

ASX ANNOUNCEMENT

CODE: SRJ



27 February 2026

2025 Appendix 4E and Annual Report

The Directors of SRJ Technologies Group Plc (ASX:SRJ) (SRJ or the Company or the Group) are pleased to provide the Appendix 4E and the unaudited financial statements for the year ended 31 December 2025 (FY25).

FY25 represented a deliberate transitional phase for SRJ. The Board and management undertook a comprehensive reset of the Group's structure, leadership, cost base and regional focus in line with the Company's vision to become a leader in technology-driven asset integrity. While this work began to deliver tangible improvements across several areas of the business, the financial and operational results for 2025 were below expectations. The Group recognises that the outcomes delivered do not yet reflect the full benefits of the actions taken.

This period was characterised by investment in foundations as we build towards revenue optimisation. This included the establishment of a fully operational Middle East platform, the appointment of an experienced executive leadership team, and the repositioning of the Group as an integrated asset integrity and maintenance services provider.

While revenue in FY25 was impacted by the timing of Middle East mobilisation and reduced activity from a specific Asian client, the Company exits the year with a materially stronger operating model, a simplified and lower cost base, and a materially expanded pipeline of qualified opportunities. These actions have positioned SRJ with a strong base from which to grow - including better access to Middle East markets and leadership capability aligned to our long-term growth strategy.

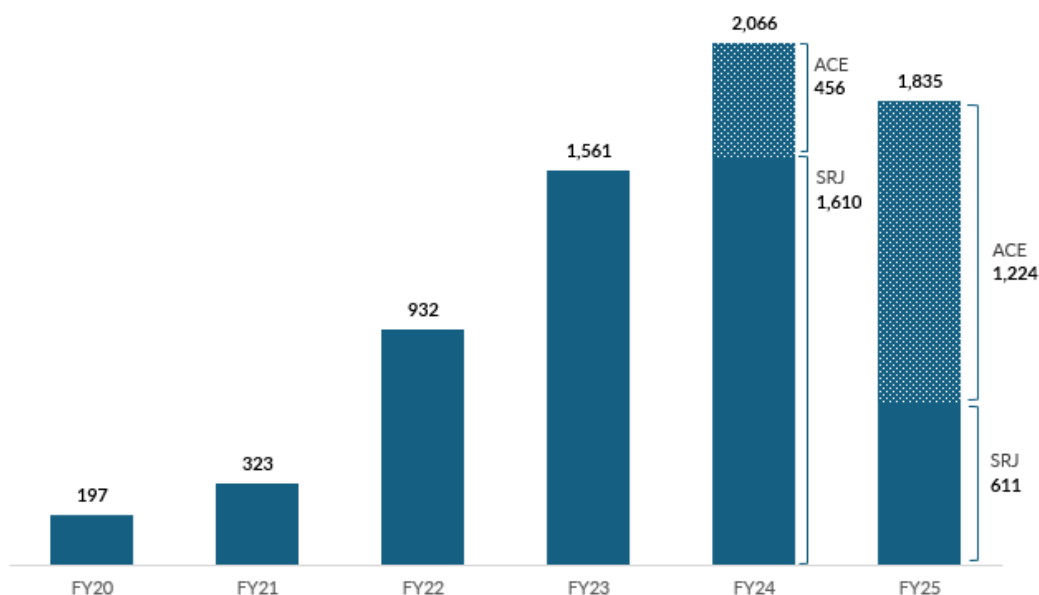
Outlook

With the transition phase now largely complete, FY26 is expected to represent a shift toward execution and operational delivery. The Company enters the year with an expanded opportunity base across the UAE, broader Middle East, and existing ACE markets. The strategic reset undertaken during FY25 has established the operational and commercial foundations required to support scalable and sustainable growth.

Results Announcement

Revenue

Revenue for the year of £1,835,115 (A\$3,750,720) declined by 11%, primarily due to timing delays for opportunities in the Middle East and reduced Asian client activity. The Company exited the year with a strengthened platform and an increasing proportion of recurring or multi-year opportunities.



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Revenue Commentary

Middle East delays - During the period, the Company undertook a comprehensive operational and strategic reset to position the business for sustainable long-term growth. As part of this process, the timing of revenue generation from Middle East operations was later than initially expected. Delays were procedural rather than demand-driven and did not reflect a loss of customer interest or competitiveness.

Asian Client – revenue secured with an Asian client in 2024 reduced by 98% from £723k to £12.4k due to ongoing regulatory and jurisdictional uncertainty in key regions, particularly in East Malaysia, that has led to delayed project approvals, increased contracting complexity and a more cautious procurement environment among operators and service providers. Product approvals remain in place and the commercial relationship continues. Future revenue in the region is expected to be more weighted toward royalty income and consumable or replacement component sales as deployed product is utilised.

Transition year - The transition phase also required a period of internal focus to restructure operations and align resources, which temporarily reduced the Company's capacity to pursue and convert certain external opportunities.

Key Milestones

A summary of key milestones achieved during FY25 that generated revenue in the year are detailed below alongside other notable milestones (further details of each are available under the Company announcements on the ASX website):

- **Strategy:** Strategic transformation into a full-scale Asset Integrity Maintenance provider with operational headquarters in Abu Dhabi. The Company's registered office and place of incorporation remain unchanged.
- **Leadership transition:** Industry veteran Kurt Reeves was appointed as the new Chief Executive Officer and Alexander Wood stepped down as part of the transition.
- **Regional acquisition:** Acquired an NOC registered UAE entity to create a pathway for direct access to NOC tenders and regional client engagement together with a fast-tracked capability to deliver strategic commercial opportunities in the Middle East.
- **NED appointment:** Appointed Jason de Silveira, a pioneer in robotics and inspections as a Non-Executive Director. Jason possesses significant experience in technology commercialisation and advanced manufacturing, with strong connections in Oil & Gas.
- **New entity Incorporation:** a new Group company in the UAE, Air Control Entech Survey LLC was incorporated, significantly enhancing ACE's regional presence in the Middle East and aligning with the broader strategic expansion plan.
- **Campaign for Supermajor:** Inspection contract secured and delivered in the year with Oil & Gas Supermajor with a value of £695k (A\$1.45m) for inspection and emissions monitoring on North Sea Assets in 2025.
- **Asset Integrity contract:** Secured a further contract awarded for the development of an Asset Integrity system for a global FPSO operator valued at £160k (A\$333k). This extension secures a total of £218k (A\$454k) in revenue for 2025 from this global operator.
- **Middle East & Regional Growth:** Signed a strategic Joint Venture agreement with an NOC-registered entity to deliver a multi-year scope of work in the Middle East valued at more than US\$6m.
- **BoltEx® Sales:** Secured and delivered on a contract with a global procurement specialist for the supply of BoltEx® to an FPSO operator in Guyana valued at US\$269k (A\$410k).
- **Partnerships:** Executed a further Joint Venture agreement to deliver a multi-year scope of work in the Middle East with a contract value of US\$23.8m over four years. Work is released via client-driven call-off orders ("Call Off") and revenue timing will depend on client scheduling and operational requirements. The quantum and timing of SRJ's revenues and margins cannot be reliably estimated as it will depend on the volume and nature of each Call-Off and SRJ's role in each.
- **Completion of Capital Raise:** The Company completed a fully underwritten 8-for-9 ANREO to raise ~A\$2.54m via 633.85m new CDIs, announced 1 August 2025, which ranked equally with existing SRJ CDIs and were quoted on ASX. This follows a A\$356.6k placement to institutional and sophisticated investors announced on 24 July 2025.

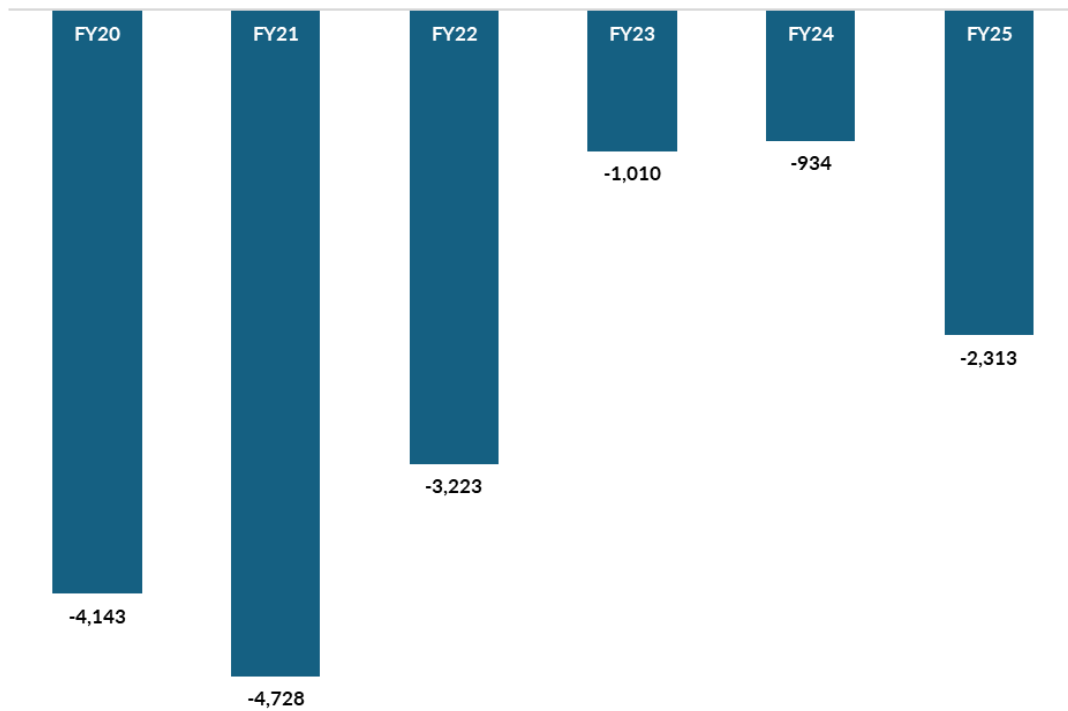
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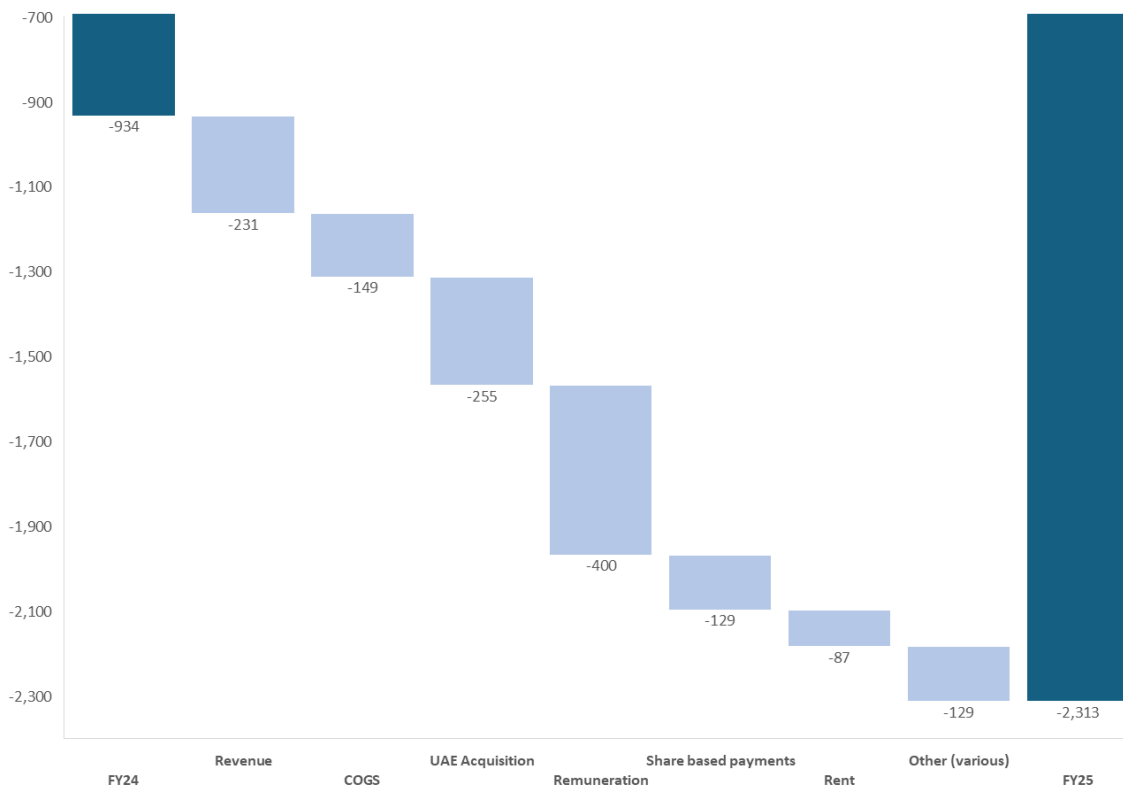
EBITDA

Consolidated EBITDA (£'000k)



FY25 EBITDA reflects approximately £858k of non-recurring costs associated with the acquisition and strategic reset, comprising £255k of acquisition costs, £334k of remuneration-related costs and £269k of other one-off restructuring and professional fees. Adjusting for these items, the underlying cost base is consistent with the Group's current operating structure, positioning the business to enter the new financial year with a leaner and more streamlined cost profile.

Consolidated EBITDA Bridge FY24 to FY25 (£'000k)



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EBITDA BRIDGE Commentary

Revenue

- ACE standalone revenue was £1,224k in FY25 (FY24: £1,210k), remaining broadly consistent year on year and therefore not contributing to the overall decline in revenues. In FY24, Group revenue included ACE only from 21 August 2024 following its acquisition, whereas FY25 reflects a full year's contribution. As a result, ACE has partially offset the shortfall arising from the reduction in revenue from the legacy SRJ business.
- SRJ had a sales return in 2025 linked to a 2024 sale which reduced revenue figures by £177k whilst revenue secured with an Asian client in 2024 reduced by 98% from £723k to just £12.4k due ongoing regulatory and jurisdictional uncertainty in key regions, particularly in East Malaysia, that has led to delayed project approvals, increased contracting complexity and a more cautious procurement environment among operators and service providers.

Cost of Goods Sold (COGS)

- Gross Margin reduced relative to prior years as the mix of the lower relative margin ACE solutions and higher margin SRJ product sales changed with the ACE solutions making up 67% of Sales compared to 22% in the prior year.

UAE Acquisition

- Under UK accounting principles, the acquisition of First Avenue did not meet the strict definitions of a business combination despite acquiring the legal entity, bank accounts and pre-qualifications with an NOC. Rather than being capitalised as Goodwill and amortised over future periods, all acquisition-related costs were recognised as an expense in the year they were incurred. This acquisition materially enhances SRJ's ability to directly access national oil company procurement frameworks and participate in long-term regional asset integrity programs.

Remuneration

- The increase reflects a full year's consolidation of ACE in 2025 relative to circa 4 months in the prior year. Any strategic efforts to reduce overhead costs such as Salaries takes time to implement due to notice periods, settlement payments and restructuring. This reflects the completion of the Company's cost base reset and aligns the Group's operating structure with its current scale and strategic priorities.

Share-based payments

- Non-cash equity incentives aligned executives and advisors with long-term shareholder outcomes. The fair value of equity-settled awards is expensed over the vesting period where one exists. Where awards vest immediately, the fair value is recognised in full at the grant date.

Rent

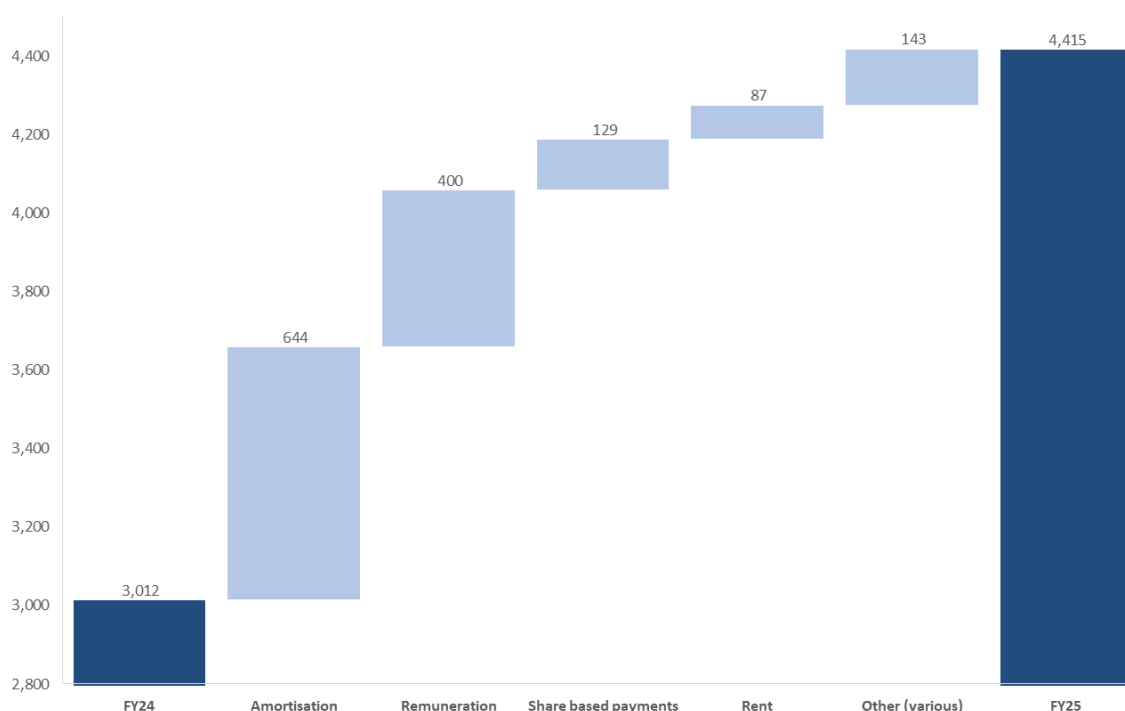
- Increase reflects full years charge for the office space and warehouse in Aberdeen for ACE and new charges in the year for the UAE Head office. Closure of the European and Australian offices and divestiture of SRJ UK is expected to reduce rent related costs by £50k for FY26, with legacy lease costs, totalling £10.5k, being incurred up to August 2026.

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Consolidated Overheads Bridge FY24 to FY25 (£'000k)



Amortisation and Depreciation –

- This non-cash item is excluded from the EBITDA bridge, the majority of which is attributable to the Goodwill recognised on the acquisition of ACE.

Cash and cash equivalents at 31 December 2025 totalled £610,590 (FY24: £636,986). The streamlined cost base and operational restructuring undertaken during FY25 position the Group to execute its strategy efficiently.

Entities over which control has been gained – First Avenue and ACE UAE

During the year, the Company acquired 100% of First Avenue General Contracting Sole Proprietorship LLC (“First Avenue”) a United Arab Emirates entity registered with a regional National Oil Company (“NOC”) that holds pre-qualifications relevant to the Group’s business. The Company executed a Share Purchase Agreement to acquire 100% of the issued capital of First Avenue on 21 August 2025. First Avenue is a private company limited by shares incorporated in the United Arab Emirates. The registered office is 1st floor, Building No121, Mohammed al Otaiba Tower, Saeed Bin Ahmed Al Otaiba Street, Abu Dhabi, UAE.

The acquisition provides a pathway to direct access to NOC tenders and regional client engagement together with a fast-tracked capability to deliver on strategic commercial opportunities in the Middle East.

During the year, a new Group company in the UAE, Air Control Entech Survey LLC, (“ACE UAE”) was incorporated. This was finalised on 14 July 2025 with the issue of its trade licence, which therefore becomes the establishment date of the company (the date of incorporation). Air Control Entech Limited, a wholly owned subsidiary of the Company, owns 99% of the UAE entity. This development significantly enhances ACE’s regional presence in the Middle East and is aligned with its broader strategic expansion plan. The company has achieved full operational readiness, enabling it to deliver class-approved robotic inspection and survey solutions to clients across the region.

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Leadership Transition

On 12 March 2025, the Company appointed Kurt Reeves as Chief Executive Officer. Kurt's industry experience, commercial expertise, leadership capability and track record of delivering transformative growth will support the Group's strategy to deliver long-term market expansion and transformative growth.

Kurt is an experienced executive with over 22 years leading asset integrity management in the energy and maritime sectors. With Chair George Gourlay and a refreshed Board with the appointment of Jason De Silveira as a Non-Executive Director, SRJ now has the leadership in place to drive its next phase of strategy execution.

Additional information supporting the Appendix 4E disclosure can be found in the Unaudited Annual Report which contains the 31 December 2025 Financial Statements and accompanying notes.

This report is based on the consolidated financial statements prepared under UK GAAP for the year ended 31 December 2025 which are in the process of being audited by Grant Thornton.

Current period

1 January 2024 - 31 December 2025

Prior period

1 January 2023 - 31 December 2024

Results for announcement to the market

Key Information (GBP)	Year ended 31 Dec 2025	Year ended 31 Dec 2024	Change %
Revenue from ordinary activities	1,835,115	2,065,654	(11)
Loss after tax	3,514,975	1,485,110	(137)
Loss attributable to ordinary equity shareholders	3,517,438	1,511,493	(133)

Other disclosure requirements

Dividends

As the Company continues to progress its strategy, it will continue to invest operating cashflows into strategic growth, and the Board has elected not to declare a dividend in relation to the 2025 financial year (31 December 2024: £Nil). It is the intention of the Board to profitably grow and expand the business, and to ensure shareholders benefit from that growth and expansion through capital growth in the valuation of the Company's share price, and increased availability of returns for distribution. To this end, the Board will continue to update shareholders on its strategic progress.

Net tangible assets (GBP)	Year ended 31 Dec 2025	Year ended 31 Dec 2024	Change %
Net tangible assets per ordinary share	0.00	0.00	-

– END –

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This announcement has been authorised for release by the Board.

ABOUT SRJ TECHNOLOGIES

SRJ deliver integrated asset integrity maintenance, engineering and technology-enabled services to the energy, industrial and maritime industries. Asset integrity maintenance involves the provision of embedded site-based maintenance, advanced inspection, predictive monitoring and repair solutions designed to prevent asset failures and extend asset life. The services are focused on maintaining and assuring the integrity of critical mechanical and pressure containment systems, supporting safe, reliable and compliant operations across operating facilities. SRJ's asset integrity and maintenance services support asset owners in the development, implementation and execution of long-term lifecycle integrity strategies, including regulatory compliance requirements applicable to critical mechanical and pressure containment systems..

Remote inspection services are provided utilising advanced robotics and custom UAV technologies. SRJ's range of containment management solutions enable customers to assure the integrity of new and ageing assets subject to ever more demanding regulatory pressures.

By providing advanced robotic and UAV systems, ACE (an SRJ Group company) is revolutionising asset inspection in terms of minimising human risk and providing accurate and repeatable inspection data. ACE can inspect the previously un-inspectable, delivering asset integrity assurance and management to the Energy and Marine industries. ACE has achieved accreditation with all the major Marine Class Societies.

SRJ's range of asset integrity products and solutions have gained industry approval across the energy sector and are now in use across the world. SRJ's products are designed to maintain and assure the integrity of pressure containment systems and therefore play an important role in the overall integrity of operating facilities.

Unaudited Financial Statements
For the year ended 31 December 2025

SRJ Technologies Group Plc

ARBN 642 229 856

31 December 2025



SRJ Technologies Group Plc

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SRJ Technologies Group Plc

Company information

Directors	Alexander Wood Roger Smith Giles Bourne Stefan McGreevy George Gourlay Jason De Silvierra	(resigned 2 June 2025) (resigned 2 June 2025) (appointed 4 November 2025)
Company secretary	Benjamin Donovan	
Registered number	115590	
Registered office - Jersey	Le Quai House Le Quai d'Auvergne St Helier Jersey, JE2 3TN Telephone: +(44) 01534 626818	
Registered office - Australia	c/- Argus Corporate Partners Pty Ltd Level 4, 225 St Georges Terrace Perth WA 6000 Telephone: +(61) 401 248 048	
Independent auditor	Grant Thornton Limited Kensington Chambers 46/50 Kensington Place St Helier Jersey, JE1 1ET	
Accountants	Moore Stephens Accounting and Taxation Services (Jersey) Limited 1 Waverley Place Union Street St Helier Jersey, JE4 8SG	
Bankers	Barclays Bank Plc 13 Library Place St Helier Jersey, JE4 8NE	
Lawyers	Mourant 22 Grenville Street St Helier Jersey, JE4 8PX	

SRJ Technologies Group Plc

**Consolidated Statement of Comprehensive Income
For the Year Ended 31 December 2025**

	Notes	Year ended 31 December 2025 £	Year ended 31 December 2024 £
Turnover	4	1,835,115	2,065,654
Cost of sales		(725,409)	(576,539)
Gross profit		1,109,706	1,489,115
Administrative expenses		(4,415,088)	(3,012,267)
Acquisition costs	5	(254,588)	-
Other operating income	6	86,192	71,945
Interest received		465	679
Operating loss		(3,473,313)	(1,450,528)
Interest expense	7	(33,815)	(31,548)
Loss before taxation		(3,507,128)	(1,482,076)
Tax on loss	8	(7,847)	(3,034)
Loss for the financial year		(3,514,975)	(1,485,110)
Other comprehensive income:			
Loss on translation of foreign subsidiaries		(4,294)	(26,383)
Total comprehensive loss for the year		(3,519,269)	(1,511,493)
Total comprehensive loss for the year attributable to:			
Ordinary equity holders of the parent		(3,517,438)	(1,511,493)
Non-controlling interest		(1,831)	-
		(3,519,269)	(1,511,493)
<i>Earnings Per Share</i>			
Basic and diluted loss per share for the year attributable to ordinary equity holders of the parent		(0.004)	(0.004)

There were no recognised gains and losses for the year ended 31 December 2025 or year ended 31 December 2024 other than those included in the consolidated statement of comprehensive income.

The notes on pages 34 to 52 form part of these financial statements.

SRJ Technologies Group Plc

**Consolidated Statement of Financial Position
As at 31 December 2025**

	Notes	31 December 2025 £	31 December 2024 £
Fixed assets			
Intangible assets	13	9,164,927	10,231,413
Tangible assets	14	228,429	215,263
		<u>9,393,356</u>	<u>10,446,676</u>
Current assets			
Inventory	15	81,582	84,266
Debtors: amounts falling due within one year	16	635,949	1,006,436
Cash and cash equivalents		610,176	636,986
		<u>1,327,707</u>	<u>1,727,688</u>
Current liabilities			
Creditors: amounts falling due within one year	17	(1,083,225)	(1,027,442)
Loans payable	18	(167,877)	(30,753)
		<u>(1,251,102)</u>	<u>(1,058,195)</u>
Net current assets		<u>76,605</u>	<u>669,493</u>
Total assets less current liabilities		<u>9,469,960</u>	<u>11,116,169</u>
Non-current liabilities			
Creditors: amounts falling due after one year	19	(244,106)	(183,171)
Net assets		<u>9,225,855</u>	<u>10,932,998</u>
Capital and reserves			
Issued share capital	21	124,283	77,943
Share premium account	21	31,492,265	30,031,265
Share based payment reserve	10	396,816	92,030
Translation reserve		(22,207)	(17,913)
Retained earnings attributable to the parent		(22,763,471)	(19,250,327)
Non-controlling interest		(1,831)	-
		<u>9,225,855</u>	<u>10,932,998</u>

The notes on pages 34 to 52 form part of these financial statements.

SRJ Technologies Group Plc

**Consolidated Statement of Changes in Equity
For the Year Ended 31 December 2025**

	Called up share capital £	Share premium £	Share based payment reserve £	Translation reserve £	Retained earnings £	Non- controlling interest £	Total equity £
At 1 January 2024	30,848	18,141,907	-	8,470	(17,765,217)	-	416,008
Total comprehensive loss for the year	-	-	-	(26,383)	(1,485,110)	-	(1,511,493)
CDIs issued during the year, net of transaction costs (note 21)	47,095	11,889,358	-	-	-	-	11,936,453
Issue of share options	-	-	92,030	-	-	-	92,030
At 31 December 2024	<u>77,943</u>	<u>30,031,265</u>	<u>92,030</u>	<u>(17,913)</u>	<u>(19,250,327)</u>	<u>-</u>	<u>10,932,998</u>
Total comprehensive loss for the year	-	-	-	(4,294)	(3,513,144)	(1,831)	(3,519,269)
CDIs issued during the year, net of transaction costs (note 21)	46,340	1,461,000	-	-	-	-	1,507,340
Issue of share options (note 10)	-	-	304,786	-	-	-	304,786
At 31 December 2025	<u><u>124,283</u></u>	<u><u>31,492,265</u></u>	<u><u>396,816</u></u>	<u><u>(22,207)</u></u>	<u><u>(22,763,471)</u></u>	<u><u>(1,831)</u></u>	<u><u>9,225,855</u></u>

The notes on pages 34 to 52 form part of these financial statements.

SRJ Technologies Group Plc

**Consolidated Statement of Cash Flows
For the Year Ended 31 December 2025**

	Notes	Year ended 31 December 2025 £	Year ended 31 December 2024 £
Cash flows used in operating activities			
Loss for the financial year		(3,514,975)	(1,485,110)
Adjustments for:			
Amortisation of intangible assets		1,075,006	463,893
Depreciation of tangible assets		85,775	52,760
Profit on disposal of fixed assets		(29,260)	(11,258)
Acquisition costs	5	254,588	-
Interest paid		33,815	31,548
Interest received		(465)	(679)
Fees settled by issue of CDIs		184,992	-
Share based payments expense		221,333	92,030
Unrealised loss/(gain) on foreign exchange		11,299	(8,200)
Decrease in inventory, net of acquisition		6,639	25,943
Decrease/(increase) in BoltEx® stock inventory		(3,955)	(4,367)
Decrease/(increase) in debtors, net of acquisition		370,487	(308,194)
Increase/(decrease) in creditors, net of acquisition		68,481	(292,171)
Net cash used in operating activities		(1,236,240)	(1,443,805)
Cash flows from investing activities			
Purchase of intangible fixed assets		(8,520)	(74,910)
Purchase of tangible fixed assets		(98,941)	(64,804)
Acquisition of subsidiary, net of cash acquired	5	(254,588)	(4,879,898)
Interest received		465	679
Proceeds from disposal of fixed assets		29,260	38,956
Net cash used in investing activities		(332,324)	(4,979,977)
Cash flows from financing activities			
Issue of ordinary shares/CDIs		1,400,963	7,451,589
Transaction costs re issue of shares/CDIs		(90,875)	(840,753)
New finance leases		100,799	13,860
Repayments towards finance leases		(44,395)	(80,880)
Interest paid		(33,816)	(24,030)
Directors' loans	18	156,124	30,753
New loans		152,268	13,000
Invoice factoring		(35,128)	96,683
Repayment of loans		(31,184)	(2,796)
Repayment of directors' loans		(19,000)	(50,000)
Drawdown of convertible loan notes		-	345,630
Net cash provided/(used in) from financing activities		1,555,755	6,953,056
Effect of changes in foreign exchange rate			
Effect of changes in foreign exchange rates on cash and cash equivalents		(11,299)	8,471
Realised foreign exchange gain on conversion/repayment of loan/convertible loan notes		1,591	(2,832)
		(9,708)	5,639
Net (decrease)/increase in cash and cash equivalents from activities		(22,516)	534,913
Unrealised foreign exchange movement		(4,294)	(26,383)
Cash and cash equivalents at beginning of year		636,986	128,456
Cash and cash equivalents at the end of year		610,176	636,986
Cash and cash equivalents at the end of year comprise:			
Cash at bank and in hand		610,176	636,986

The notes on pages 34 to 52 form part of these financial statements.

SRJ Technologies Group Plc

Notes to the Consolidated Financial Statements For the Year Ended 31 December 2025

1. General information

SRJ Technologies Group Plc (the "Company") is a Public company incorporated in Jersey, Channel Islands on 29 April 2014 in accordance with the Companies (Jersey) Law 1991 with registration number 115590.

The registered office of the Company is Le Quai House, Le Quai d'Auvergne, St Helier, Jersey, JE2 3TN.

The principal activity of the Company is the holding of investments in the following subsidiaries:

Subsidiary	Percentage ownership	Country of Incorporation
SRJ Limited	100%	Jersey
SRJ Technology Limited	100%	United Kingdom
SRJ Tech Australia Pty Limited	100%	Australia
Acorn Intellectual Properties Limited	100%	Jersey
Air Control Entech Limited	100%	Scotland
First Avenue General Contracting Sole Proprietorship LLC	100%	United Arab Emirates
Air Control Entech Survey LLC	99%	United Arab Emirates

SRJ Limited, SRJ Technology Limited and SRJ Tech Australia Pty Limited deliver integrated asset integrity maintenance, engineering and technology-enabled services to the energy, industrial and maritime industries. Asset integrity maintenance involves the provision of embedded site-based maintenance, advanced inspection, predictive monitoring and repair solutions designed to prevent asset failures and extend asset life. The services are focused on maintaining and assuring the integrity of critical mechanical and pressure containment systems, supporting safe, reliable and compliant operations across operating facilities. SRJ's asset integrity and maintenance services support asset owners in the development, implementation and execution of long-term lifecycle integrity strategies, including regulatory compliance requirements applicable to critical mechanical and pressure containment systems.

During the prior year the Company acquired 100% of the share capital of Air Control Entech Limited ("ACE UK"), which provides remote inspection services utilising advanced robotics and custom Unmanned Aerial Vehicle (UAV) technologies. By providing advanced robotic and UAV systems, ACE is revolutionising asset inspection by removing people's exposure to high-risk environments and providing accurate and repeatable inspection data. Acorn Intellectual Properties Limited has the primary activity of holding intellectual property.

During the year the Company acquired 100% of First Avenue General Contracting Sole Proprietorship LLC ("First Avenue") a UAE entity registered with a regional NOC that holds pre-qualifications relevant to the Group's business. The acquisition provides a pathway to direct access to NOC tenders and regional client engagement together with a fast-tracked capability to deliver on strategic commercial opportunities in the Middle East.

During the year a new Group company in the UAE, Air Control Entech Survey LLC ("ACE UAE") was incorporated. ACE UK owns 99% of the UAE entity. This development significantly enhances ACE's regional presence in the Middle East and is aligned with its broader strategic expansion plan. The company has been set up as the operating entity through which ACE UK will conduct its business activities in the region.

2. Summary of significant accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102 the Financial Reporting Standard in the UK and Republic of Ireland (FRS 102) and the Companies (Jersey) Law 1991.

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires Group management to exercise judgment in applying the Group's accounting policies (see Note 3).

The following principal accounting policies have been applied.

2.2 Basis of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of the Group as at 31 December 2025 and the results of all subsidiaries for the year then ended.

The consolidated financial statements present the results of the Company and subsidiary entities controlled by the Company (the "Group") as if they form a single entity. Control is achieved where the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

**Notes to the Consolidated Financial Statements
For the Year Ended 31 December 2025**

2. Summary of significant accounting policies (continued)

2.2 Basis of consolidation (continued)

The consolidated financial statements incorporate the results of business combinations using the purchase method. Intercompany transactions, balances and unrealised gains on transactions between entities in the Group are eliminated in full on consolidation. Accounting policies of subsidiaries are changed where necessary to ensure consistency with the policies adopted by the Group. In the Consolidated Statement of Financial Position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date unless the fair value cannot be measured reliably, in which case the value is incorporated in goodwill.

The results of subsidiaries acquired or disposed of during the year are included in total comprehensive income from the effective date of acquisition and up to the effective date of disposal as appropriate using accounting policies consistent with those of the Parent.

2.3 Going concern

The Group made a loss for the year of £3,514,975 (31 December 2024: £1,485,110) and as at 31 December 2025 was in a net asset position of £9,225,855 (31 December 2024: £10,932,998) and a net current asset position of £76,605 (2024: £669,493). In assessing the appropriateness of preparing the financial statements on a going concern basis, the Directors have prepared detailed cash flow forecasts covering a period of at least twelve months from the date of approval of these financial statements and have performed sensitivity analyses to assess the Group's ability to meet its liabilities as they fall due.

The forecasts are based on a number of key financial assumptions, including expectations regarding revenue growth and the impact of operational cost reductions. The Group has materially reduced its cost base over the past financial year through headcount reductions and organisational restructuring, and the post year end divestment of non-core operations. These measures have significantly lowered the annualised operating expense run rate entering the 2026 financial year.

In addition, the Group's internal forecasts assume a material increase in revenues relative to prior periods, driven by contracted revenues already secured for 2026 and a growing pipeline of advanced-stage opportunities. The Directors have applied conversion assumptions to this pipeline based on historical win-rates and current commercial activity.

While the timing and extent of these forecast revenues cannot be guaranteed, the Directors consider the assumptions to be reasonable based on evidence available at the date of approval. The Directors also note that the Group intends to undertake an equity fundraise in the near term to further strengthen liquidity. Preparatory steps for this process have commenced, and the Directors have a reasonable expectation that this funding will be obtainable, based on historic investor support and current discussions.

Notwithstanding the above, achieving the forecast levels of revenue, converting those revenues into cash in line with forecast assumptions and maintaining the reduced cost base remain subject to uncertainty. Furthermore, the successful completion of the planned equity raise cannot be assured. These factors represent a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern. However, taking into account the significant cost reductions implemented, the expected increase in revenue from both contracted and pipeline opportunities, and the Directors' intention to complete an equity raise, the Directors consider that the Group will have adequate financial resources to continue in operational existence for the foreseeable future. Accordingly, the financial statements have been prepared on a going concern basis.

2.4 Foreign currency

Functional and presentation currency

The Company's functional currency is Pound Sterling (£) which is the presentation currency of the group consolidated financial statements. Monetary amounts in these financial statements are rounded to the nearest £.

Foreign translation

In the Group's financial statements, all assets, liabilities and transactions of Group entities with a functional currency other than the £ are translated into £ upon consolidation. The functional currencies of entities within the Group have remained unchanged during the reporting year.

On consolidation, assets and liabilities have been translated into £ at the closing rate at the reporting date. Income and expenses have been translated into £ at the average rate over the reporting year. Exchange differences are charged or credited to other comprehensive income and recognised in the currency translation reserve in equity. On disposal of a foreign operation, the related cumulative translation differences recognised in equity are reclassified to profit or loss and are recognised as part of the gain or loss on disposal.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

Notes to the Consolidated Financial Statements
For the Year Ended 31 December 2025

2. Summary of significant accounting policies (continued)

2.4 Foreign currency translation (continued)

At each year end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Consolidated Statement of Comprehensive Income within administration expenses.

2.5 Revenue

Turnover

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Where sales are made with a right of return, revenue is recognised to the extent that it is probable the goods will not be returned. A provision is made for expected sales returns based on historical return rates and specific customer circumstances. Revenue is measured as the fair value of the consideration received or receivable, after considering discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Group has transferred the significant risks and rewards of ownership to the buyer;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Group will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from service contracts is recognised by reference to the stage of completion at the reporting date where the outcome of the transaction can be measured reliably. Where contracts are invoiced on completion or on customer acceptance, revenue is recognised when the service has been completed and accepted by the customer. Amounts invoiced or received in advance of the services being provided are recognised as deferred income within creditors and released to revenue as the related services are performed.

The Group participates in a revenue sharing agreement, whereby the Group earns 10% of revenues generated by the customer from the rental by the customer of SRJ BoltEx® products. Revenues due under the agreement are declared to the Group monthly and are recognised as revenue in the period to which the rentals relate. The revenue recognised represents the net amount of revenue earned, which is 10% of the total revenue generated by the customer.

The Group is not significantly affected by seasonality or cyclicity of operations.

Other operating income

Other income includes research and development tax credits granted by the UK and Australian tax authorities for qualifying research and development expenditure alongside other sundry income sources which do not fall under supply of goods or services to the Group's customers. Tax credits are recognised in the period to which the expenditure relates once agreed between the Group and the relevant tax authority. All other revenue items are recognised on an accruals basis.

2.6 Grant income

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to the Statement of comprehensive income at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Statement of comprehensive income in the same period as the related expenditure.

2.7 Interest income

Interest income is recognised in the Consolidated Statement of Comprehensive Income using the effective interest method.

2.8 Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria set out in FRS102 relating to such costs are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight line basis over their useful economic lives from the date in which the production and sale of the product commenced.

Notes to the Consolidated Financial Statements
For the Year Ended 31 December 2025

2. Summary of significant accounting policies (continued)

2.8 Research and development (continued)

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

2.9 Finance costs

Finance costs are charged to the Consolidated Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs such as arrangement and transaction fees are deducted against the financial liability and recognised as a part of finance costs over the term of the instrument.

2.10 Pensions

Defined contribution pension

The Group operates a statutory defined contribution plan for its UK employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in the Consolidated Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Group in independently administered funds.

2.11 Taxation

The tax expense for the year comprises current and deferred income tax. Tax is recognised in the statement of comprehensive income, except to the extent that it relates to items recognised directly in other income or equity - in which case, the tax is also recognised in other income or equity. The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the Statement of Financial Position date in the countries where the Group operates. Provisions are established where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the statement of comprehensive income, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the Group has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

2.12 Share based payments

The Group provides share-based payment arrangements to certain employees, directors and consultants. Equity-settled arrangements are measured at fair value (excluding the effect of non-market based vesting conditions) at the date of the grant. The fair value is expensed on a straight-line basis over the vesting period. The amount recognised as an expense is adjusted to reflect the actual number of shares or options that will vest.

Where equity-settled arrangements are modified, and are of benefit to the employee, the incremental fair value is recognised over the period from the date of modification to date of vesting. Where a modification is not beneficial to the employee there is no change to the charge for share-based payment. Settlements and cancellations are treated as an acceleration of vesting and the unvested amount is recognised immediately in the Consolidated Statement of Comprehensive Income.

2.13 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made (which is the case here), the useful life shall not exceed ten years.

See note 13 for further detail.

**Notes to the Consolidated Financial Statements
For the Year Ended 31 December 2025**

2. Summary of significant accounting policies (continued)

2.13 Intangible assets (continued)

Goodwill, including costs directly attributable to business combinations

Goodwill arises on the acquisition of a business. On acquisition, fair values are attributed to the identifiable assets and liabilities unless the fair value cannot be measured reliably, in which case the value is incorporated in goodwill.

Goodwill recognised represents the excess of the fair value of the purchase consideration over the fair value of the assets and liabilities acquired.

Goodwill arising on the acquisition of a business is initially recognised as an asset at cost. After initial recognition, goodwill acquired in a business combination is recognised at cost less accumulated amortisation and accumulated impairment. Goodwill is considered to have a finite useful life of 10 years and is therefore amortised on a 10% straight line basis.

The goodwill useful lives and amortisation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

2.14 Impairment of assets

Non-financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs. In such cases an impairment loss is recognised in the Consolidated Statement of Comprehensive Income.

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

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

For development costs capitalised but not yet commercially developed for use, these assets are tested annually for impairment per FRS 102 on the same basis as commercially developed products.

2.15 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Office equipment	-	20%	Straight line basis
Computer equipment	-	20%-33%	Straight line basis
Plant and machinery	-	20%	Straight line basis
Motor vehicles	-	25%	Straight line basis
Leasehold improvements	-	20%	Straight line basis

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Consolidated Statement of Comprehensive Income.

Notes to the Consolidated Financial Statements
For the Year Ended 31 December 2025

2. Summary of significant accounting policies (continued)

2.16 Inventories

Inventories of parts are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis.

Inventories include goods held at third party locations under consignment arrangements only where the Company retains the significant risks and rewards of ownership.

2.17 Debtors

Debtors are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.18 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Consolidated Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

2.19 Creditors

Financial liabilities are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.20 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets' fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the statement of financial position as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

2.21 Equity and reserves

Called up share capital represents the nominal (par) value of shares that have been issued.

Share premium includes any premiums received on the issue of share capital. Directly attributable costs in respect of the raising of capital are offset against the total proceeds of the share issue in the Statement of Financial Position by deducting this from share premium, net of any related income tax benefits.

Other components of equity include the following:

- Share based payment reserve – comprises the pro-rated expense of granted equity-settled share based payments which have met the prerequisite performance criteria. Once the vesting period has expired the value of all eligible awards which comprise the share based payment reserve will be transferred to share capital and share premium.
- Translation reserve – comprises foreign currency translation differences arising from the translation of financial statements of the Group's foreign entities into £.

2.22 Financial instruments

The Group enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans to and from other third parties and to related parties.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other receivables and payables, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Notes to the Consolidated Financial Statements
For the Year Ended 31 December 2025

2. Summary of significant accounting policies (continued)

2.23 Convertible debt

A convertible loan note whereby the issuer is obligated to pay principal and interest, but the holder has an option to convert their holding into a fixed number of equity shares of the issuer is classified as a compound financial instrument. From the issuer's perspective such notes contains two elements, a financial liability represented by the obligation to deliver cash payments and an equity element, represented by the obligation to deliver a fixed number of equity shares. For the conversion right to be classified as an equity instrument, it must meet the 'fixed for fixed' criterion. This requires that a fixed amount of cash or other financial asset be exchanged for a fixed number of equity instruments. A convertible loan note that allows for conversion into a variable number of shares has no equity element.

The proceeds received on issue of the Group's convertible debt are allocated between a liability component and an equity component in accordance with the substance of the agreement and FRS 102.

The amount initially attributed to the debt component (other than those with a maturity within one year) equals the discounted cash flows using a market rate of interest that would be payable on a similar debt instrument without the option to convert. On conversion, the debt element is credited to share capital and share premium as appropriate.

Where applicable, the difference between the net proceeds of the convertible debt and the amount allocated to the debt component is credited directly to equity and is not subsequently remeasured. On conversion, the equity element is credited to share capital and share premium as appropriate.

Transaction costs that relate to the issue of the instrument are allocated to the liability and equity components of the instrument in proportion to the allocation of proceeds.

After initial recognition the equity component is not remeasured, and the liability is measured at amortised cost where it meets the criteria to be accounted for as a basic financial instrument.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

In preparing the consolidated financial statements management is required to make estimates and assumptions that affect amounts presented therein. These estimates and assumptions are based on past experience or the other factors and are believed to be reasonable in the circumstances.

Impairment of intangible assets

The carrying value of Intellectual Property in the form of patent and development costs (IP), are dependent on the expected future revenue from product sales and services rendered in connection with the IP. The patents and development costs, residual values, useful lives and amortisation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date. In assessing if there has been an indication of impairment the Directors considered both external and internal factors dictated by FRS 102 alongside other considerations as to the current position of the Group. During the period, indicators of impairment were identified. As a result, the Directors conducted a full impairment test in accordance with FRS 102, considering both external and internal factors. Based on this assessment, no impairment was identified.

Goodwill was tested for impairment within the context of the cash generating unit (CGU) to which it has been allocated (the business operations of the acquired company). This involved estimating the present value of the future cash flows expected to be generated by the CGU, discounted at 12%, with compound annual cash flow growth rates of 24% (higher rates in earlier years) and a terminal growth rate of 3%.

The cash flow projections were discounted at a pre-tax rate of 12%, which represents the weighted average cost of capital applicable to the CGU. The discount rate reflects the risks associated with operating in the Oil and Gas inspection services sector, including market cyclicity and execution risk, and is consistent with market benchmarks for comparable businesses.

Sensitivity analyses were performed on key assumptions, including revenue growth rates and the discount rate. In all scenarios considered, the recoverable amount of the CGU exceeded its carrying amount. Accordingly, no impairment has been recognised.

Useful life of intangible assets

The basis for estimating the useful life of intangible assets, including goodwill, is disclosed in note 13. The useful lives and amortisation methods for intangible assets are reviewed and adjusted prospectively, if appropriate, or if there is a significant change since the last reporting date

Impairment of debtors

The Group makes an estimate of the recoverable value of trade and other debtors. When assessing the impairment of trade and other debtors, the directors consider factors including current credit rating of the debtor, ageing profile of debtors and historical experience. At 31 December 2025, there were no indicators of impairment to trade and other debtors (2024: £nil).

Notes to the Consolidated Financial Statements
For the Year Ended 31 December 2025

3. Judgments in applying accounting policies and key sources of estimation uncertainty (continued)

Revenue and sales returns

Some goods are sold with a right of return. The Group assessed whether a sales-returns provision was required at 31 December 2025 based on historical return rates and specific customer circumstances, including a post-period review of returns. Based on this assessment, no provision was required at 31 December 2025 (2024: £nil). See note 4 for further information.

4. Turnover

Turnover, analysed geographically between markets, was as follows:

	31 December 2025			
	Revenue Sharing Income	Product sales *	Services rendered	Total
	£	£	£	£
Europe	-	4,695	1,206,370	1,211,065
Americas	-	355,663	149,580	505,243
Middle East & Africa	-	69,999	73,355	143,354
Asia	(1,316)	(79,565)	56,335	(24,547)
	<u>(1,316)</u>	<u>350,792</u>	<u>1,485,639</u>	<u>1,835,115</u>

* Net of sales returns

During the year ended 31 December 2025, the Group reversed revenue amounting to £176,835 previously recognised on a sale to a client in the year ended 31 December 2024 following a reconfiguration of the order and the partial return of goods, which was agreed between the parties in Q2 2025. In accordance with FRS 102, revenue is reversed only when an enforceable obligation to return goods or modify the contract arises, and no such obligation existed at 31 December 2024. As the original sale remained valid and enforceable at the prior year end, no adjustment was required to the 2024 financial statements. The 2025 financial statements therefore reflect the revenue reversal and corresponding inventory adjustment arising from this contract modification. The return was treated as a modification of the existing contract and accounted for prospectively in line with FRS 102.

	31 December 2024			
	Revenue sharing income	Product sales	Services rendered	Total
	£	£	£	£
Europe	-	156,573	627,481	784,054
Americas	-	260,645	-	260,645
Middle East & Africa	-	36,841	11,148	47,989
Asia	28,725	940,677	3,564	972,966
	<u>28,725</u>	<u>1,394,736</u>	<u>642,193</u>	<u>2,065,654</u>

5. Acquisition costs

	Year ended 31 December 2025	Year ended 31 December 2024
	£	£
Acquisition cost, including directly attributable acquisition costs	<u>254,588</u>	-

During the year the Company acquired 100% of First Avenue General Contracting Sole Proprietorship LLC ("First Avenue"), a UAE entity registered with a regional NOC that holds pre-qualifications relevant to the Group's business. The acquisition provides a pathway to direct access to NOC tenders and regional client engagement together with a fast-tracked capability to deliver on strategic commercial opportunities in the Middle East.

The transaction was completed for a cash element of £213,919 (AED 1,055,000). The total value of the acquisition amounted to £254,588 after taking into account directly attributable acquisition costs of £40,669. There is no contingent consideration.

SRJ Technologies Group Plc

**Notes to the Consolidated Financial Statements
For the Year Ended 31 December 2025**

6. Other operating income	Year ended 31 December 2025	<i>Year ended 31 December 2024</i>
	£	£
R&D tax credits	72,592	67,870
Grant income	4,000	4,075
Car park rental	9,600	-
	<u>86,192</u>	<u>71,945</u>

The above income, other than grant income which is usually received for specific projects or support, is recurring. The R&D credits relate to claims made in the current year for R&D credits for the current and/or prior year.

7. Interest payable	Year ended 31 December 2025	<i>Year ended 31 December 2024</i>
	£	£
Finance lease interest	18,477	7,624
Interest on conversion/early repayment of convertible loan notes	-	7,518
PAYE interest and penalties	3,293	7,152
General interest expense	12,045	9,254
	<u>33,815</u>	<u>31,548</u>

8. Taxation	Year ended 31 December 2025	<i>Year ended 31 December 2024</i>
	£	£
Current tax	7,847	3,034

Taxation is calculated at the rates prevailing in the respective jurisdictions of each group company. With the availability of tax losses, the tax charge for 2025 is expected to be £nil (effective tax rate 0%). The only charge to tax was in relation to ACE and tax payable on the R&D Expenditure Credit (RDEC) calculation, at a rate of 25%.

9. Auditor remuneration	Year ended 31 December 2025	<i>Year ended 31 December 2024</i>
	£	£
Annual audit	72,000	62,500
Annual audit - under accrued previous year	20,095	91
Interim review	20,725	17,950
	<u>112,820</u>	<u>80,541</u>

Audit and non-audit services (including interim review) are provided by Grant Thornton Limited (Channel Islands).

10. Share based payments

Mr George Gourlay became contractually entitled upon commencement of his Chair position to 1 million CDIs at nil cost, subject to shareholder approval. Mr Giles Bourne was contractually entitled upon commencement of his Non-Executive director position to the equivalent of A\$50,000 CDIs at nil cost, subject to shareholder approval. Mr Kurt Reeves became contractually entitled upon commencement of his Chief Executive Officer position to 1 million CDIs at nil cost and a further 2.5 million share options at an exercise price of A\$0.055 to be linked to a series of specific deliverables in FY25. These individuals all rescinded their disclosed entitlements during the year. The awards had not been shareholder approved prior to their rescindment and so had not been issued. As a result no share-based expense had been reflected in the accounts in accordance with FRS 102. New options were granted for these individuals, as covered below.

SRJ Technologies Group Plc

**Notes to the Consolidated Financial Statements
For the Year Ended 31 December 2025**

10. Share based payments (continued)

During the year the following share options were issued to Key Management and approved by shareholders where required. These Share-based payment arrangements are disclosed separately in aggregate.

- 28,800,000 zero priced options were issued to Key Management Personnel as either commencement awards, for settlement of deferred remuneration or to retain key personnel. The fair value of each option awarded was \$0.014 and they expire 3 years post grant date of 19 December 2025. There are no further vesting conditions beyond the grant date.

- 83,500,000 options were issued to Key Management Personnel reflecting equity incentives granted to retain key staff and align with long-term growth objectives. The exercise price of these options ranges from A\$0.02 and A\$0.04 per option. The fair value of each option awarded was \$0.014 and they expire between 3 and 5 years post grant date of 19 December 2025. These awards are subject to non-market performance conditions linked to the achievement of revenue growth and EBITDA targets over the 2026, 2027 and 2028 financial years. Vesting of these awards is dependent on the extent to which the performance conditions are satisfied over the performance period. These non-market performance conditions are not reflected in the grant date fair value of the awards and are instead taken into account when estimating the number of options expected to vest.

During the year, 990,000 options were awarded to employees of ACE, as disclosed in the Company's 'Unaudited Interim Consolidated Financial Statements 30 June 2025'. During the period these options were cancelled and new options granted, being 1,490,000 options with an exercise price of A\$0.004 per option. The fair value for each option was A\$0.014 The options will vest 6 months after the issue date of 18th December 2025 and are subject to continuity of employment with the Group for the period from award until the vesting date. The options will expire 5 years from the award date. One option is equivalent to one ordinary share/CDI. It should be noted that the original awards were not yet granted under FRS102 and therefore there was no share based payment expense to recognise in relation to the original award.

Valuation Inputs for Share Options Granted

	Key Management Tranche 1	Key Management Tranche 2	Employees Tranche 1 *	Total Year Ended 31 December 2025 £
Options Awarded	28,800,000	83,500,000	1,490,000	
Share based payment expense	154,872	4,819	-	159,691
Vesting Date	19 December 2025	Performance dependent	19 June 2026	
Share price at grant date	A\$0.014	A\$0.014	A\$0.014	
Exercise price	A\$0.000	A\$0.02-0.05	A\$0.004	
Expected volatility	246%	246%	246%	
Risk-free interest rate	4.5%	4.5%	4.5%	
Expected life of option	3 years	3-5 years	5 years	
Dividend yield	0%	0%	0%	
Fair value per option	A\$0.014	A\$0.014	A\$0.014	

Grant date for all options 19 December 2025.

* £Nil charge in the year as the amount is immaterial.

The following options over shares were issued under the 'SRJ Technologies Employees Equity Incentive Plan' and/or the 'SRJ Technologies Equity Incentive Plan' during 2024 to the deal team members that was conditional on the successful completion of the ACE acquisition and linked capital raise. Both the acquisition and capital raise were successfully completed. The awards to Directors were approved at the EGM on 13 August 2024. The exercise price for the options is A\$0.115 per option. One option is equivalent to one ordinary share/CDI. The options will lapse on 12 November 2026. If exercised before this date the ordinary shares/CDI's issued will remain in escrow until 12 November 2026.

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**Notes to the Consolidated Financial Statements
For the Year Ended 31 December 2025**

10. Share based payments (continued)

	<i>Year ended 31 December 2024</i>		
	<i>Fair value per option</i>	<i>Options awarded</i>	<i>Year ended 31 December 2024</i>
	A\$		£
<i>Key Management Personnel</i>	0.013	9,500,000	<u>64,888</u>

A further 250,000 options were awarded in 2024 to non-Key Management Personnel under same terms. As part of his appointment to the interim Chief Executive Officer position, David Milner also received 1 million options with a nil exercise price, valued at a share price of A\$0.05/£0.025434 (amounting to £25,434), for shares in the Company which will expire on 6 November 2026. There were no vesting conditions for each of these options.

The total expense recognised in the statement of comprehensive income for the year was £221,333 (2024: £92,030). The carrying amount at the end of the year in the share based payment reserve from share based payment transactions was £396,816 (2024: £92,030).

11. Share options relating to convertible loan note

On 15 February 2023, the Company signed an agreement for a convertible loan facility with Mercer Street Global Opportunity Fund LLC ("Mercer"). In the same year, the Company settled all remaining convertible loan notes issued. However, as part of the facility, the Company issued 10,400,238 Options to Mercer. The exercise price of each Option is A\$0.168 and will equate to one Ordinary share/CDI in the Company. The expiry date is March 2026. Management considered the fair value of the Options with reference to the current Company share price and concluded it would not be appropriate to allocate any expense in relation to the Options in this period's Statement of Comprehensive Income. Management will undertake a similar assessment at the end of each reporting period.

The Company also previously issued 9,270,949 options to other parties as approved in the Company AGM in December 2022. The exercise price of each Option is A\$0.25 and will equate to one Ordinary share/CDI in the Company. The expiry date is October 2025. Management also considered the fair value of these options with reference to the current Company share price and concluded it would not be appropriate to allocate any expense in relation to the options in this period's Statement of Comprehensive Income. Management will undertake a similar assessment at the end of each reporting period.

12. Remuneration of key management personnel and employees

	Note	Year ended 31 December 2025	<i>Year ended 31 December 2024</i>
		£	£
Directors			
Salaries and fees		787,634	731,010
Pension and superannuation costs		14,658	17,722
Health insurance		9,091	12,139
Share based payment awards	10	159,691	90,322
		<u>971,074</u>	<u>851,193</u>
		Year ended 31 December 2025	<i>Year ended 31 December 2024</i>
		£	£
Employees and consultants			
Wages and salaries		1,167,004	714,144
Pension and superannuation costs		47,287	50,854
Health insurance		21,042	11,064
Share based payment awards	10	61,642	1,708
		<u>1,296,975</u>	<u>777,770</u>

Key management personnel are considered to be all directors of the Company, the Chief Executive Officer(s), the Chief Financial Officer and Technical Director.

The average number of directors and employees of the Group during the year was 21 (2024: 15).

The cost of employees delivering consultancy services and engineering/operational support in delivering products is charged to cost of sales in accordance with their hourly rate and time spent in delivering the service contract. In the year, wages and salaries of £399,922 (2024: £113,580) was charged to cost of sales.

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**Notes to the Consolidated Financial Statements
For the Year Ended 31 December 2025**

13. Intangible fixed assets

	Goodwill £	Patents £	Development expenditure £	Total £
Cost				
At 1 January 2025	9,408,074	578,791	1,388,957	11,375,822
Additions	-	1,680	6,840	8,520
At 31 December 2025	<u>9,408,074</u>	<u>580,471</u>	<u>1,395,797</u>	<u>11,384,342</u>
Amortisation				
At 1 January 2025	342,815	323,897	477,697	1,144,409
Charge for the year	940,807	51,586	82,613	1,075,006
At 31 December 2025	<u>1,283,622</u>	<u>375,483</u>	<u>560,310</u>	<u>2,219,415</u>
Net book value				
At 31 December 2025	<u>8,124,452</u>	<u>204,988</u>	<u>835,487</u>	<u>9,164,927</u>
At 31 December 2024	<u>9,065,259</u>	<u>254,894</u>	<u>911,260</u>	<u>10,231,413</u>

The patents and development costs relating to SRJ Limited and development costs relating to SRJ Technology Limited (the latter of which will be transferred to SRJ Limited at net book value ahead of the divestment of SRJ Technology Limited in early 2026), which first became available for use in 2017 when production and sale of the product commenced, are being amortised annually on a straight line basis up to 20 October 2029, which is the maximum duration the main patent application can be extended to.

The development costs owned by SRJ Technology Limited will be transferred to SRJ Limited at net book value ahead of the divestment of SRJ Technology Limited in February 2026. Transferring the development costs to SRJ Limited will not trigger any impairment or revaluation.

The development costs relating to Air Control Entech Limited are amortised on a 20% straight line basis once commercially developed and complete so as to write off the cost or valuation of the assets less their residual values over their estimated useful lives of 5 years. The MAG Drone was brought into use by ACE from June 2023 (i.e. pre acquisition) so the associated development costs of £71,915 (being fair value to the Group at acquisition) are being amortised over the remaining estimated useful life of 3.75 years (so that the asset is fully amortised over its estimated useful life of 5 years overall). The remaining development costs of ACE of £537,865 (December 2024: £531,026) have not yet been commercialised and therefore have yet to be amortised. Once commercially developed and complete, amortisation will be recognised so as to write off the cost less residual value over the useful life.

The patents and development costs residual values, useful lives and amortisation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

The goodwill, patents and development costs residual values, useful lives and amortisation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date. In assessing if there was an indication of impairment, the Directors considered both external and internal factors dictated by FRS 102 alongside other considerations as to the current position of the Company. During the period, indicators of impairment were identified. As a result, the Directors conducted a full impairment test in accordance with FRS 102, considering both external and internal factors. This involved estimating the present value of the future cash flows expected to be generated by the CGU, discounted at 12%, with compound annual cash flow growth rates of 24% (higher rates in earlier years) and a terminal growth rate of 3%. The recoverable amount of the cash-generating units exceeded their carrying value by £46.6m. Sensitivity analysis was performed on the key assumptions. The Directors consider the discount rate to be one of the most sensitive assumptions. A 1% increase in the discount rate would reduce headroom by approximately £5.6m. The Directors concluded that no reasonable possible change in key assumptions would cause the carrying amount to exceed the recoverable amount.

The remaining amortisation period of the goodwill for Air Control Entech Limited is 8 years and 7 months.

It should be noted that amortisation costs are included within administrative expenses within the Consolidated Statement of Comprehensive Income.

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**Notes to the Consolidated Financial Statements
For the Year Ended 31 December 2025**

14. Tangible fixed assets

	Motor vehicles £	Leasehold improvements £	Plant and machinery £	Office equipment £	Computer equipment £	Total £
Cost						
At 1 January 2025	19,469	34,458	207,872	15,968	40,248	318,015
Additions	-	-	91,411	1,370	6,160	98,941
Disposals	(5,533)	-	(300)	-	(252)	(6,085)
At 31 December 2025	<u>13,936</u>	<u>34,458</u>	<u>298,983</u>	<u>17,338</u>	<u>46,155</u>	<u>410,871</u>
Depreciation						
At 1 January 2025	7,069	3,378	48,702	11,974	31,629	102,752
Charge for the year	6,200	9,362	64,780	1,867	3,566	85,775
Written back on disposals	(5,533)	-	(300)	-	(252)	(6,085)
At 31 December 2025	<u>7,736</u>	<u>12,740</u>	<u>113,182</u>	<u>13,841</u>	<u>34,943</u>	<u>182,442</u>
At 31 December 2025	<u>6,200</u>	<u>21,718</u>	<u>185,801</u>	<u>3,498</u>	<u>11,212</u>	<u>228,429</u>
<i>At 31 December 2024</i>	<u>12,400</u>	<u>31,080</u>	<u>159,170</u>	<u>3,994</u>	<u>8,619</u>	<u>215,263</u>

No indicators of impairment were noted during the year hence no impairment expense was recognised (2024: £nil).

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**Notes to the Consolidated Financial Statements
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15. Inventory	31 December 2025	<i>31 December 2024</i>
	£	£
BoltEx [®] stock	68,006	64,051
Inventory of parts - at cost	13,576	20,215
	<u>81,582</u>	<u>84,266</u>

Management undertook an assessment of the value of parts alongside a Senior Engineer from SRJ. Obsolete stock of £5,665 (2024: £24,872) has been written off to administration expenses in the year. For remaining stock, due to the mark up achievable on the finished products, the conclusion was made that the NRV was not lower than the cost.

No value is included in inventory above for consignment stock (2024: £nil) as none of the risks and rewards of ownership of the consignment stock have been transferred to the Company.

16. Debtors	31 December 2025	<i>31 December 2024</i>
	£	£
Trade debtors	418,587	727,851
Other debtors	124,975	53,195
Prepayments and accrued income	92,387	225,390
	<u>635,949</u>	<u>1,006,436</u>

17. Creditors: Amounts falling due within one year	Note	31 December 2025	<i>31 December 2024</i>
		£	£
Hire purchase and finance leases payable	20	49,975	32,585
Trade creditors		538,705	464,815
Deferred income		40,177	16,000
Invoice financing		61,555	96,683
Loans payable	19	11,950	6,910
Accruals and other payables		380,863	410,449
		<u>1,083,225</u>	<u>1,027,442</u>

Invoice financing arrangement

The Group maintains a recourse factoring facility with eCapital Commercial Finance (North) Limited. Under the arrangement, certain trade receivables are assigned to the factor, and the Group receives advances of up to 70% of the invoice value, subject to a facility limit of £100,000. As the facility is with recourse, the Group retains the credit risk on factored debts. Receivables subject to the arrangement at year end totalled £97,404, which continue to be recognised as the Group retains substantially all risks and rewards. The related liability due to the factor was £61,555, presented within current liabilities. Key terms of the facility include: discount charge at 3% above the nominated bank base rate, monthly minimum charge of £925, and a recourse/refactoring period of four months after invoice date. The assigned receivables serve as security for the amounts advanced.

18. Loans payable	31 December 2025	<i>31 December 2024</i>
	£	£
Directors' loans	<u>167,877</u>	<u>30,753</u>

At 31 December 2025, £156,637 (31 December 2024: £30,753) was owed by the Group to one of the former directors of ACE, the subsidiary company, in respect of net loans advanced and wages payable. The loan was partially written off in early 2026 by way of a settlement agreement. Note 25 sets out the financial effect.

- During the year loans were received from directors Air Control Entech ("ACE"), Blair Nichols and Marc Whitton, totalling £30,240. During the year, £19,000 was repaid, with the remainder agreed with the parties to be settled in 2026. The loans are interest free and unsecured. Interest was to be charged originally but an addendum to the agreement dated 17 April 2025 amended the terms such that no interest shall be payable by the Company on the loan and the loan shall be interest free for the entire duration until repayment.

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**Notes to the Consolidated Financial Statements
For the Year Ended 31 December 2025**

19. Creditors: Amounts falling due after one year	Note	31 December 2025 £	31 December 2024 £
Hire purchase and finance lease payable	20	70,239	31,225
Loans payable		173,867	151,946
		<u>244,106</u>	<u>183,171</u>

The loans payable in notes 17 and 19 (amounting to £185,817 in total) comprise the following.

- The Santander bank loan outstanding of £26,152 (2024: £31,450) is supported by the Bounce Back Loan Scheme, with £5,915 due within one year and £20,237 due after one year. The loan is unsecured. The interest rate charged on the loan is fixed at 2.5%pa and the loan is repayable over 60 consecutive monthly instalments commencing in June 2021, with a maturity date of May 2030.
- The loan outstanding from Net Zero Technology Centre for £148,573 (all due after one year) (2024: £120,360) is unsecured and interest free and has a maturity date of August 2027.
- The loan outstanding from the Energy Saving Trust of £6,052 (2024: £7,046) (£995 due within one year and £5,057 due outside one year) is unsecured and interest free, and repayable over 96 monthly instalments commencing February 2024, with a maturity date of June 2031.
- During the year a loan of £5,040 was received from one of the managers of Air Control Entech Limited ("ACE"), Murray Stewart. This will be settled in 2026. The loan is interest free and unsecured. Interest was to be charged originally but an addendum to the agreement dated 17 April 2025 amended the terms such that no interest shall be payable by the Company on the loan and the loan shall be interest free for the entire duration until repayment.

There are no covenants associated with any of these loans.

20. Hire purchase and finance lease obligations	31 December 2025 £	31 December 2024 £
Future minimum lease payments due under hire purchase and finance leases:		
Not later than one year	49,975	32,585
Later than one year and not later than five years	70,239	31,225
Later than five years	-	-
	<u>120,214</u>	<u>63,810</u>

The hire purchase and finance leases are secured over the assets to which they relate.

21. Issued capital	31 December 2025 £	31 December 2024 £
Allotted, called up and fully paid		
1,410,881,709 (2024: 623,542,578) Ordinary shares of £0.0000588 (2024: £0.000125 each)	124,283	77,943

In order to avoid exceeding the current authorised number of CDIs under the Company's Articles of Association, and to have the flexibility to raise additional capital or make acquisitions in the future, a resolution was passed at the Company's EGM on 25 July 2025 to increase the authorised share capital from £100,000 divided into 800,000,000 shares of £0.000125 each to £100,000 divided into 1,700,000,000 shares of £0.0000588 each.

Movements in share capital during the year are reconciled as below;

	31 December 2025		
	Shares in issue	Share capital £	Share premium £
Allotted, called up and fully paid			
Brought forward	623,542,578	77,943	30,031,265
Issued to investors, net of transaction costs (i)	787,339,131	46,340	1,461,000
At 31 December 2025	<u>1,410,881,709</u>	<u>124,283</u>	<u>31,492,265</u>

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**Notes to the Consolidated Financial Statements
For the Year Ended 31 December 2025**

21. Issued capital (continued)

(i) During the year an additional 787,339,131 shares were issued for total consideration of £1,598,214. Transaction costs relating to the share issues of £90,875 have been written off against the share premium arising in the issue.

	<i>31 December 2024</i>		
	<i>Shares in issue</i>	<i>Share capital</i>	<i>Share premium</i>
		£	£
<i>Allotted, called up and fully paid</i>			
<i>At 31 December 2024</i>	<u>623,542,578</u>	<u>77,943</u>	<u>30,031,265</u>

The ASX uses an electronic system called CHESSE for the clearance and settlement of trades. The Company is a Jersey Company incorporated under the Companies (Jersey) Law 1991, which does not recognise the CHESSE system of holding securities. Accordingly, to enable the securities to be cleared and settled electronically through CHESSE, depositary instruments called CDIs are issued. CDIs represent the beneficial interest in the underlying shares in a foreign company listed on the ASX and are traded in a manner similar to shares of listed Australian companies. Each CDI represents an interest in one share of SRJ.

22. Related party transactions

AVI Partners Limited (AVI) is a related party by virtue of having a common shareholder with a significant shareholding in the Company. A wholly owned subsidiary of AVI leased office space to the Company until June 2025, the charge in the year was £7,500 (31 December 2024: £15,000), equivalent to £1,250 per month. The balance owing to AVI at the year end was £nil (2024: £nil).

The Company has a Strategic Management Services consultancy agreement with Devi5e Pty, a Company owned by David Milner who is a director of SRJ Tech Australia Pty Ltd. The expense in the year was £56,266 (2024: £87,751). The balance owing to Devi5e Pty at the year end was £5,456 (2024: £10,872).

Jindabyne Capital Pty Ltd, a related party by virtue of having a significant shareholding in the Company, charged consultancy fees of £Nil to the Company during the year (2024: £189,170). The balance owing to Jindabyne Capital Pty Ltd at the year end was £nil (2024: £nil).

During the year, the Company received short-term funding of AUD \$250,000 from BJS Robb Pty Limited, a company controlled by multiple existing shareholders. The funding was provided on 27 June 2025 on a non-documented, good-faith basis to support immediate working capital requirements and was intended to be secured against specified customer invoices. The parties agreed that repayment terms and/or a potential equity-linked conversion mechanism would be considered following further discussions. During the year, \$200,000 was converted into CDIs (CHESSE Depositary Interests) in the Company, with the balance, including a \$12,500 establishment fee, settled thereafter in cash. At the reporting date, no amounts were outstanding in respect of this arrangement. Subsequent to the reporting date, the Company entered into a loan agreement with BJS Robb Pty Limited. Further details of this transaction are set out in note 25.

During the year key management personnel (defined as all directors of the Company, the Chief Executive Officer(s), the Chief Financial Officer and Technical Director) of the Group received total compensation of £811,383 (31 December 2024: £760,871) of employment and post-employment benefits and £159,691 awards of share based payments (31 December 2024: £90,322). See note 12 for further analysis of directors' remuneration.

The balances owing to key management personnel in respect of unpaid and deferred salaries at the year end were as follows:

George Gourlay	£22,354 (2024: £5,462)
David Milner	Owed to Devi5e Pty, as disclosed above.
Giles Bourne	£3,241 (2024: £2,059)
Alexander Wood	£6,101 (2024: £11,192)
Roger Smith	£3,624 (2024: £13,189)
Stefan McGreevy	£20,018 (2024: £18,442)
Paul Eastwood	£13,394 (2024: £nil)
Robin Pinchbeck	£nil (2024: £nil)
Kurt Reeves	£21,833 (2024: £nil)
Jason De Silveira	£2,067 (2024: £nil)

The interests of the Key Management Personnel in the capital of the Company at the year end date are set out in the table below:

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**Notes to the Consolidated Financial Statements
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22. Related party transactions (continued)

Key Management Personnel	Securities
George Gourlay	Nil Ordinary shares/CDIs (see directors' report and note 10 for further detail)
David Milner	3,295,539 Ordinary shares/CDIs
Giles Bourne	371,612 Ordinary shares/CDIs (see directors' report and note 10 for further detail)
Alexander Wood	403,669 Ordinary shares/CDIs
Roger Smith	2,212,570 Ordinary shares/CDIs
Stefan McGreevy	1,140,000 Ordinary shares/CDIs
Paul Eastwood	760,000 Ordinary shares/CDIs
Robin Pinchbeck	2,906,366 Ordinary shares/CDIs
Kurt Reeves	Nil Ordinary shares/CDIs (see directors' report and note 10 for further detail)
Jason De Silveira	205,590 Ordinary shares/CDIs

Further to the Ordinary Shares held directly by Alexander Wood and Stefan McGreevy there are 17,815,600 Ordinary Shares held by AVI Partners Limited, a company in which Alexander Wood holds 18.0% and Stefan McGreevy 5% of the issued shares. AVI Partners has a shareholding of 1.26% of the undiluted shares in issue of the Group.

23. Leases for premises

The informal agreement between SRJ Limited and AVI Partners Limited for the premises "Le Quai House" ended on 30 June 2025. Monthly rentals of £1,250 were paid to AVI Partners Limited from December 2023. The same monthly amount has continued to be paid to the new owners of the premises, with no formal agreement in place.

SRJ Technology Limited, rents offices for £11,400 per annum under a lease that was signed on 17 February 2025, the terms being for a 6 year lease with a break clause after 2 years. The address is Brokers' Office A.2.1, Huntsman Road, Hamble Point Marina, Southampton. The Lessor has accepted an early break whereby the lease will cease on 17 August 2026. The Company remains liable to settle the lease payments up to this date with the new owner of SRJ Technology Limited following its divestment in February 2026.

SRJ Tech Australia Pty Ltd rented offices for A\$1,850 per month on a rolling three-month lease until August 2025.

Air Control Entech Limited leases offices at Murcar House, Denmore Road, Aberdeen at an annual rental of £22,500 per annum until 31 December 2028. The company also leases Units 12 and 13, Murcar Commercial Park, Aberdeen at an annual rental of £23,000 per annum until 30 November 2028.

As at 31 December 2025, the company had the following lease commitments:

	At 31 December 2025	<i>At 31 December 2024</i>
	£	<i>£</i>
Within one year	50,250	<i>59,643</i>
Between two and five years	89,083	<i>145,983</i>
	<u>139,333</u>	<i><u>205,626</u></i>

24. Analysis of changes in net debt

	At 1 January 2025	Cash flows	Acquisition of subsidiary (net cash outflow)	Other non- cash changes	At 31 December 2025
	£	£	£	£	£
Cash and cash equivalents					
Cash at bank and in hand	636,986	232,072	(254,588)	(4,294)	610,176
Borrowings					
Finance lease	(63,810)	(56,404)	-	-	(120,214)
Other loans	(158,856)	(26,961)	-	-	(185,817)
Invoice financing	(96,683)	35,128	-	-	(61,555)
Directors' loans	(30,753)	(137,124)	-	-	(167,877)
Loan financing	-	94,123	-	(94,123)	-
Borrowings total	<u>(350,102)</u>	<u>(91,238)</u>	<u>-</u>	<u>(94,123)</u>	<u>(535,463)</u>
Net debt	<u>286,884</u>	<u>140,834</u>	<u>(254,588)</u>	<u>(98,417)</u>	<u>74,713</u>

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**Notes to the Consolidated Financial Statements
For the Year Ended 31 December 2025**

24. Analysis of changes in net debt (continued)

	At 1 January 2024	Cash flows	Acquisition of subsidiary (net cash outflow)	Other non- cash changes	At 31 December 2024
	£	£	£	£	£
Cash and cash equivalents					
Cash at bank and in hand	128,456	5,414,811	(4,879,898)	(26,383)	636,986
Borrowings					
Finance lease	(36,838)	67,020	(93,992)	-	(63,810)
Other loans	-	6,040	(164,896)	-	(158,856)
Invoice financing	-	(96,683)	-	-	(96,683)
Directors' loans	(50,000)	19,247	-	-	(30,753)
Convertible loan notes	-	(342,797)	-	342,797	-
Borrowings total	<u>(86,838)</u>	<u>(347,173)</u>	<u>(258,888)</u>	<u>342,797</u>	<u>(350,102)</u>
Net debt	<u>511,948</u>	<u>5,067,638</u>	<u>(5,138,786)</u>	<u>316,414</u>	<u>286,884</u>

Comparative information has been restated to include directors' loans within net debt.

Net cash (outflow)/inflow on acquisition of subsidiary comprises:

	2025 £	2024 £
Cash element for acquisition	(213,919)	(4,500,000)
Acquisition costs	(40,669)	(449,517)
Cash acquired on acquisition	-	69,619
	<u>(254,588)</u>	<u>(4,879,898)</u>

Non-cash changes relate to:

Cash at bank and in hand - relates to the (loss)/gain on translation of the foreign subsidiaries.

Loan financing - relates to the conversion of A\$200,000 into 50,000,000 CDIs valued at £95,714 (see note 22 for details) and a realised foreign exchange loss of £1,591.

Convertible loan notes (2024 comparatives) - relates to the conversion of 662,500 notes (12,309,637 shares) valued at £342,797.

There are no restrictions over the use of the cash and cash equivalents balances which comprises of cash at bank and in hand.

25. Post balance sheet events

Subsequent events have been evaluated up to the date that the financial statements were approved and authorised for issue by the Board of Directors. There have been no material events requiring adjustment or disclosure in these financial statements outside of the events outlined below.

- The Company's wholly owned subsidiary, First Avenue General Contracting – Sole Proprietorship LLC ("First Avenue"), has secured a purchase order with CAPSA Engineering & Contracting L.L.C. ("CAPSA"). The purchase order for asset integrity services, covers the management and supply of a major controls upgrade to be retrofitted to existing equipment, owned and operated by a regional NOC. The upgrade and modernisation of plant control systems is a key factor in maintaining integrity, safety and profitability of operational assets. The purchase order value of US\$879k (A\$1,312k) is expected to be completed within 18-36 months with staged payments in alignment with delivery and installation of the upgrade control systems.

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25. Post balance sheet events (continued)

- The Company has entered into a Share Sale Agreement with Roger Smith to dispose of its 100% interest in SRJ Technology Limited ("SRJ UK"), a UK incorporated subsidiary, for a nominal consideration of £1. This is a non-adjusting event (and no adjustment has been made at the reporting date). SRJ UK operated a consulting and engineering function within the Group. The business unit has not contributed materially to overall group revenue averaged over the last 3 years and all via non-recurring opportunities and operated at a net loss. SRJ UK holds no material assets and is not considered core to the Company's ongoing strategic objectives. The disposal forms part of the Company's previously announced initiatives to streamline its corporate structure and reduce overheads associated with non-core activities. To ensure continuity of technical capability where required, the Company will enter into a Consulting and Engineering Support Agreement with the purchaser, enabling access to specialist services without fixed cost commitments. Completion is expected to occur on or around 25 February 2026, subject to standard administrative requirements. SRJ UK had net liabilities at 31 December 2025 of £3.9m, including a £3.9m inter company loan that will be written off prior to disposal. The expected loss on disposal, after writing off the inter-company loan, will be immaterial. The Company will continue to settle the lease for SRJ UK until August 2026 (when lease expires), which will cost £10,468. Discontinued operations presentation disclosure is not required in these financial statements. SRJ UK is not a separate major line/geography and is immaterial.

- Subsequent to the year end, the Group entered into a settlement agreement with a former director of a subsidiary undertaking under which liabilities of £156,637 were settled for £49,500, payable over 18 months.

- Subsequent to the year end, on 25 February 2026, the Company entered into an unsecured loan agreement with an existing shareholder, BJS Robb Pty Ltd for USD\$200,000 (or AUD equivalent), bearing interest at 10% per annum and subject to a 6% establishment fee. The loan is not repayable on demand and is repayable only upon completion of a qualifying capital raising of not less than USD\$500,000 (or AUD equivalent), with repayment due within 10 business days of such event. The facility may, by mutual agreement, be converted into equity at a future date. As the agreement was entered into after the reporting date, it represents a non-adjusting event under FRS 102 Section 32 and has not been recognised in the financial statements.

26. Ultimate controlling party

In the opinion of the Directors there is no one ultimate controlling party of the Company due to no one investor having sufficient voting rights to direct the operations of the company.