

Journeo

Connected systems, for connected journeys

Interim Report
for the six months ended 30 June 2025



Journeo

Journeo plc is a leading Intelligent Systems provider, delivering sustainable solutions in towns, cities, airports, and the public transport networks that connect them while safeguarding critical infrastructure and high-security environments with advanced access control, intrusion detection, and surveillance technologies.

Our vision is...

Converged networks of intelligent systems, autonomously moving people, goods and services, for safe and seamless mobility.

Our mission is...

To make the movement of people, services and goods safer, more efficient and accessible through innovation and systems integration, delivering a future of connected systems, for connected journeys.

Our values are...

We are inquisitive

- We listen and collaborate with customers to get to the heart of the challenge.
- We iterate, develop and refine our solutions.
- We spend time in our communities to learn, reflect and include their perspectives.

We are industrious

- We act with urgency, focus and dedication.
- We work with energy and expertise.
- We engage with all stakeholders and seek to integrate their needs.

We are innovative

- We deliver the right solutions and support for the years ahead.
- We care for our customers' legacy, current and emerging needs.
- We use our knowledge and experience to collaborate in and across industries.

We operate with integrity

- We take responsibility and ownership to deliver the right solution and outcome.
- We act with honesty.
- We support our communities whenever and wherever we can.



Highlights

Financial highlights

£24.5m

Revenue

(H1 2024: £25.6m)

£9.2m

Gross profit

(H1 2024: £9.0m)

£2.6m

Underlying profit before tax

(H1 2024: £2.7m)

£2.8m

Adjusted profit before tax

(H1 2024: £2.8m)

£18.0m

Cash and cash equivalents

(H1 2024: £12.9m)

12.51p

Diluted earnings per share

(H1 2024: 14.76p)



Read more on our **financial statements** on pages 06 to 15

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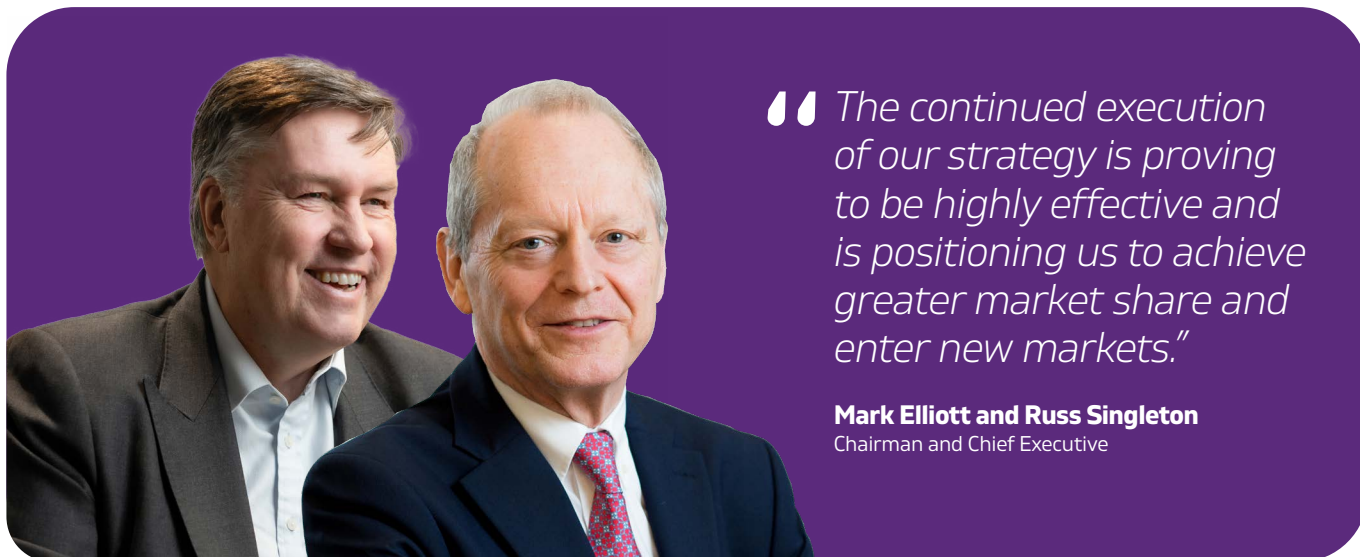
Operational highlights

- Achieved largest ever framework award for the Group in May 2025, valued at £10m over three years
- Significant £4.2m order received in May 2025 in rail market for systems based on Journeo core capabilities
- Orders from the USA totalling \$5.2m received in the period as expansion there gathers pace
- Notable contract wins for local authority display systems totalling £2.5m
- Published Group's first Carbon Reduction Plan
- Strategy to integrate business systems and strengthen Senior Leadership Team progressing well
- Completed acquisition of Crime and Fire Defence Systems post period in September 2025



Read more on **Chairman and Chief Executive's review** on pages 02 to 05

Chairman and Chief Executive's review



“The continued execution of our strategy is proving to be highly effective and is positioning us to achieve greater market share and enter new markets.”

Mark Elliott and Russ Singleton
Chairman and Chief Executive

Overview

The Board is pleased to report continued strong performance for Journeo. Trading for the first six months of the year, ending 30 June 2025 (“H1 2025”), was in line with management expectations and places us on-track to achieve another record year. The Group is continuing to execute its M&A strategy and completed the acquisition of Crime and Fire Defence Systems (“CFDS”) post period, in September 2025, adding depth and breadth to Journeo capabilities in critical ‘cost of failure’ solutions across public transport, passenger information and vital national infrastructure installations.

The Group achieved strong organic growth during the period in Fleet Systems and Passenger Systems, replacing the revenue from the New York City subway contract that was successfully completed by Infotec in 2024. Further purchase orders were received for this customer in April and June 2025 that will benefit H2 2025 revenue.

The Board remains focused on its medium-term goal of taking Journeo beyond £100 million in revenue, supported by domain expertise, strong margins, robust risk management, continued investment in talent and systems, and the growth of our intellectual property. With a solid financial foundation and clear direction, Journeo is well positioned to deliver long-term sustainable value.

Strategic progress

The continued execution of our strategy is proving to be highly effective and is positioning us to achieve greater market share and enter new markets where our technology can be applied. Underpinned by £6m of investment in customer-centric Research and Development over the past four years, the Group has delivered sustained growth through a combination of organic expansion and targeted acquisitions.

Every acquisition is evaluated to ensure alignment with Journeo’s values of honesty and integrity, our commitment to close customer collaboration, a culture of engineering excellence, and a passion for technology innovation. CFDS met these criteria and opens new avenues for organic growth, building on the momentum of our acquisitions of Infotec and Journeo A/S in 2023. Through CFDS, we have gained domain expertise in attractive adjacent customer segments, characterised by high barriers to entry and strong growth potential.

As the Group evolves, we are refining the way we describe our activities into three profitable categories that better reflect the current corporate activities and growth opportunities:

- **Integrated Services:** Packaged solutions combining software, hardware, and services, supported 24/7
- **Information Systems:** Visual display of transit information and infotainment

- **Infrastructure Protection:** Safety-focused physical and cyber security of infrastructure

Work to integrate Group business systems to improve collaboration, organisational capability and efficiency are key aspects of our strategy. During the first half of the year, we commenced a programme to unify Group software development tools and systems, which is expected to be materially complete by the end of the year. We also strengthened our Customer Relationship Management capabilities through a Group-wide implementation of a single platform to manage and monitor our pipeline of sales opportunities across all segments.

In parallel, we continue to build the Senior Leadership Team and invest in new talent.

The Group’s centralised functions continue to provide the services that support our operating companies, delivering new technologies and solutions that will fuel future growth. Our development teams are focused on creating the next generation of world class products and further advancement of our powerful suite of software solutions.

Financial results

Revenue for H1 2025 decreased by 4% to £24.5m (H1 2024: £25.6m). H1 2024 included £3.4m of revenue from the first phase of the New York City contract, which successfully completed during 2024. H1 2025 included no revenue from this contract.

Fleet Systems revenue of £13.5m (H1 2024: £9.3m) and Passenger Systems revenue of £6.1m (H1 2024: £5.2m) grew by 46% and 17% respectively.

Revenue from Infotec was £3.6m (H1 2024: £8.5m) and from Journeo A/S was £1.5m (H1 2024: £2.7m), reducing by 58% and 45% respectively.

Fleet Systems' gross profit of £3.8m (H1 2024: £2.3m) increased by £1.5m, with an increase in overall gross margin to 28% (H1 2024: 25%).

Passenger Systems' gross profit of £2.9m (H1 2024: £2.4m) increased by £0.5m, with an improvement in gross margin to 48% (H1 2024: 46%).

Infotec gross margin improved to 45% (H1 2024: 38%), delivering a gross profit of £1.6m (H1 2024: £3.2m), whilst Journeo A/S produced a 61% gross margin (H1 2024: 40%), delivering a gross profit of £0.9m (H1 2024: £1.1m).

The underlying profit before depreciation and amortisation decreased slightly by 4% to £2.6m (H1 2024: £2.7m).

The basic undiluted profit per share was 13.01p (H1 2024: 15.30p).

Cash and cash equivalents at the end of the period increased to £18.0m (H1 2024: £12.9m)..

Operational review

Fleet Systems

We are delighted that the Fleet Systems business continues to deliver year-on-year growth. Revenue has increased by 46%, to £13.5m (H1 2024: £9.3m) and underlying profit increased significantly, by 181% to £1.6m (H1 2024: £0.6m).

In May 2025, we announced the largest UK framework agreement that the Group has achieved so far. The framework agreement, for the provision of Journeo Portal SaaS for the secure movement and processing of video, vehicle gateway and data services, CCTV system upgrades and extended field service management to First Bus UK, is anticipated to generate £10m of revenue and will run for three years, through to March 2028. The framework holds the provision for extensions through to March 2030.

This agreement was swiftly followed in

May 2025 by the announcement of £4.2m of purchase orders from Alstom, a major supplier in the rail industry. The purchase orders form part of a major refurbishment programme being undertaken by Alstom to upgrade existing CrossCountry trains and includes the design and supply of high-performance CCTV and Automatic Passenger Counting ("APC") systems. The system design is underpinned by Journeo's core IP, enabling the operator to manage operation-critical data, and demonstrates the flexibility and robustness of our solutions, with technology originally deployed to the bus market, now being used by our rail customers.

Further, it is anticipated that approximately £2m of additional revenue will be generated over five years for SaaS subscriptions, once the trains go into service.

These multi-year agreements, powered by the advanced software features of the Journeo Portal, increase our recurring revenue and enable our teams to work ever closer with customers, creating an environment of continuous improvement.

Passenger Systems

We are pleased with the improved performance of our Passenger Systems business. Revenue in H1 2025 increased by 17% to £6.1m (H1 2024: £5.2m) and underlying profit grew by 62%, to £0.6m (H1 2024: £0.4m).

H1 2025 started positively, with two notable contract wins announced in January 2025.

The first, a £1.4m award from Stoke City Council, was for the delivery, installation and maintenance of Journeo's double-sided Thin Film Transistor (TFT) displays on key transport corridors within the region. Part of Stoke City Council's Bus Service Improvement Plan (BSIP), the displays are enhancing the passenger experience in the region, delivering real time and scheduled information to the public and also providing an additional layer of security, with CCTV to improve safety for lone passengers and those travelling at night.

The second award was a £1.1m purchase order from Cardiff Council to extend its real time information refurbishment programme, replacing the last of its legacy 3-line LED displays with TFT technology. Connected to the Transport for Wales CMS, the displays provide the latest departure

data and supplementary information, such as disruption data, in both English and Welsh. The success of the implementation has seen the customer expand their estate, with a further £0.3m orders received following the initial purchase.

Local authorities in the UK continue to invest in their BSIPs and franchising plans, underpinned by central Government investment, and the demand for Journeo's display and industry-leading content management technology continues to grow.

Infotec

Following the successful completion of the New York Subway project in 2024, and the commencement of UK rail funding Control Period 7, Network Rail's five-year plan (2024-2029) for operating, maintaining, and renewing the mainline railway infrastructure in Great Britain, there was a reduction in revenue from Infotec.

Revenue for H1 2025 decreased 58% year-on-year to £3.6m (H1 2024: £8.5m) and underlying profit decreased by 79% to £0.4m (H1 2024: £1.8m), as expected.

The relationship with Outfront Media Group ("OFM") and the New York City Metropolitan Transportation Authority ("MTA") continues to grow in strength, with two significant orders placed in H1 2025, totalling \$5.2m, that will serve North America's largest transportation network.

In April 2025 we announced a \$2.5m purchase order for hot-swap replacement displays, built to two special configurations used by the MTA. This order enables Journeo to support both OFM and the MTA to continue to deliver travel information and promotional material to commuters.

A further \$2.7m order was announced in June 2025 for the supply of single and double-sided passenger information displays for installation on station platforms. The order marks the first time Journeo IP will be used off-vehicle in the United States and demonstrates our ability to meet the unique needs of the New York City subway with our secure and flexible products, software and services.

Chairman and Chief Executive's review CONTINUED



“The organic growth of our UK Systems’ businesses, couple with the recent acquisition of CFDS in September 2025, supports the Board’s confidence that the business will continue to grow and deliver shareholder value.”

Russ Singleton
Chief Executive

Journeo A/S

Performance of Journeo A/S in H1 2025 was broadly in line with H2 2024 but reduced when compared to H1 2024. This is in line with management expectations, and we continue to look forward to the opportunities that our greater presence in the Nordic and Scandinavian markets will achieve. Year-on-year, revenue decreased 45% to £1.5m (H1 2024: £2.7m) and underlying profit decreased 47% to £0.1m (H1 2024: £0.2m)

The most notable contract win for Journeo A/S was achieved post period in July 2025, worth a minimum of £1.2m, with Umove, Denmark’s largest privately owned public transport operator. The order included £0.8m of engineering and installation works for Journeo’s APC, real time information, passenger infotainment and Voice over IP solutions, and is expected to generate £0.4m of recurring SaaS and SLA revenues during the first three years of the contract.

ESG update

In May 2025, the Company introduced its first Carbon Reduction Plan, measuring baseline emissions from our continuing operations. To support this, the Board has formed a Sustainability Committee, to review and support the development of the policy and process changes within the Group that will assist us in achieving Carbon Net Zero by 2050, and meet our interim targets along the way.

The Group has also increased its level of social value activities, supporting the communities in which we work and where our solutions are deployed. For example, we are supporting the next generation of Science, Technology, Engineering and Maths (“STEM”) students at Lees Brook Academy in Derby and their ‘Race to the line’ challenge.

Outlook

Journeo is on track to deliver another record set of full-year results, in line with market expectations. The organic growth of our UK systems’ businesses, coupled with the recent acquisition of CFDS in September 2025, supports the Board’s confidence that the business will continue to grow and deliver shareholder value.

The Board is excited by the prospects the acquisition of CFDS brings, giving the Group greater capabilities and market reach into Nationally Significant Infrastructure Project (“NSIP”) applications.

The Group retained a strong cash position of £18.0m (H1 2024: £12.9m) at the period end. The aggregate cash position post-completion of the acquisition was £9m, ensuring that we maintain the ability to capitalise on further opportunities that we believe can deliver additional value to the Group.

Looking ahead, the Board remains confident in Journeo’s ability to deliver sustainable growth, underpinned by continued investment in innovation,

strategic acquisitions, and the development of intellectual property. With a strong financial foundation, a clear strategy, and a growing portfolio of capabilities, the Group is well positioned to achieve its longer-term ambitions whilst creating value for shareholders, customers, and other stakeholders.

Mark Elliott
Non-executive Chairman

Russ Singleton
Chief Executive

mimo

Heathrow

08:31

Currently at:

Destination

Terminal 5

stop:

Arriving at destination in approx

7 minutes

Time	Destination	Flight Number	Gate
11:00	Dublin	VS000	Gate 10
12:00	Hong Kong	VS000	Gate 21
12:10	Boston	VS000	Gate 2
12:30	San Paulo	VS000	Gate 20
12:30	Dublin	VS000	Gate 10
12:40	Munich	VS000	Gate 10

Consolidated statement of comprehensive income

for the six months ended 30 June 2025

	Unaudited six months ended 30 June 2025 £'000	Unaudited six months ended 30 June 2024 £'000	Year ended 31 December 2024 £'000
Revenue (notes 4,5)	24,525	25,620	49,558
Cost of sales	(15,293)	(16,618)	(31,878)
Gross profit	9,232	9,002	17,680
Underlying administrative expenses	(6,621)	(6,268)	(12,855)
Underlying profit	2,611	2,734	4,825
Share-based payments	(72)	(9)	(60)
Total administrative expenses and other income	(6,693)	(6,277)	(12,915)
Operating profit	2,539	2,725	4,765
Net Finance income	147	57	188
Profit before taxation	2,686	2,782	4,953
Taxation charge	(447)	(262)	(433)
Profit for the period being total comprehensive profit attributable to owners of parent	2,239	2,520	4,520
Profit per share (note 6)			
Basic	13.01p	15.30p	27.44p
Diluted	12.51p	14.76p	26.29p

All results derive from continuing operations.

Consolidated statement of changes in equity shareholders' funds

for the six months ended 30 June 2025

	Share capital £'000	Share premium £'000	Retained earnings £'000	Total equity shareholders' funds £'000
Balance as at 1 January 2024	6,753	8,266	(2,281)	12,738
Profit and total comprehensive income for the period	–	–	2,520	2,520
Share-based payments	–	–	9	9
Balance at 30 June 2024	6,753	8,266	248	15,267
Balance at 1 January 2024	6,753	8,266	(2,281)	12,738
Profit and total comprehensive income for the year	–	–	4,520	4,520
Share-based payments	–	–	60	60
Balance at 31 December 2024	6,753	8,266	2,299	17,318
Profit and total comprehensive income for the period	–	–	2,239	2,239
Proceeds from issue of new shares	32	51	–	83
Share-based payments	–	–	72	72
Balance at 30 June 2025	6,785	8,317	4,610	19,712

Consolidated statement of financial position

at 30 June 2025

	Unaudited 30 June 2025 £'000	Unaudited 30 June 2024 £'000	31 December 2024 £'000
Assets			
Non-current assets			
Goodwill (note 7)	4,058	4,058	4,058
Other intangible assets	2,663	2,722	2,647
Property, plant and equipment	1,381	1,534	1,563
Deferred Tax asset	243	269	185
Trade and other receivables	39	40	39
	8,384	8,623	8,492
Current assets			
Inventories	6,920	6,520	7,256
Trade and other receivables	9,302	8,369	12,084
Cash and cash equivalents	18,010	12,904	14,318
	34,232	27,793	33,658
Total assets	42,616	36,416	42,150
Equity and liabilities			
Shareholders' equity			
Share capital	6,785	6,753	6,753
Share premium account	8,317	8,266	8,266
Retained earnings	4,610	248	2,299
Total equity	19,712	15,267	17,318
Non-current liabilities			
Deferred revenue	4,354	3,874	4,501
Other payables	-	82	-
Loans and borrowings	80	140	99
Lease liabilities	608	737	726
Deferred Tax	319	25	319
Provisions	1,508	2,410	2,048
	6,869	7,268	7,693
Current liabilities			
Trade and other payables	4,858	5,500	7,513
Deferred revenue	8,078	5,850	6,677
Loans and borrowings	72	16	119
Lease liabilities	293	219	299
Tax liabilities	1,867	1,424	1,826
Provisions	867	872	705
	16,035	13,881	17,139
Total equity and liabilities	42,616	36,416	42,150

Consolidated statement of cash flows

for the six months ended 30 June 2025

	Unaudited six months ended 30 June 2025 £'000	Unaudited six months ended 30 June 2024 £'000	Year ended 31 December 2024 £'000
Net cash from operating activities (note 8)	4,397	5,550	7,591
Cash flows from investing activities			
Purchases of property, plant and equipment	(69)	(78)	(170)
Purchases / generation of intangible assets	(485)	(520)	(910)
Net cash from investing activities	(554)	(598)	(1,080)
Financing activities			
Cash flow from financing activities	–	–	40
Principal element of lease repayments	(165)	(138)	(299)
Issue of Shares	83	–	–
Repayment of loans	(69)	(24)	(50)
Net cash from financing activities	(151)	(162)	(309)
Net increase in cash and cash equivalents	3,692	4,790	6,202
Cash and cash equivalents at beginning of period	14,318	8,116	8,116
Effect of foreign exchange rate changes	–	(2)	–
Cash and cash equivalents at end of period	18,010	12,904	14,318

Notes to the interim financial statements

for the six months ended 30 June 2025

1. Basis of preparation and approval of interim statement

The financial information for the six months ended 30 June 2025 and for the six months ended 30 June 2024 is unaudited.

The interim financial statement for the six months to 30 June 2025 does not include all of the information required for full annual financial statements and should be read in conjunction with the consolidated financial statements for the year ended 31 December 2024.

The financial information has been prepared on the basis of UK adopted international accounting standards (IFRSs) that the Directors expect to be applicable as at 31 December 2025.

The accounting policies adopted in the preparation of the interim financial statements are consistent with those set out in the Group's Annual Report and Financial Statements 2024, which were prepared in accordance with IFRSs.

This interim financial statement does not comprise statutory accounts within the meaning of Section 435 of the Companies Act 2006. Statutory accounts for the year ended 31 December 2024 were approved by the Board on 25 March 2025 and delivered to the Registrar of Companies. The report of the auditor on those accounts was unqualified, did not contain an emphasis of matter paragraph and did not contain any statement under Section 498(2) or Section 498(3) of the Companies Act 2006.

AIM-quoted companies are not required to comply with IAS 34 'Interim Financial Reporting' and accordingly the Company has not applied this standard in preparing this report.

The interim financial statement was approved by the Board of Directors on 25 September 2025.

2. International Financial Reporting Standards

The Group follows the standards and interpretations issued by the International Accounting Standards Board (IASB) and the International Financial Reporting Interpretations Committee of the IASB and endorsed by the UK that are relevant to its operations.

3. Going concern

The Group's business activities together with factors likely to affect its future development, performance and position were set out in the Strategic Report and Chairman's Statement of the 2024 Annual Report and the principal risks and uncertainties were set out in the Strategic Report. The Directors have reviewed the cash flow forecasts for the period up to and including 31 December 2026.

Based on the above, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future and for at least twelve months from the date of the report. For this reason the Directors continue to adopt the going concern basis in preparing the financial statements.

4. Revenue

The revenue split between goods and services is:

	Unaudited six months ended 30 June 2025 £'000	Unaudited six months ended 30 June 2024 £'000	Year ended 31 December 2024 £'000
Revenue			
Goods	19,352	20,550	38,661
Services	5,173	5,070	10,897
	24,525	25,620	49,558
Construction contracts included in goods	4,674	4,131	7,171

5. Segmental reporting

IFRS 8 requires operating segments to be determined on the basis of those segments whose operating results are regularly reviewed by the Board of Directors (the Chief Operating Decision Maker as defined by IFRS 8) to make strategic decisions.

	Unaudited six months ended 30 June 2025 £'000	Unaudited six months ended 30 June 2024 £'000	Year ended 31 December 2024 £'000
Revenue			
Fleet Systems	13,494	9,250	23,692
Infotec	3,567	8,486	12,421
Journeo Denmark	1,489	2,732	4,033
Passenger Systems	6,080	5,199	9,503
Intersegment Sales	(105)	(47)	(91)
	24,525	25,620	49,558
Gross profit			
Fleet Systems	3,785	2,297	6,688
Infotec	1,613	3,205	4,617
Journeo Denmark	912	1,090	1,937
Passenger Systems	2,922	2,410	4,438
	9,232	9,002	17,680
Underlying profit			
Fleet Systems	1,551	552	2,515
Infotec	368	1,750	2,083
Journeo Denmark	124	236	277
Passenger Systems	606	374	193
	2,649	2,912	5,068
Central	(38)	(178)	(243)
Underlying profit	2,611	2,734	4,825

Reconciling to profit before interest and tax

	Underlying profit/(loss) £'000	Share-based payments £'000	Operating profit/(loss) £'000
Fleet Systems	1,551	(23)	1,528
Infotec	368	(24)	344
Journeo Denmark	124	(18)	106
Passenger Systems	606	(7)	599
	2,649	(72)	2,577
Central	(38)	–	(38)
Total	2,611	(72)	2,539

Net assets

Net assets attributed to each business segment represent the net external operating assets of that segment, excluding goodwill, bank balances and borrowings, which are shown as unallocated amounts, together with central assets and liabilities.

Notes to the interim financial statements CONTINUED

for the six months ended 30 June 2025

5. Segmental reporting (CONTINUED)

Net assets (CONTINUED)

	Unaudited six months ended 30 June 2025 £'000	Unaudited six months ended 30 June 2024 £'000	Year ended 31 December 2024 £'000
Assets			
Fleet Systems	8,515	7,894	13,488
Infotec	3,947	4,364	3,120
Journeo Denmark	2,430	1,960	2,083
Passenger Systems	5,500	5,155	5,032
	20,392	19,373	23,723
Goodwill	4,058	4,058	4,058
Cash and borrowings	18,010	12,904	14,318
Unallocated	156	81	51
	42,616	36,416	41,150
Liabilities			
Fleet Systems	(5,672)	(2,971)	(8,031)
Infotec	(4,164)	(5,503)	(4,584)
Journeo Denmark	(532)	(744)	(404)
Passenger Systems	(11,752)	(11,605)	(11,313)
	(22,120)	(20,823)	(24,332)
Cash and borrowings	(644)	(156)	(218)
Unallocated	(140)	(170)	(282)
	(22,904)	(21,149)	(24,832)
Net assets / (liabilities)			
Fleet Systems	2,843	4,923	5,457
Infotec	(217)	(1,139)	(1,464)
Journeo Denmark	1,898	1,216	1,679
Passenger Systems	(6,252)	(6,450)	(6,281)
	(1,728)	(1,450)	(609)
Goodwill	4,058	4,058	4,058
Cash and borrowings	17,366	12,748	14,100
Unallocated	16	(89)	(231)
	19,712	15,267	17,318

6. Profit per Ordinary Share

Details of the weighted average number of Ordinary Shares used as the denominator in calculating the basic and diluted earnings per Ordinary Share are given below:

	Unaudited six months ended 30 June 2025 000	Unaudited six months ended 30 June 2024 000	Year ended 31 December 2024 000
Basic weighted average number of shares	16,891	16,475	16,475
Dilutive potential Ordinary Shares	670	594	716
	17,561	17,069	17,191

7. Goodwill

Goodwill acquired in a business combination is allocated at acquisition to the cash-generating unit (CGU) that is expected to benefit from that business combination. The Group has four CGUs which are its four operating segments, Fleet Systems, Passenger Systems, Journeo Denmark and Infotec. The carrying amount of goodwill has been allocated to the CGUs as follows:

	Journeo Passenger Systems Limited £'000	Journeo Denmark £'000	Infotec £'000	Total £'000
Deemed cost:				
At 1 January 2024	1,345	477	2,236	4,058
At 30 June 2024	1,345	477	2,236	4,058
At 31 December 2024 and 1 January 2025	1,345	477	2,236	4,058
At 30 June 2025	1,345	477	2,236	4,058

The Group tests goodwill annually for impairment as at 31 December, or more frequently if there are indications that goodwill might be impaired.

The recoverable amounts of the CGUs are determined based on a value-in-use calculation which uses cash flow projections based on financial budgets and business plans approved by the Directors covering a five-year period. Cash flows beyond that period have been extrapolated in perpetuity assuming no growth, which the Directors consider to be a conservative approach.

The key assumptions for the value-in-use calculations are those regarding discount rates and sales forecasts.

The discount rates needed to equate the net present value from these cash flows to the carrying value of goodwill are compared to the required rate of return from the CGU based upon an assessment of the time value of money, prevailing interest rates and the risks specific to the CGU. If this discount rate is in excess of the required rate of return then it is assumed that no impairment has occurred to the carrying value of goodwill.

Notes to the interim financial statements CONTINUED

for the six months ended 30 June 2025

7. Goodwill (CONTINUED)

The discount rates are as follows:

	Unaudited six months ended 30 June 2025	Unaudited six months ended 30 June 2024	Year ended 31 December 2024
	%	%	%
Passenger Systems	13	13	13
Journeo Denmark	13	13	13
Infotec	13	13	13

The discount rates used are based on the Board's judgement considering macroeconomic factors and reflecting specific risks in each segment such as the nature of the market served, the concentration of customers, cost profiles and barriers to entry.

Passenger Systems also has intangible assets, which are considered in the same value-in-use calculations as goodwill.

The Passenger Systems cash flow projections used to determine value in use are based upon assumptions of sales, margins and cost bases. Of these assumptions, the value in use is most sensitive to the level of sales. Margins are fixed in the forecast based upon past experience; the cost base is similarly based upon past experience and will vary depending upon the level of sales. In accordance with the requirements of IAS 36 our value-in-use calculations do not include cash flows from restructurings to which the Group is not yet committed.

The level of sales is the key assumption used in the cash flow forecast. Sales have been determined by management using estimates based upon past experience and future performance with reference to market position and the sales pipeline. The macroeconomic environment has improved and there continues to be an increase in the number and size of contracts available.

Sensitivity analysis has been performed on the pre-tax discount rates, which shows that a pre-tax discount rate of 38.9% (Passenger Systems), 16.7% (Infotec) or 31.2% (Journeo Denmark) would be required in order to eliminate the headroom which exists in these CGUs. The Directors consider that the discount rates used, which are already risk adjusted to capture the Directors' view of the extent to which each CGU is exposed to macroeconomic factors, represent a balanced view.

A sensitivity analysis has been performed on the impairment test. The Directors consider that an absolute change in the key sales assumption is possible and a reduction in the sales forecast in 2025 of 5% would result in headroom remaining in the current carrying value of goodwill. If sales forecasts were down 10% across the whole period and overheads remained unchanged then headroom would still remain.

The Directors believe that, based on the sensitivity analysis and stress testing performed, any reasonably possible change in the key assumptions on which the recoverable amounts are based would not cause the carrying amounts to exceed the recoverable amounts.

The value in use for the Group exceeds the carrying value of the assets.

In view of this, the Directors consider that no impairment of goodwill or intangible assets is required.

8. Cash generated from operations

	Unaudited six months ended 30 June 2025 £'000	Unaudited six months ended 30 June 2024 £'000	Year ended 31 December 2024 £'000
Profit for the period	2,239	2,520	4,520
Adjustments for:			
– Finance income	(147)	(57)	(188)
– Deferred tax	(58)	–	299
– Depreciation of property, plant and equipment	253	240	464
– Amortisation of intangible fixed assets	469	484	966
– Share-based payment expense	72	9	60
– Loss on disposal of fixed assets	–	(6)	–
– (Decrease) / increase in provisions	(377)	270	(259)
– Foreign exchange rate	–	–	(30)
Operating cash flows before movement in working capital	2,451	3,460	5,832
Decrease / (increase) in inventories	336	348	(388)
Decrease in receivables	2,828	5,300	126
(Decrease) / increase in payables	(1,360)	(3,919)	2,221
Cash inflow/(outflow) from operations	4,255	5,189	7,791
Income taxes (paid) / received	(46)	260	(471)
Net interest earned	188	101	271
Net cash inflow from operating activities	4,397	5,550	7,591

9. Post balance sheet events

On 2 September 2025, Journeo plc acquired 100% of the share capital of Crime and Fire Defence Systems Limited ("CFDS"). CFDS is a specialist infrastructure protection systems integrator in physical and cyber security solutions to the UK Critical National Infrastructure, Defence and Utilities markets.

Due to the short timeframe between completion of the acquisition and approval of these financial statements, it was not possible to reliably estimate the fair values of assets and liabilities, or the goodwill associated with the acquisition.

On 5 September 2025 225,366 new Ordinary Shares were issued and admitted to trading on AIM.

Journeo

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