOLOGY LIMITED

PROFIT AND LOSS ACCOUNT AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2025

	Note	2025 €	2024 €
Turnover	2	7,010,593	6,289,608
Cost of sales		(5,042,642)	(4,914,473)
Gross profit		1,967,951	1,375,135
Administrative expenses		(789,007)	(1,051,904)
Operating profit	3	1,178,944	323,231
Other interest receivable and similar income	6	9,078	19,915
Profit before tax		1,188,022	343,146
Tax on profit	7	(51,402)	(5,808)
Profit for the financial year		1,136,620	337,338

The Company made no other comprehensive income or expense during the current and the previous year. All recognised gains and losses for both current and the previous year arise from continuing operations.

SOPHOS SECURITY TECHNOLOGY LIMITED

BALANCE SHEET

AS AT 31 MARCH 2025

	Note	2025 €	2024 €
Fixed assets			
Tangible assets	8	6,147	20,288
		6,147	20,288
Current assets			
Debtors: amounts falling due after more than one year	9	313,865	–
Debtors: amounts falling due within one year	9	2,202,237	1,124,014
Cash at bank and in hand		1,660,465	1,545,088
		4,176,567	2,669,102
Creditors: amounts falling due within one year	10	(1,645,855)	(1,289,151)
Net current assets		2,530,712	1,379,951
Net assets		2,536,859	1,400,239
Capital and reserves			
Called up share capital presented as equity	12	2	2
Share premium	13	1,672,250	1,672,250
Capital contribution	13	734,346	734,346
Share-based payments reserve	13	42,135	42,135
Profit and loss account	13	88,126	(1,048,494)
Shareholder's funds		2,536,859	1,400,239

On behalf of the board

sbd fillingham

Stuart Fillingham
Director

JDenton

Jacqueline Denton
Director

Date: 21 August 2025

SOPHOS SECURITY TECHNOLOGY LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2025

	Called up share capital	Share premium	Share- based payment services	Capital contribution	Profit and loss account	Total equity
	€	€	€	€	€	€
Balance at 1 April 2023	2	1,672,250	42,135	734,346	(1,385,832)	1,062,901
Profit for the year	–	–	–	–	337,338	337,338
Balance at 31 March 2024	2	1,672,250	42,135	734,346	(1,048,494)	1,400,239
Balance at 1 April 2024	2	1,672,250	42,135	734,346	(1,048,494)	1,400,239
Profit for the year	–	–	–	–	1,136,620	1,136,620
Balance at 31 March 2025	2	1,672,250	42,135	734,346	88,126	2,536,859

SOPHOS SECURITY TECHNOLOGY LIMITED

NOTES

forming part of the financial statements

1 Accounting policies

Sophos Security Technology Limited (the "Company") is a private company limited by shares and incorporated, domiciled and registered in Ireland. The registered number of the Company is 551093 and the address of the registered office is 6th Floor, 2 Grand Canal Square, Dublin 2.

These financial statements were prepared in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* ("FRS 102"). The functional and presentation currency of these financial statements is Euro.

The Company most senior parent undertaking in Europe, Sophos Intermediate I Limited includes the Company in its consolidated financial statements. The consolidated financial statements of Sophos Intermediate I Limited are available to the public. In these financial statements, the Company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- the requirement to prepare a cash flow statement;
- the requirement to disclose information about key management personnel compensation;
- the disclosures required by Section 11 paragraphs 11.42, 11.44, 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c) in respect of financial instruments of the company (as equivalent disclosures are included in respect of the consolidated financial statements); and
- the disclosures requirements by of Section 26 paragraphs 26.18(b), 26.19 to 26.21 and 26.23 relating to share-based payments (as equivalent disclosures are included in respect of the consolidated financial statements).

The Company has also taken advantage of the exemption afforded by FRS 102.33.1A not to disclose transactions between wholly owned members of the group.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Any judgements made, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in the following accounting policies.

1.1 Measurement convention

The financial statements are prepared on the historical cost basis.

1.2 Going concern

The financial statements have been prepared on a going concern basis given that the Company has net current assets of €2,530,712 at 31 March 2025 (2024: net current assets of €1,379,951). In making this determination, the directors considered the cash flow forecasts for the foreseeable future. On this basis the directors are satisfied that the Company should have adequate resources to continue in operational existence for the foreseeable futures, and for this reason, the directors of the Company are satisfied that it is appropriate to prepare these financial statements on a going concern basis.

SOPHOS SECURITY TECHNOLOGY LIMITED

NOTES (continued)

forming part of the financial statements

1 Accounting policies (continued)

1.3 Foreign currency

Transactions in foreign currencies are translated to the Company functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Foreign exchange differences arising on translation are recognised in the profit and loss account.

1.4 Classification of financial instruments issued by the Company

In accordance with FRS 102.22, financial instruments issued by the Company are treated as equity only to the extent that they meet the following two conditions:

- a. they include no contractual obligations upon the Company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Company; and
- b. where the instrument will or may be settled in the Company's own instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Company's own equity instruments or is a derivative that will be settled by the Company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the Company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

1.5 Basic financial instruments

Trade and other debtors/creditors

Trade and other debtors are recognised initially at transaction price plus attributable transaction costs. Trade and other creditors are recognised initially at transaction price less attributable transaction costs.

Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. However, certain debtors and creditors that are receivable or payable in less than one year are measured at the undiscounted amount of cash expected to be paid or received (net of impairment) unless the arrangement constitutes, in effect, a financing transaction. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of interest for a similar debt instrument.

Cash at bank and in hand

This is accounted for on the same basis as debtors as described above.

SOPHOS SECURITY TECHNOLOGY LIMITED

NOTES (continued)

forming part of the financial statements

1 Accounting policies (continued)

1.6 Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset, and the cost of material and direct labour and any other cost directly attributable to bringing the assets to a working condition for their intended use.

Where parts of an item of tangible fixed assets have different useful lives, they are accounted for as separate items of tangible fixed assets.

The Company assesses at each reporting date whether tangible fixed assets (including those leased under a finance lease) are impaired.

Depreciation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of each part of an item of tangible fixed assets. Leased assets are depreciated over the shorter of the lease term and their useful lives. The estimated useful lives are as follows:

Depreciation is provided on the following basis:

Computer and IT equipment	3 years
Office Equipment	5 years

Depreciation methods, useful lives and residual values are reviewed if there is an indication of a significant change since the last annual reporting date in the pattern by which the Company expects to consume an asset's future economic benefits.

1.7 Impairment excluding deferred tax assets

Financial assets (including trade and other debtors)

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the Company would receive for the asset if it were to be sold at the reporting date. Interest on the impaired asset continues to be recognised through the unwinding of the discount. Impairment losses are recognised in profit or loss. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

SOPHOS SECURITY TECHNOLOGY LIMITED

NOTES (continued)

forming part of the financial statements

1 Accounting policies (continued)

1.7 Impairment excluding deferred tax assets (continued)

Non-financial assets

The carrying amounts of these assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other asset or groups of assets (the 'cash-generating' unit).

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a pro rata basis.

An impairment loss is reversed if and only if the reasons for the impairment have ceased to apply.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed only to the extent that the asset's carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

1.8 Employee benefits

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which the Company pays fixed contributions into a separate entity and has no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the profit and loss account in the periods during which services are rendered by employees.

Termination benefits

Termination benefits are recognised as an expense when the Company is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognised as an expense if the Company has made an offer of voluntary redundancy, it is probably that the offer will be accepted, and the number of acceptances can be estimated reliably.

SOPHOS SECURITY TECHNOLOGY LIMITED

NOTES (continued)

forming part of the financial statements

1 Accounting policies (continued)

1.8 Employee benefits (continued)

Share-based payments

Employees (including senior executives and Directors) of the Group receive remuneration in the form of share-based payment transactions, whereby employees render services as consideration for equity instruments ("equity-settled transactions"). The Group also grants cash-settled awards in certain jurisdictions in order to ensure compliance with tax, regulatory or legal country specific requirements.

Equity-settled transactions

The cost of equity-settled transactions with employees is measured by reference to the fair value at the date on which they are granted. The fair value is determined by using an appropriate pricing model.

The cost of equity-settled transactions is recognised in employee benefits expense, together with a corresponding increase in equity as a capital contribution, over the period in which the service and, where applicable, the performance conditions are fulfilled (the vesting period).

At each reporting date before vesting, the cumulative expense is calculated, representing the extent to which the vesting period has expired and the Directors best estimate of the achievement or otherwise of non-market conditions and of the number of equity instruments that will ultimately vest. The movement in cumulative expense since the previous reporting date is recognised in the Profit and Loss Account, with a corresponding entry in equity.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

Where the terms of an equity-settled award are modified or a new award is designated as replacing a cancelled or settled award, the cost based on the original award terms continues to be recognised over the original vesting period. In addition, an expense is recognised over the remainder of the new vesting period for the incremental fair value of any modification, based on the difference between the fair value of the original award and the fair value of the modified award, both as measured on the date of the modification. No reduction is recognised if this difference is negative.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any cost not yet recognised in the Profit and Loss Account for the award is expensed immediately. Any compensation paid up to the fair value of the award at the cancellation or settlement date is deducted from equity, with any excess over fair value being treated as an expense in the Profit and Loss Account.

SOPHOS SECURITY TECHNOLOGY LIMITED

NOTES (continued)

forming part of the financial statements

1 Accounting policies (continued)

1.8 Employee benefits (continued)

Share-based payments (continued)

Cash-Settled transaction

A liability is recognised for the fair value of cash-settled transactions. The fair value is measured initially at grant and each subsequent reporting date up to and including the settlement date. The cost of cash-settled transactions is recognised in employee benefits expense over the period in which the service and, where applicable, the performance conditions are fulfilled (the vesting period). Any change in fair value is recognised over the period until the vesting date in employee benefits expense in the Profit and Loss Account with a corresponding entry in liabilities. The approach used to account for vesting conditions when measuring equity-settled transactions also applies to cash-settled transactions.

1.9 Turnover

Turnover is derived from the provision of research and development, technical support services and global marketing services on a cost-plus margin basis to a related party.

1.10 Expenses

Operating lease

Payments made under operating leases are recognised in the profit and loss account on a straight-line basis over the term of the lease unless the payments to the lessor are structured to increase in line with expected general inflation, in which case the payments related to the structured increases are recognised as incurred. Lease incentives received are recognised in profit and loss over the term of the lease as an integral part of the total lease expense.

1.11 Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income, as appropriate.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

SOPHOS SECURITY TECHNOLOGY LIMITED

NOTES (continued)

forming part of the financial statements

2 Turnover

	2025	2024
	€	€
Rendering of services	7,010,593	6,289,608
<i>By geographical market:</i>		
United Kingdom	7,010,593	6,289,608
Total turnover	7,010,593	6,289,608

3 Operating profit

Included in operating profit are the following:

	2025	2024
	€	€
Research and development expenses as incurred	2,089,767	1,825,808
Research and development tax credit receivable	(402,331)	(401,272)
Operating lease expense - buildings	–	242,150
Depreciation	14,141	14,149

4 Staff numbers and costs

The average number of persons employed by the Company (including directors) during the year, analysed by category, was as follows:

	2025	2024
	Number	Number
Research and development	12	14
Administration and finance	2	2
Sales	6	5
Customer service	31	33
	51	54

The aggregate payroll costs of these persons were as follows:

	2025	2024
	€	€
Wages and salaries	4,767,935	4,746,719
Social insurance costs	542,191	587,267
Other retirement benefit costs	114,900	119,622
Share-based payments	295,846	44,244
	5,720,872	5,497,852

€Nil of the aggregate of staff costs were capitalised during the year (2024: €Nil).

SOPHOS SECURITY TECHNOLOGY LIMITED

NOTES (continued)

forming part of the financial statements

5 Directors' remuneration and transactions

Directors' remuneration

The Company has not paid any fees or other remuneration to the directors related to the directorship role they provided to the Company as part of their group-wide executive management role. An amount of €1,859 represents estimated allocations of the emoluments paid or payable by Sophos Security Technology Limited to those individuals in relation to their group-wide executive management role. The estimated allocations are based on estimates of the qualifying services, including management of the affairs of the Company, they provided to the Company during the financial year.

6 Other interest receivable and similar income

	2025	2024
	€	€
Net foreign exchange gain	9,078	19,915
	9,078	19,915

7 Taxation

Total tax expense recognised in the profit and loss account, other comprehensive income and equity

	2025	2024
	€	€
<i>Current tax</i>		
Current tax on profit for the year	134,724	–
Adjustments in respect of prior years	17,722	5,808
Total current tax	152,446	5,808
Deferred tax:		
Origination and reversal of timing differences	(34,388)	–
Adjustments in respect of prior periods	(66,656)	–
Deferred tax (credit)/charge	(101,044)	–
Tax on profit	51,402	5,808

SOPHOS SECURITY TECHNOLOGY LIMITED

NOTES (continued)

forming part of the financial statements

Reconciliation of effective tax rate

	2025	2024
	€	€
Profit before tax	1,188,022	343,146
Profit multiplied by standard rate of corporation tax in Ireland of 12.5% (2024: 12.5%)	148,503	42,893
Effects of:		
Depreciation in excess of capital allowances	599	(4,911)
Non-deductible expenses	–	1,754
Non-deductible share-based payment expense	–	(26,775)
Adjustments in respect of prior years	(48,934)	5,808
Other Adjustments	1,538	–
Non taxable Income	(50,304)	(50,139)
Losses (utilised)/ carried forward	–	37,178
Total tax charge included in profit	51,402	5,808

Deferred Tax

The deferred tax asset included in the Balance Sheet is as follows:

	2025
	€
Capital allowances in excess of depreciation	4,626
Stock base payments	92,762
Other timing differences	3,656
	<u>101,044</u>

Pillar II

On 18 December 2023, Ireland enacted new global minimum tax rules to align with the Organisation for Economic Co-operation and Development Pillar Two model rules. The enacted law includes the implementation of an income inclusion rule (“IIR”), undertaxed profits rule (“UTPR”), and qualified domestic minimum top-up tax (“QDMTT”). The IIR and QDMTT are effective for fiscal years beginning on or after 31 December 2023 and the UTPR is effective for fiscal years beginning on or after 31 December 2024.

The Sophos Group, of which Sophos Security Technology Limited is a wholly owned subsidiary, is within scope of the Pillar Two rules (i.e., consolidated revenue exceeding €750 million) and based on its effective tax rate calculation, recognised a top-up tax charge of €54,945 under the Qualified Domestic Top-up Tax (QDMTT) provisions.

The Company continues to assess the ongoing impact of Pillar Two legislation and guidance, including future administrative and compliance obligations. In accordance with the amendments to FRS102.29 issued in May 2023, the Company has applied the temporary exception under FRS102.29 in relation to the accounting of deferred taxes arising from the implementation of the Pillar Two rules.

SOPHOS SECURITY TECHNOLOGY LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2025

8 Tangible fixed assets

	Computer and office equipment €	Total €
Cost		
Balance at 1 April 2024	65,309	65,309
Disposals	(989)	(989)
Balance at 31 March 2025	64,320	64,320
Depreciation and impairment		
Balance at 1 April 2024	45,021	45,021
Depreciation charge for the year end	14,141	14,141
Disposals	(989)	(989)
Balance at 31 March 2025	58,173	58,173
Net book value		
At 31 March 2025	6,147	6,147
At 31 March 2024	20,288	20,288

9 Debtors

	2025 €	2024 €
Other debtors due more than one year	212,821	135,545
Deferred tax asset	101,044	–
Amounts owed by group undertakings	1,869,887	627,126
Other debtors due within one year	284,912	266,246
Prepayments	47,438	1,309
Corporation tax	–	93,788
Total Debtors	2,516,102	1,124,014
Due within one year	2,202,237	988,469
Due after more than 1 year	313,865	135,545

Amounts owed by group undertakings are interest free and repayable on demand.

10 Creditors: amounts falling due within one year

	2025 €	2024 €
Trade creditors	15,306	35,411
Amounts owed to group undertakings	–	7,100
Taxation and social Insurance	274,393	184,442
Accruals	1,356,156	1,062,198
	1,645,855	1,289,151

SOPHOS SECURITY TECHNOLOGY LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2025

10 Creditors: amounts falling due within one year (continued)

	2025	2024
Taxation and social insurance	€	€
PAYE	90,042	99,154
Other tax	7,068	4,164
Social insurance	76,039	81,124
Corporation Tax	101,244	–
	274,393	184,442

Amounts owed to group undertakings are interest free and repayable on demand.

11 Employee benefits

Defined contribution plans

The Company operates a defined contribution pension plan.

The total expense relating to this plan in the current year was €114,900 (2024: €119,622).

Share-based payments

Following the acquisition of the Sophos Group on 2 March 2020 by Thomas Bravo, the Group introduced two schemes whereby employees of the Group can participate in the ownership of the ultimate parent entity.

First, employees were given the opportunity to invest in the ownership of the Group on the same terms are those under which Thomas Bravo acquired the Group; the “Co-Invest” scheme. This scheme entitled the employee to invest in packages of a Class A and Class B units in the ultimate parent entity.

Secondly, an Incentive Equity Plan was introduced for eligible key employees. In connection with the acquisition of the Sophos group, Sophos Ultimate Parent, L.P., the Group’s ultimate parent entity, approved the issuance of up to 14,700,000 Class B Units in the partnership as an Incentive Equity Plan.

11 Employee benefits

Awards granted under the Incentive Equity Plan may be granted with the vesting conditional on time of service over a four-year period and in some cases with profitability performance targets. These have been designated as equity-settled share-based payment transactions and have been accounted as such. In certain jurisdictions, the awards have been granted in the form of Equity Appreciation Rights, which are settled in cash on a liquidity event. These have been designated as cash-settled share-based payment transactions and have been accounted for as such.

Where an employee ceases to be in continuous service with the Partnership or any of its subsidiaries, the Board of Sophos Ultimate Parent, L.P., has the right repurchase any vested units at the fair market value on the day of the repurchase notice.

SOPHOS SECURITY TECHNOLOGY LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2025

12 Capital

	2025	2024
	€	€
Share capital		
<i>Authorised</i>		
99,700,000 Ordinary shares shares of €0.000001 each	100	100
300,000 B ordinary shares shares of €0.000001 each	–	–
<i>Allotted, called up and fully paid</i>		
2,184,864 Ordinary shares shares of €0.000001 each	2	2
267,900 B ordinary shares shares of €0.000001 each	–	–
	2	2
Shares classified in shareholders' equity	2	2

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

The holders of B ordinary shares are entitled to receive dividends as declared from time to time however are not entitled to vote at meetings of the Company.

13 Reserves

Share premium

This reserve records the amount above the nominal value received for shares sold, less transaction costs.

Capital contribution

This reserve records the amounts of capital contributions received from the parent of the Company, including accumulation of share-based payment charges for equity-settled transactions.

Share-based payments reserve

The share-based payments reserve is used to recognise the value of equity-settled share-based payments provided to employees, including key management personnel, as part of their remuneration. Refer to note 11 for further details of these plans.

Profit and loss account

This reserve records any accumulated distributable profits less dividends paid since inception of the company.

The movement in reserves is shown in the statement of changes in equity on page 11.

SOPHOS SECURITY TECHNOLOGY LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2025

14 Ultimate holding undertaking and holding undertaking of larger group

The Company is a subsidiary undertaking of Sophos Limited. Sophos Limited is wholly owned by Sophos Parent Limited, a company registered on Jersey. Sophos Parent Limited is in turn wholly owned by Sophos Ultimate Parent LP, an entity registered in the Cayman Islands.

15 Subsequent events

There have been no significant events between the year-end date and the date of signing the financial statements, affecting the Company, which require adjustment to or disclosure in the financial statements.

16 Approval of the financial statements

The board of directors approved the financial statements on 21 August 2025.