

Directors Report &
Unaudited Interim Consolidated Financial Statements
30 June 2025

SRJ Technologies Group Plc

ARBN 642 229 856

30 June 2025



SRJ Technologies Group Plc

Company information

Directors	George Gourlay Roger Smith Giles Bourne Alexander Wood (Resigned 2 June 2025) Stefan McGreevy (Resigned 2 June 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		
Registry	<table><tr><td>Computershare Investor Services Pty Ltd Level 17, 221 St Georges Terrace Perth WA 6000, Australia Telephone: +61 08 9323 2001</td><td>Computershare Investor Services (Jersey) Ltd 13 Castle Street St Helier Jersey, JE1 1ES Telephone: +44 (0)1534 281800</td></tr></table>	Computershare Investor Services Pty Ltd Level 17, 221 St Georges Terrace Perth WA 6000, Australia Telephone: +61 08 9323 2001	Computershare Investor Services (Jersey) Ltd 13 Castle Street St Helier Jersey, JE1 1ES Telephone: +44 (0)1534 281800
Computershare Investor Services Pty Ltd Level 17, 221 St Georges Terrace Perth WA 6000, Australia Telephone: +61 08 9323 2001	Computershare Investor Services (Jersey) Ltd 13 Castle Street St Helier Jersey, JE1 1ES Telephone: +44 (0)1534 281800		
Independent auditor	Grant Thornton Limited Kensington Chambers 46/50 Kensington Place St Helier Jersey, JE1 1ET		
Accountants	Moore Stephens Accounting & Taxation Services (Jersey) Limited (formerly Bracken Rothwell 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

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SRJ Technologies Group Plc

Directors' Report For the period ended 30 June 2025

The directors present their report and the interim financial statements of SRJ Technologies Group Plc (the "Company") and its subsidiaries (together the "Group") for the period ended 30 June 2025.

Principal activity

The principal activity of the Company is the holding of investments in the subsidiaries SRJ Limited incorporated in Jersey, Channel Islands, SRJ Technology Limited incorporated in the United Kingdom and SRJ Tech Australia Pty Limited incorporated in Australia which are all 100% owned by the Company and deliver a range of asset integrity products, consulting services and solutions to the energy and maritime industries. Asset Integrity involves the provision of solutions involving inspection, maintenance and testing to avoid asset failures. The 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. The Asset Integrity Management consulting services help asset owners to develop and implement an effective asset integrity strategy. During 2024 the Company acquired 100% of the share capital of Air Control Entech Limited ("ACE"), incorporated in the United Kingdom. ACE 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 in terms of minimising human risk (by removing exposure to high-risk environments) and providing accurate and repeatable inspection data thereby delivering asset integrity assurance and management to the Energy and Marine industries. During the period, the process to incorporate a new Group company in the UAE, Air Control Entech Survey LLC, commenced. 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). ACE 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. The Company also owns 100% of the issued share capital of Acorn Intellectual Properties Limited, a Company also incorporated in Jersey, Channel Islands which has the primary activity of holding intellectual property.

Review of activities

A summary of activities during the period and up to signing of financial statements include the following:

- **Leadership Update:** Kurt Reeves commenced as CEO on 15 May 2025, bringing global industrial services experience and focusing on aligning the company's people, processes, and resources.
- **Strategy:** SRJ Technologies Group Plc is transforming into a full-scale Asset Integrity Maintenance (AIM) provider, moving beyond inspection services to long-term, embedded maintenance partnerships, as outlined in 24 July 2025 investor update and 1 August 2025 investor presentation.
- **Middle East & Regional Growth:** Executed SPA to acquire a UAE NOC-registered entity and signed a JV with initial US\$6m+ scope to accelerate regional entry.
- **New HQ:** The company proposes to establish its global headquarters in Abu Dhabi, positioning itself closer to major energy and industrial markets. At the date of signing the financial statements, the Company's registered office and place of incorporation remain unchanged.
- **International Inspection Campaigns:** Strong client feedback from campaigns in South America and the Mediterranean, leading to negotiations for additional work scopes in both regions.
- **Technology & Product Innovation:** Robotic inspections and emissions monitoring tech (including ATEX UAV) progressing, with a major new proprietary solution in field testing.
- **Consulting Contract Extension:** Global FPSO Operator, SBM Offshore – received a new purchase order valued at £160k (A\$333k).
- **New campaign for Supermajor:** Emissions Monitoring and Inspections - launch of a £695k (A\$1.45m) ACE365 campaign across multiple assets in the North Sea for a global oil and gas supermajor.
- **Partnerships:** Advancing partnership and distribution aimed at accelerating BoltEx ® adoption in the US, Saudi Arabia (KSA), and Indonesia.
- **Expansion of Intellectual Property:** Field-testing is underway on a newly developed technology designed to expand and complement SRJ's existing portfolio of engineering solutions.
- **Completion of Capital Raise:** The Company is conducting a fully underwritten 8-for-9 ANREO to raise ~A\$2.54m via 633.85m new CDIs, announced 1 August 2025, which will rank equally with existing SRJ CDIs and be quoted on ASX. This follows a A\$356.6k placement to institutional and sophisticated investors announced on 24 July 2025.

Earnings Per Share

	Period ended 30 June 2025	Period ended 30 June 2024
	£	£
Loss for the period	(1,628,930)	(949,945)
Weighted average number of shares	623,732,340	173,805,406
Basic and diluted loss per share	(0.003)	(0.005)

Financial position

The Group's cash position as at 30 June 2025 was £283,521 (30 June 2024: £195,432). Coupled with the short-term debtor position of £658,555 (30 June 2024: £93,331) and the July 2025 capital raise of £171,000 (A\$357,000), this provides sufficient liquidity to support ongoing operations and strategic initiatives. The Board and management continue to monitor the Company's financial position closely to ensure it remains sufficiently capitalised to support future growth and shareholder returns.

SRJ Technologies Group Plc

Directors' Report For the period ended 30 June 2025

Going Concern

The Group made a loss in the period in the amount of £1,628,930 (30 June 2024: £949,945) and as at 30 June 2025 had net current liabilities of £427,386 (30 June 2024: £846,565) and net assets of £9,293,844 (30 June 2024: net liabilities £220,536). In assessing the going concern of the Group, management have prepared cash flow forecasting and performed sensitivity analysis as to whether the Group has adequate funding to meet its short-term liabilities and are confident that the Group will be able to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements. Key considerations are outlined below.

The Directors have a reasonable expectation that both further sales of the product and/or group solutions will be achieved on top of those purchase orders already received for 2025 but there is no guarantee as to the level of additional sales that will occur or indeed the timing of the cash inflows and it may not be sufficient to offset the current outflow from operational activities. To ensure sufficient financial resources to fund anticipated revenue growth and support operational activities, the Group undertook a capital raise in July 2025, with A\$357k (£171k) secured. In addition, the Company is undertaking a fully underwritten accelerated non-renounceable entitlement offer (ANREO) on an 8-for-9 basis to raise approximately A\$2,535,393 (Entitlement Offer) via the issue of 633,848,293 new fully paid Chess Depositary Interests (CDIs).

In addition, on 23 July 2025 the Group entered into a binding 50:50 Joint Venture Agreement (JVA) with CAPSA Engineering & Contracting L.L.C (CEC), a National Oil Company (NOC) registered entity based in the Middle East. Under the JVA, the Group and CEC will collaborate to deliver a multi-year scope of work valued at more than US\$6 million over two years, with approximately 70% of this revenue expected to be recognised in the first 12 months. While under FRS 102 Section 15 the arrangement does not meet the definition of a joint venture or joint operation, the agreement provides a material pipeline of contracted work and expected revenues that will support the Group's cash flows during the going concern period.

The secured capital raise, the fully underwritten Entitlement Offer and the expected revenues from the JVA provide the Directors with sufficient financial resources to conclude that these circumstances do not cast significant doubt on the Group's ability to continue as a going concern, and accordingly, the financial statements have been prepared on a going concern basis.

Dividends paid

There were no dividends paid in the period under review (2024 - £nil).

Results

The Consolidated Statement of Comprehensive Income for the period is set out on page 5.

Directors

The directors who served during the period and subsequently were:

George Gourlay	
Alexander Wood	Resigned 2 June 2025
Roger Smith	
Stefan McGreevy	Resigned 2 June 2025
Giles Bourne	

Disclosure of information to independent accountant reviewer

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company and the Group's independent accountant reviewer is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant information and to make themselves aware and make that information available to the Group's independent accountant reviewer.

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 other than the disclosures made in note 27.

Company secretary

The Company secretary who held office throughout the period and subsequently was Benjamin Donovan.

This report was approved by the board and signed on its behalf.



Director: Giles Bourne
Date: 28 August 2025

SRJ Technologies Group Plc

**Statement of Directors' Responsibilities
For the period ended 30 June 2025**

The directors are responsible for preparing the Directors' Report and the consolidated financial statements in accordance with applicable law and generally accepted accounting practice.

Company law requires the directors to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the Group and of the profit or loss of the Group for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Group's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's transactions and disclose with reasonable accuracy at any time the financial position of the Group and to enable them to ensure that the financial statements comply with the Companies (Jersey) Law 1991. They are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors acknowledge the independent accountant reviewer's right of access at all times to the Group's records and acknowledge that it is an offence for anyone to recklessly or knowingly supply information to the independent accountants reviewer which is false or misleading and to fail to promptly provide information requested.

Independent Review Report to SRJ Technologies Group Plc

We have reviewed the accompanying consolidated financial statements of SRJ Technologies Group Plc (the 'Company') and its subsidiaries (the "Group") for the period ended 30 June 2025, which comprise the Statement of Comprehensive Income, the Consolidated Statement of Financial Position, the Consolidated Statement of Changes in Equity, the Consolidated Statement of Cash Flows, and notes to the interim financial statements, including a summary of significant accounting policies. Management is responsible for the preparation and presentation of this interim unaudited financial information in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). Our responsibility is to express a conclusion on this interim unaudited financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusions

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Use of our report

This report is made solely to the Company's Directors, as a body, in accordance with the terms of our engagement letter. Our review work has been undertaken so that we might state to the Group's Directors those matters we have agreed to state to them in a reviewer's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Group and the Group's Directors as a body, for our review work, for this report, or for the conclusions we have formed.



Grant Thornton Limited

Chartered Accountants
St Helier, Jersey, Channel Islands

Date: 28 August 2025

SRJ Technologies Group Plc

**Consolidated Statement of Comprehensive Income
For the period ended 30 June 2025**

		Period ended 30 June 2025 £	Period ended 30 June 2024 £	Year ended 31 December 2024 £
	Notes			
Turnover	4	682,691	557,249	2,065,654
Cost of sales		(338,650)	(96,682)	(576,539)
Gross profit		344,041	460,567	1,489,115
Administrative expenses		(1,961,184)	(1,208,018)	(3,012,267)
Other operating income	5	2,000	-	71,945
Interest received		462	56	679
Operating loss		(1,614,681)	(747,395)	(1,450,528)
Acquisition costs	6	-	(199,815)	-
Interest expense	7	(14,249)	(2,735)	(31,548)
Loss before taxation		(1,628,930)	(949,945)	(1,482,076)
Tax on loss	8	-	-	(3,034)
Loss for the financial period/year		(1,628,930)	(949,945)	(1,485,110)
Other comprehensive income that may be reclassified to profit or loss in subsequent periods (net of tax)				
(Loss)/gain on translation of foreign subsidiary		(15,913)	841	(26,383)
Total comprehensive loss for the period/year		(1,644,843)	(949,104)	(1,511,493)
Total comprehensive loss for the period/year attributable to:				
Ordinary equity holders of the parent		(1,644,843)	(949,104)	(1,511,493)
Earnings Per Share				
Basic and diluted loss per share for the period attributable to ordinary equity holders of the parent		(0.003)	(0.005)	(0.004)

There were no recognised gains and losses for the period ended 30 June 2025, period ended 30 June 2024 or year ended 31 December 2024 other than those included in the consolidated statement of comprehensive income.

The notes on pages 9 to 25 form part of these financial statements.

SRJ Technologies Group Plc

**Consolidated Statement of Financial Position
As at 30 June 2025**

		30 June 2025 £	30 June 2024 £	31 December 2024 £
Fixed assets	Notes			
Intangible assets	13	9,702,429	619,654	10,231,413
Tangible assets	14	243,402	30,930	215,263
		<u>9,945,831</u>	<u>650,584</u>	<u>10,446,676</u>
Current assets				
Inventory	15	106,303	85,509	84,266
Debtors: amounts falling due within one year	16	658,555	93,331	1,006,436
Cash at bank and in hand		283,521	195,432	636,986
		<u>1,048,379</u>	<u>374,272</u>	<u>1,727,688</u>
Current liabilities				
Creditors: amounts falling due within one year	17	(1,408,480)	(1,220,837)	(1,027,442)
Loans payable	18	(67,285)	-	(30,753)
		<u>(1,475,765)</u>	<u>(1,220,837)</u>	<u>(1,058,195)</u>
Net current liabilities		(427,386)	(846,565)	669,493
Total assets less current liabilities		<u>9,518,445</u>	<u>(195,981)</u>	<u>11,116,169</u>
Non-current liabilities				
Creditors: amounts falling due after one year	19	(224,601)	(24,555)	(183,171)
Net (liabilities)/assets		<u>9,293,844</u>	<u>(220,536)</u>	<u>10,932,998</u>
Capital and reserves				
Issued share capital	22	77,991	32,306	77,943
Share premium account	22	30,036,045	18,450,743	30,031,265
Share based payment reserve		92,891	-	92,030
Translation reserve		(33,826)	9,311	(17,913)
Retained losses		(20,879,257)	(18,712,896)	(19,250,327)
		<u>9,293,844</u>	<u>(220,536)</u>	<u>10,932,998</u>

The financial statements were approved and authorised for issue by the board on 28 August 2025 and were signed on its behalf by:



Name: Giles Bourne
Director

Date: 28 August 2025

The notes on pages 9 to 25 form part of these financial statements.

SRJ Technologies Group Plc

**Consolidated Statement of Changes in Equity
For the period ended 30 June 2025**

	Issued share capital £	Share premium £	Share based payment reserve £	Translation reserve £	Retained losses £	Total equity £
At 1 January 2024	30,848	18,141,907	-	8,470	(17,762,951)	418,274
Total comprehensive loss for the period	-	-	-	841	(949,945)	(949,104)
CDIs issued during the period	1,458	308,836	-	-	-	310,294
At 30 June 2024	32,306	18,450,743	-	9,311	(18,712,896)	(220,536)
Adjustment to opening reserves at 1 January 2024 *	-	-	-	-	(2,266)	(2,266)
Total comprehensive loss for the period	-	-	-	(27,224)	(535,165)	(562,389)
CDIs issued during the period, net of transaction costs	45,637	11,580,522	-	-	-	11,626,159
Issue of share options (notes 10 & 11)	-	-	92,030	-	-	92,030
At 31 December 2024	77,943	30,031,265	92,030	(17,913)	(19,250,327)	10,932,998
Total comprehensive loss for the period	-	-	-	(15,913)	(1,628,930)	(1,644,843)
CDIs issued during the period (note 22)	48	4,780	-	-	-	4,828
Issue of share options (notes 10 & 11)	-	-	861	-	-	861
At 30 June 2025	77,991	30,036,045	92,891	(33,826)	(20,879,257)	9,293,844

* An adjustment had been made to opening reserves to record a rent expense for 2023 in the correct period. The effect was an increase in the reported loss for 2023 from £1,287,675 to £1,289,941. The comparative figures in the 2024 financial statements have not been restated as this amount is immaterial and FRS 102 allows for correction in the reporting period in which it was identified, rather than restating prior-year comparatives. As such, this is presented in the 2024 comparatives.

The notes on pages 9 to 25 form part of these financial statements.

SRJ Technologies Group Plc

**Consolidated Statement of Cash Flows
For the period ended 30 June 2025**

	Period ended 30 June 2025 £	Period ended 30 June 2024 £	Year ended 31 December 2024 £
Cash flows used in operating activities			
Loss for the financial period	(1,628,930)	(949,945)	(1,485,110)
Adjustments for:			
Amortisation of intangible assets	537,503	56,678	463,893
Depreciation of tangible assets	40,788	7,152	52,760
Profit on disposal of fixed assets	(29,260)	-	(11,258)
Interest paid	14,249	2,735	31,548
Interest received	(462)	-	(679)
Fees settled by issue of CDIs	4,828	-	-
Share based payments expense	861	-	92,030
Unrealised loss/(gain) on foreign exchange	22,024	1,446	(8,200)
Decrease in inventory, net of acquisition	1,236	17,397	25,943
Increase in BoltEx® stock inventory	(23,273)	(18,436)	(4,367)
Decrease/(increase) in debtors, net of acquisition	347,881	276,142	(308,194)
Increase/(decrease) in creditors, net of acquisition	225,994	260,087	(292,171)
Net cash used in operating activities	(486,561)	(346,744)	(1,443,805)
Cash flows from investing activities			
Purchase of intangible fixed assets	(8,519)	(6,731)	(74,910)
Purchase of tangible fixed assets	(68,927)	-	(64,804)
Acquisition of subsidiary, net of cash acquired	-	-	(4,879,898)
Interest received	462	-	679
Proceeds from disposal of fixed assets	29,260	-	38,956
Net cash used in investing activities	(47,724)	(6,731)	(4,979,977)
Cash flows from financing activities			
Issue of ordinary shares/CDIs	-	310,294	7,451,589
Transaction costs re issue of shares/CDIs	-	-	(840,753)
New finance leases	58,500	-	13,860
Repayments towards finance lease	(21,580)	(4,227)	(80,880)
Interest paid	(14,249)	(2,735)	(24,030)
Directors' loans	67,285	-	30,753
New loans	220,314	-	13,000
Invoice factoring	(57,306)	-	96,683
Repayment of loans	(3,454)	-	(2,796)
Repayment of directors' loans	(30,753)	(50,000)	(50,000)
Drawdown of convertible loan notes	-	-	345,630
Monies received on account for issue of convertible loans	-	167,724	-
Net cash provided from financing activities	218,757	421,056	6,953,056
Net (decrease)/increase in cash and cash equivalents	(315,528)	67,581	529,274
Effect of changes in foreign exchange rate			
Effect of translating results of an overseas subsidiary	(15,913)	841	(26,383)
Effect of changes in foreign exchange rates on cash and cash equivalents	(22,024)	(1,446)	8,471
Realised foreign exchange gain on conversion/repayment of convertible loan notes	-	-	(2,832)
	(37,937)	(605)	(20,744)
Cash and cash equivalents at beginning of period/year	636,986	128,456	128,456
Cash and cash equivalents at the end of period/year	283,521	195,432	636,986
Cash and cash equivalents at the end of period/year comprise:			
Cash at bank and in hand	283,521	195,432	636,986

SRJ Technologies Group Plc

Notes to the consolidated interim financial statements For the period ended 30 June 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 subsidiaries SRJ Limited incorporated in Jersey, Channel Islands, SRJ Technology Limited incorporated in the United Kingdom and SRJ Tech Australia Pty Limited incorporated in Australia which are all 100% owned by the Company and deliver a range of asset integrity products, consulting services and solutions to the energy and maritime industries. Asset Integrity involves the provision of solutions involving inspection, maintenance and testing to avoid asset failures. The 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. The Asset Integrity Management consulting services help asset owners to develop and implement an effective asset integrity strategy. During 2024 the Company acquired 100% of the share capital of Air Control Entech Limited ("ACE"), incorporated in the United Kingdom. ACE 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 in terms of minimising human risk (by removing exposure to high-risk environments) and providing accurate and repeatable inspection data thereby delivering asset integrity assurance and management to the Energy and Marine industries. During the period, the process to incorporate a new Group company in the UAE, Air Control Entech Survey LLC, commenced. 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). ACE 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. The Company also owns 100% of the issued share capital of Acorn Intellectual Properties Limited, a Company also incorporated in Jersey, Channel Islands which has the primary activity of holding intellectual property.

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 104 Interim Financial Statements (FRS 104) and the Companies (Jersey) Law 1991. They do not include all of the information required in annual financial statements in accordance with FRS 102, and should be read in conjunction with the consolidated financial statements for the year ended 31 December 2024.

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).

There have been no changes to the accounting policies or methods of computation used in preparing the interim financial statements as were used in the most recent set of annual financial statements of the Group published for the year ended 31 December 2024.

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 30 June 2025 and the results of all subsidiaries for the period 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. Intercompany transactions and balances between group companies are therefore eliminated in full.

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 period 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 in the period in the amount of £1,628,930 (30 June 2024: £949,945) and as at 30 June 2025 had net current liabilities of £427,386 (30 June 2024: £846,565) and net assets of £9,293,844 (30 June 2024: net liabilities £220,536). In assessing the going concern of the Group, management have prepared cash flow forecasting and performed sensitivity analysis as to whether the Group has adequate funding to meet its short-term liabilities and are confident that the Group will be able to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements. Key considerations are outlined below.

**Notes to the consolidated interim financial statements
For the period ended 30 June 2025**

2. Summary of significant accounting policies (continued)**2.3 Going concern (continued)**

The Directors have a reasonable expectation that further sales of the product and/or Group solutions will be achieved on top of those purchase orders already received for 2025. However, there is no guarantee as to the level of additional sales that will occur or indeed the timing of cash inflows, and it may not be sufficient to offset the current outflow from operational activities.

To ensure sufficient financial resources to fund anticipated revenue growth and support operational activities, the Group undertook a capital raise in July 2025, with A\$357k (£171k) secured. In addition, the Company is undertaking a fully underwritten accelerated non-renounceable entitlement offer (ANREO) on an 8-for-9 basis to raise approximately A\$2,535,393 (Entitlement Offer) via the issue of 633,848,293 new fully paid Chess Depositary Interests (CDIs).

In addition, on 23 July 2025 the Group entered into a binding 50:50 Joint Venture Agreement (JVA) with CAPSA Engineering & Contracting L.L.C (CEC), a National Oil Company (NOC) registered entity based in the Middle East. Under the JVA, the Group and CEC will collaborate to deliver a multi-year scope of work valued at more than US\$6 million over two years, with approximately 70% of this revenue expected to be recognised in the first 12 months. While under FRS 102 Section 15 the arrangement does not meet the definition of a joint venture or joint operation, the agreement provides a material pipeline of contracted work and expected revenues that will support the Group's cash flows during the going concern period.

The secured capital raise, the fully underwritten Entitlement Offer, and the expected revenues from the JVA provide the Directors with sufficient financial resources to conclude that these circumstances do not cast significant doubt on the Group's ability to continue as a going concern, and 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.

Foreign translation

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

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 period. 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.

At each period 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.

The Group received revenue from operating leases in relation to rental equipment. The revenue was recognised and accounted for on a straight line basis over the term of the lease. The risks and rewards incidental to ownership remained with the Group.

**Notes to the consolidated interim financial statements
For the period ended 30 June 2025**

2. Summary of significant accounting policies (continued)

2.5 Revenue (continued)

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Group will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

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.

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

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 Consolidated 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.

**Notes to the consolidated interim financial statements
For the period ended 30 June 2025**

2. Summary of significant accounting policies (continued)

2.11 Taxation (continued)

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, the useful life shall not exceed ten years.

The patents and development costs relating to SRJ Limited and SRJ Technologies Limited, 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 basis for this amortisation is 13 years.

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 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.

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 less accumulated amortisation and impairment losses 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.

**Notes to the consolidated interim financial statements
For the period ended 30 June 2025**

2. Summary of significant accounting policies (continued)

2.14 Impairment of assets (continued)

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.

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	-	20%	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.

2.16 Inventories

Inventories 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.

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 Consolidated 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 £.

**Notes to the consolidated interim financial statements
For the period ended 30 June 2025**

2. Summary of significant accounting policies (continued)

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 outright 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.

2.23 Convertible debt

A convertible instrument is classified as a compound financial instrument only when the conversion feature entitles the holder to convert into a fixed number of the Company's equity instruments for a fixed amount of cash ("fixed-for-fixed"). In such cases, the proceeds are allocated on initial recognition between a liability component (measured at amortised cost using the effective interest method) and an equity component (credited to equity and not remeasured).

Where the conversion feature does not meet fixed-for-fixed (e.g., conversion into a variable number of CDIs or conversion price determined by reference to a future offer price), the instrument is accounted for wholly as a financial liability at amortised cost until conversion or redemption; no equity component is recognised.

Transaction costs are allocated to the recognised components in proportion to their initial carrying amounts. On conversion, the carrying amount of the liability is reclassified to equity; on redemption, any difference between the consideration paid and the carrying amount is recognised in profit or loss.

No convertible debt instruments were outstanding or issued in the six months ended 30 June 2025 and this policy is unchanged from the 31 December 2024 annual report.

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.

An impairment assessment was performed on goodwill arising on the acquisition of ACE. 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). An indicator of impairment was identified due to significant underperformance relative to expectations. Accordingly, the recoverable amount of the CGU was determined based on the value-in-use method, which involved estimating the present value of future cash flows. The cash flow projections incorporated average growth rates of 24% (higher in earlier years), a terminal growth rate of 3%, and were discounted at 12%. Sensitivity analyses were performed on key assumptions, including revenue growth and discount rates. In all scenarios, the recoverable amount exceeded the carrying amount of the CGU. 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.

SRJ Technologies Group Plc

**Notes to the consolidated interim financial statements
For the period ended 30 June 2025**

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

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.

Revenue and sales returns

Some goods are sold with a right of return. The Group assessed whether a sales-returns provision was required at 30 June 2025 based on historical return rates and specific customer circumstances, including a post-period review of returns. No provision was required at 30 June 2025 (2024: £nil).

4. Turnover

Turnover, analysed geographically between markets, was as follows:

Period ended 30 June 2025				
	Revenue sharing income	Product sales *	Services rendered	Total
	£	£	£	£
Europe	-	4,695	591,815	596,510
Americas	-	77,404	52,176	129,580
Middle East & Africa	-	-	73,355	73,355
Asia	(1,316)	(130,540)	15,102	(116,754)
	<u>(1,316)</u>	<u>(48,441)</u>	<u>732,448</u>	<u>682,691</u>

* Net of sales returns

During the period, sales returns amounted to £176,835 (2024: £nil) which related to sales made in 2024 (a provision of £nil for sales returns was made at 31 December 2024 based on historical experience). The returns in this period were due to a customer's significant downturn of work for BoltEx® in 2025. Negotiations were made and discounts offered to maintain the order to the highest potential value, with the order reconfigured in accordance with an updated agreement in Q2 2025.

Period ended 30 June 2024 (as restated)				
	Revenue sharing income	Product sales	Services rendered	Total
	£	£	£	£
Europe	-	141,636	-	141,636
Americas	-	81,963	-	81,963
Middle East & Africa	-	-	6,650	6,650
Asia	14,584	308,822	3,594	327,000
	<u>14,584</u>	<u>532,421</u>	<u>10,244</u>	<u>557,249</u>

The June 2024 comparatives have been restated to show turnover geographically between markets, rather than where the turnover was derived from.

Year ended 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>

SRJ Technologies Group Plc

**Notes to the consolidated interim financial statements
For the period ended 30 June 2025**

5. Other operating income

	Period ended 30 June 2025	<i>Period ended 30 June 2024</i>	<i>Year ended 31 December 2024</i>
	£	£	£
R&D tax credits	-	-	67,870
Grant income	2,000	-	4,075
	<u>2,000</u>	<u>-</u>	<u>71,945</u>

6. Acquisition costs

	Period ended 30 June 2025	<i>Period ended 30 June 2024</i>	<i>Year ended 31 December 2024</i>
	£	£	£
Legal and professional fees re acquisition of Air Control Entech Limited	-	199,815	-
	<u>-</u>	<u>199,815</u>	<u>-</u>

The above costs comprised legal and professional fees incurred to 30 June 2024 in respect of the acquisition of Air Control Entech Limited ("ACE"). The Company executed a Share Purchase Agreement to acquire 100% of the issued capital of ACE on 23 July 2024. Following completion of the deal on 21 August 2024, the directly attributable acquisition costs were subsequently capitalised.

7. Interest payable

	Period ended 30 June 2025	<i>Period ended 30 June 2024</i>	<i>Year ended 31 December 2024</i>
	£	£	£
Finance lease interest	5,819	1,004	7,624
Interest on conversion/early repayment of convertible loan	-	-	7,518
PAYE interest and penalties	3,023	-	7,152
General interest expense	5,407	1,731	9,254
	<u>14,249</u>	<u>2,735</u>	<u>31,548</u>

8. Taxation

	Period ended 30 June 2025	<i>Period ended 30 June 2024</i>	<i>Year ended 31 December 2024</i>
	£	£	£
Current tax	-	-	3,034
	<u>-</u>	<u>-</u>	<u>3,034</u>

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 in 2024 was in relation to ACE and tax payable on the R&D Expenditure Credit (RDEC) calculation, at a rate of 25%.

9. Auditor remuneration

	Period ended 30 June 2025	<i>Period ended 30 June 2024</i>	<i>Year ended 31 December 2024</i>
	£	£	£
Annual audit	-	-	62,500
Annual audit - under accrued previous year	20,095	91	91
Interim review	20,000	17,950	17,950
	<u>40,095</u>	<u>18,041</u>	<u>80,541</u>

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

SRJ Technologies Group Plc

Notes to the consolidated interim financial statements For the period ended 30 June 2025

10. Share based payments

Following appointment in November 2024 as Chair of the Company, Mr George Gourlay became contractually entitled, subject to shareholder approval, to 1 million CDI's at nil cost (valued at year end share price of A\$0.048 (GBP/AUD 2.0) £0.024, thus having an indicative value of £24,000). The award of these will be linked to a series of specific deliverables in relation to sales targets and strategic leadership that will be agreed once shareholder approval is received. As these are yet to be issued, no share based expense is reflected in the accounts. Mr Giles Bourne was also issued, subject to shareholder approval, the equivalent of A\$50,000 CDIs at nil cost (valued at year end share price of A\$0.048 (GBP/AUD 2.0) £0.024, thus equates to 1,041,667 CDIs with an indicative value of £25,000). There are no conditions attached to Mr Bourne's share issue, which is still subject to shareholder approval, as this formed part of the negotiations for taking on the role. As these are yet to be issued, no share-based expense is reflected in the accounts in accordance with FRS 102.

Following appointment in May 2025 as Chief Executive Officer, Mr Kurt Reeves will be issued, subject to shareholder approval, 1 million CDIs at nil cost. There are no conditions attached to this share issue, which is still subject to shareholder approval, as this formed part of the negotiations for taking on the role. As these are yet to be issued, no share-based expense is reflected in the accounts in accordance with FRS 102. Mr Reeves will, subject to shareholder approval, also be issued with 2.5 million share options in the Group at an exercise price of A\$0.055. The award of these will be linked to a series of specific deliverables in FY25 in relation to sales targets and strategic partnering. As these are yet to be issued, no share-based expense is reflected in the accounts in accordance with FRS 102.

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.

Key Management Personnel	Fair value per option A\$	Options awarded	Year ended 31 December 2024 & Period ended 30 June 2025
Alexander Wood	0.013	3,000,000	20,491
Roger Smith	0.013	2,500,000	17,076
Stefan McGreevy	0.013	3,000,000	20,491
David Milner	0.013	1,000,000	6,830
			<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.

During the current period, 990,000 options were awarded to employees of ACE. The date of issue of the options was 16 April 2025. The fair value for the option is A\$0.017. The exercise price for the options is A\$0.025 per option. One option is equivalent to one ordinary share/CDI. The options will vest 24 months after the issue date 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.

The total expense recognised in the statement of comprehensive income for the period was £861 (2024: £92,030). The carrying amount at the end of the period in the share based payment reserve from share based payment transactions was £92,891 (2024: £92,030).

11. Remuneration of key management personnel and employees

	Period ended 30 June 2025 £	Period ended 30 June 2024 £	Year ended 31 December 2024 £
Directors			
Salaries and fees	402,468	317,194	731,010
Pension and superannuation costs	6,899	8,300	17,722
Health insurance	5,662	3,875	12,139
Share based payment awards	-	-	90,322
	<u>415,029</u>	<u>329,369</u>	<u>851,193</u>

SRJ Technologies Group Plc

**Notes to the consolidated interim financial statements
For the period ended 30 June 2025**

11. Remuneration of key management personnel and employees (continued)

	Period ended 30 June 2025	Period ended 30 June 2024	Year ended 31 December 2024
	£	£	£
Employees			
Wages and salaries	648,492	229,150	714,144
Pension and superannuation costs	27,774	22,614	50,854
Health insurance	5,717	7,890	11,064
Share based payment awards	861	-	1,708
	<u>682,844</u>	<u>259,654</u>	<u>777,770</u>

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

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 period, wages and salaries of £214,198 (2024: £113,580) was charged to cost of sales.

The average number of employees of the Group during the period was 23 (June 2024: 11, December 2024: 15)

12. Acquisition of subsidiary

During 2024, the Company executed a Share Purchase Agreement to acquire 100% of the issued capital of Air Control Entech Limited ("ACE"). ACE is a private company limited by shares incorporated in Scotland. The registered office is Units 12-13, Murcar Commercial Park, Denmore Road, Bridge of Don, Aberdeen, AB23 8JW, United Kingdom. Its principal activity is that of operation, design, manufacture and implementation of advanced robotics and drone technology for inspection solutions. The completion of the acquisition occurred on 20th August 2024. This transaction formed part of the strategy disclosed by the Company to the market of 'adopting digital technologies via organic growth and partnering or potentially acquiring niche players in the market that are driving digital transformation.' With the Energy industry now aggressively pursuing digital transformation, the provision of enabling technologies through the acquisition of ACE, will help drive the digitisation of a clients' asset integrity management and drive growth opportunities for the Company. The combination has generated significant cross-selling opportunities for both entities and created a structure in which ACE can expand globally with its current solutions which management believe will drive revenue growth.

The transaction was completed for a cash element of £4,500,000 with the balance by the issue of 175,249,279 of CDIs (the traded security of the ordinary shares). Given the recent related capital raise was at a CDI/share price of A\$0.055, the fair value of the CDI's issued to the sellers of ACE was A\$9,638,710 (£4,964,186). A further 558,445 CDIs (equating to £11,115) were issued in December 2024 at a fair value of \$0.04 per CDI, being the share price at the date of issue. This brought the total value of the acquisition to £9,475,302 before taking into account directly attributable acquisition costs of £449,517.

The results for ACE have been consolidated in the Group's Consolidated Statement of Comprehensive Income from 21 August 2024.

Details of the acquisition are as follows:

	Fair value 21 August 2024 £
Fixed assets, including intangibles	735,827
Cash and cash equivalents	69,620
Trade and other receivables	328,769
Inventories	21,372
Trade and other payables	<u>(638,843)</u>
Net assets acquired	516,745
Goodwill	9,408,074
Acquisition cost, including directly attributable costs	<u>9,924,819</u>

The results for ACE from the date of acquisition (21 August 2024) are as follows:

	Period ended 30 June 2025 £	Year ended 31 December 2024* £
Turnover	<u>621,111</u>	<u>455,596</u>
Loss for the period	<u>(178,049)</u>	<u>(47,197)</u>
EBITDA	<u>(119,560)</u>	<u>9,064</u>

* Consolidated results from 21 August 2024.

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**Notes to the consolidated interim financial statements
For the period ended 30 June 2025**

13. Intangible assets

	Goodwill £	Patents £	Development expenditure £	Total £
Cost				
At 1 January 2024	-	564,101	786,016	1,350,117
Additions	-	6,731	-	6,731
At 30 June 2024	-	570,832	786,016	1,356,848
Additions	9,408,074	7,959	60,220	9,476,253
Additions from acquisition	-	-	542,721	542,721
At 31 December 2024	9,408,074	578,791	1,388,957	11,375,822
Additions	-	1,680	6,839	8,519
At 30 June 2025	9,408,074	580,471	1,395,796	11,384,341
Amortisation				
At 1 January 2024	-	272,648	407,868	680,516
Charge for the period	-	24,961	31,717	56,678
At 30 June 2024	-	297,609	439,585	737,194
Charge for the period	342,815	26,288	38,112	407,215
At 31 December 2024	342,815	323,897	477,697	1,144,409
Charge for the period	470,403	25,793	41,307	537,503
At 30 June 2025	813,218	349,690	519,004	1,681,912
Net book value				
At 30 June 2025	8,594,856	230,781	876,792	9,702,429
At 30 June 2024	-	273,223	346,431	619,654
At 31 December 2024	9,065,259	254,894	911,260	10,231,413

The patents and development costs relating to SRJ Limited and SRJ Technologies Limited, 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 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.

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 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. Based on this assessment, no impairment was identified.

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 remaining amortisation period of the goodwill is 8.5 years.

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.

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

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14. Tangible fixed assets

Cost	Motor vehicles £	Leasehold improve- ments £	Plant and machinery £	Office equipment £	Computer equipment £	Total £
At 1 January 2024 and 30 June 2024	56,399	-	23,326	12,250	30,521	122,496
Additions	-	-	63,657	-	1,147	64,804
Additions from acquisition	19,469	34,458	126,880	3,718	8,580	193,105
Disposals	(56,399)	-	(5,991)	-	-	(62,390)
At 31 December 2024	19,469	34,458	207,872	15,968	40,248	318,015
Additions	-	-	68,927	-	-	68,927
Disposals	(5,533)	-	-	-	-	(5,533)
At 30 June 2025	13,936	34,458	276,799	15,968	40,248	381,409
Depreciation						
At 1 January 2024	30,362	-	14,582	10,180	29,291	84,414
Charge for the period	3,201	-	2,320	761	870	7,152
Reclassification	-	-	-	-	-	-
At 30 June 2024	33,563	-	16,902	10,941	30,161	91,566
Charge for the period	7,929	3,378	31,800	1,033	1,468	45,608
Written back on disposals	(34,423)	-	-	-	-	(34,423)
At 31 December 2024	7,069	3,378	48,702	11,974	31,629	102,752
Charge for the period	3,100	4,681	30,568	878	1,561	40,788
Written back on disposals	(5,533)	-	-	-	-	(5,533)
At 30 June 2025	4,636	8,059	79,270	12,852	33,190	138,007
Net book value						
At 30 June 2025	9,300	26,399	197,529	3,116	7,058	243,402
At 30 June 2024	22,836	-	6,424	1,309	360	30,930
At 31 December 2024	12,400	31,080	159,170	3,994	8,619	215,263

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For the period ended 30 June 2025**

15. Inventory	30 June 2025 £	30 June 2024 £	31 December 2024 £
BoltEx® stock	87,324	78,120	64,051
Inventory of parts - at cost	18,979	7,389	20,215
	<u>106,303</u>	<u>85,509</u>	<u>84,266</u>

Management undertook an assessment of the value of parts alongside a Senior Engineer from SRJ. Obsolete stock of £69 (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.

16. Debtors	30 June 2025 £	30 June 2024 £	31 December 2024 £
Trade debtors	462,489	52,177	727,851
Other debtors	21,016	10,606	53,195
Prepayments and accrued income	175,050	30,548	225,390
	<u>658,555</u>	<u>93,331</u>	<u>1,006,436</u>

17. Creditors: Amounts falling due within one year	Note	30 June 2025 £	30 June 2024 £	31 December 2024 £
Hire purchase and finance	20	50,320	8,056	32,585
VAT payable		-	7,606	-
Trade creditors		543,097	712,673	464,815
Deferred income		14,800	118,615	16,000
Invoice financing		39,377	-	96,683
Loans	19	201,525	-	6,910
Funds held on account for convertible loan notes (see note 21)		-	167,724	-
Accruals and other payables		559,361	206,163	410,449
		<u>1,408,480</u>	<u>1,220,837</u>	<u>1,027,442</u>

18. Loans payable	30 June 2025 £	30 June 2024 £	31 December 2024 £
Directors' loans	67,285	-	30,753
	<u>67,285</u>	<u>-</u>	<u>30,753</u>

At 30 June 2025, £67,285 (31 December 2024: £30,753) was owed by the Group to one of the directors of ACE, the subsidiary company. The loan is unsecured and interest free, with no fixed repayment date.

19. Creditors: Amounts falling due after one year	Note	30 June 2025 £	30 June 2024 £	31 December 2024 £
Hire purchase and finance lease payable	20	50,410	24,555	31,225
Loans payable		174,191	-	151,946
		<u>224,601</u>	<u>24,555</u>	<u>183,171</u>

The loans payable in notes 17 and 19 (amounting to £375,716 in total) comprise the following.

- The Santander bank loan outstanding of £28,492 (2024: £31,450) is supported by the Bounce Back Loan Scheme, with £5,915 due within one year and £22,577 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 £146,060 (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 £6,549 (2024: £7,046) (£995 due within one year and £5,554 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.

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19. Creditors: Amounts falling due after one year (continued)

- The loan outstanding from Lazarus (trading as BJS Robb Pty Ltd, being a combination of investors, Peloton Capital Pty Ltd and Jindabyne Capital Pty Ltd) of £119,015/A\$250,000 (2024: £Nil) (all due within one year) is secured over specific stated invoices not part of the existing invoice factoring, interest free and with no fixed repayment date. On 18 August 2025, A\$200,000 of the loan was converted into equity at the same price as the Entitlement Offer (A\$0.004 per CDI). The remaining balance of A\$50,000 plus an establishment fee of A\$12,500 was agreed to be settled across three equal monthly payments commencing 1 October 2025.

- A loan was provided in the period for £75,600 from Kieran Hope, Blair Nichols, Murray Stewart and Marc Whitton. The loan advanced from Blair Nichols (£25,200) is due to be repaid on or before 1 September 2025. The remaining amounts (£50,400) are due to be repaid on or before 31 December 2025. Interest is charged at rate of 8% per annum to 31 August 2025 and at the rate of 11% per annum for the period 1 September 2025 to the relevant repayment dates.

There are no covenants associated with any of these loans.

20. Hire purchase and finance lease obligations

	30 June 2025	30 June 2024	31 December 2024
	£	£	£
Future minimum lease payments due under hire purchase and finance leases:			
Not later than one year	50,320	8,013	32,585
Later than one year and not later than five years	50,410	24,555	31,225
Later than five years	-	-	-
	100,730	32,568	63,810

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

21. Convertible debt

The Group undertook a fund raise in June 2024 to issue A\$800,000 of convertible loan notes to investors, with funds of A\$662,500 (£342,797) secured by July 2024 (with A\$317,500 (£167,724) received in the period ended 30 June 2024). Convertible notes for A\$621,250 (£322k) were issued in July 2024 and A\$41,250 (£21k) issued in August 2024. The loan notes were issued for consideration of their face value, being A\$1 per note, and have a maturity date of 12 months after the issue date. Interest is charged at 12% and is charged to the Consolidated Statement of Comprehensive Income for the period. The notes were automatically converted into equity shares on the conversion date, being the date that the Company completed the Alternative Capital Raising, based on the lower of:

- the price at which the CDIs are issued under the Alternative Capital Raising; and
- A\$0.075.

On 20 August 2024, the loan notes, with accrued interest, were converted into CDIs totalling 12,309,637 at a value of \$677,030 (£350,316), this being based on the price issued under the Alternative Capital Raising of A\$0.055.

On issuing convertible debt, the Company allocates the proceeds between a liability component and an equity component in accordance with the substance of the agreement and FRS 102. The conversion feature for this convertible loan facility is set out above, with the notes automatically converting into equity when a predetermined trigger event occurs (being the Alternative Capital Raising). For the convertible loan facility, the Company has no unconditional ability to avoid settling at the maturity date. Investors retain control and can either convert or request repayment at the maturity date. As such, the amount drawn down is considered to be wholly debt in nature until any conversion occurs. For the conversion right to be classified as an equity instrument, it must meet the "fixed-for-fixed" criterion. This criterion requires that a fixed amount of cash or other financial asset be exchanged for a fixed number of equity instruments. The 'fixed-for-fixed' criterion is not met here because the holders have the option to convert their notes into a variable number of shares based on the lower of two amounts (a fixed price of A\$0.075 or the price at which CDIs are issued under the Alternative Capital Raising). This variability in the number of shares to be issued means that the conversion feature does not satisfy the fixed-for-fixed criterion under FRS 102. As a result, the convertible debt does not contain an equity component and is wholly classified as a financial liability until any conversion occurs. The liability is treated as a basic financial instrument measured at amortised cost, as FRS 102 does not use the term 'embedded derivative' and does not require companies applying Sections 11 and 12 of FRS 102 to separate the host contract from any embedded derivative. Since the notes were automatically converted in 2024, they were classified as equity at the reporting date.

On 15 February 2023, the Company signed an agreement for a convertible loan facility with Mercer Street Global Opportunity Fund LLC ("Mercer"). In September 2023, the Company settled all remaining convertible loan notes issued. As part of the convertible loan note 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.

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Notes to the consolidated interim financial statements For the period ended 30 June 2025

21. Convertible debt (continued)

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 periods Statement of Comprehensive Income. Management will undertake a similar assessment at the end of each reporting period.

22. Issued capital

	30 June 2025 £	30 June 2024 £	31 December 2024 £
Allotted, called up and fully paid			
623,928,499 Ordinary shares of £0.000125			
(31 December 2024 - 623,542,578 Ordinary shares of £0.000125 and 30 June 2024 - 177,681,596 Ordinary shares of £0.00018181819)	77,991	32,306	77,943

A resolution was passed at the Company's AGM on 13 August 2024 to increase the authorised share capital from £100,000 divided into 550,000,000 shares of £0.00018181818 each to £100,000 divided into 800,000,000 shares of £0.000125 each.

Movements in share capital for the period are reconciled as below;

	Shares in issue	Share capital £	Share premium £
Allotted, called up and fully paid			
At 1 January 2025	623,542,578	77,943	30,031,265
Fees settled in CDIs	385,921	48	4,780
At 30 June 2025	623,928,499	77,991	30,036,045

Fees settled in CDIs relate to consultancy fees payable to Saxby Capital Pty Ltd.

The ASX uses an electronic system called CHESS 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 CHESS system of holding securities. Accordingly, to enable the securities to be cleared and settled electronically through CHESS, 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.

23. 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 leases office space to the Company, the charge in the period was £7,500, equivalent to £1,250 per month (30 June 2024: £7,500 and 31 December 2024: £15,000).

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 period was £58,689 (31 December 2024: £87,751).

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 period (31 December 2024: £189,170/A\$366,670) and participated in the provision of a A\$250k invoicing financing facility to the Company in June 2025.

During the period key management personnel (defined as all directors of the Company, the Chief Financial Officer and Technical Director) of the Group received total compensation of £415,029 comprised of employment and post-employment benefits (30 June 2024: £329,369) and £Nil of share based payments (30 June 2024: £Nil). See note 11 for further analysis of directors' remuneration.

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

Key Management Personnel	Securities
George Gourlay	Nil Ordinary shares/CDIs (note 1)
David Milner	3,295,539 Ordinary shares/CDIs
Giles Bourne	371,612 Ordinary shares/CDIs (note 2)
Alexander Wood	2,050,336 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 (note 3)

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Notes to the consolidated interim financial statements For the period ended 30 June 2025

23. Related party transactions (continued)

Note 1: Mr Gourlay was contractually entitled upon commencement of his Chair position to 1 million CDI's at nil cost, subject to shareholder approval. Mr Gourlay has since rescinded this entitlement and any replacement offer will be agreed with the Board in Q4 2025 and be subject to shareholder approval.

Note 2: Mr Bourne was contractually entitled upon commencement of his non-executive director position to the equivalent of A\$50,000 CDI's at nil cost, subject to shareholder approval. At the share price as at 30 June 2025 this would equate to 10m CDI's. Mr Bourne has since rescinded this entitlement and any such offer will be agreed with the Board in Q4 2025 and be subject to shareholder approval. Mr Bourne previously purchased 371,612 CDI's in a prior equity raise of the Company's in 2024.

Note 3: Mr Reeves was contractually entitled upon commencement of his CEO position to 1 million CDI's at nil cost. Mr Reeves has since rescinded this entitlement and any replacement offer will be agreed with the Board in H2 2025.

Further to the Ordinary Shares held directly by Alexander Wood and Stefan McGreevy there are 23,355,628 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 3.7% of the undiluted shares in issue of the Group.

All entitlements were rescinded post period end.

24. Leases for premises

The lease between SRJ Limited and AVI Partners Limited for the premises "Le Quai House" expired on 18 June 2021. Whilst a new lease has not been signed, monthly rentals of £2,000 continued to be paid until November 2023. Following an internal office move this monthly amount reduced to £1,250 from December 2023.

SRJ Technology Limited, rented offices for £15,500 per annum under a lease that expired on 6 January 2024. New lease terms for a property run by the same property management company were negotiated and signed on 17 February 2025 for the sum of £11,400 per annum for a 6 year lease with a break clause after 2 years. The address of the new offices is Brokers' Office A.2.1, Huntsman Road, Hamble Point Marina, Southampton.

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

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 30 June 2025, the company had the following lease commitments:

	30 June 2025 £	30 June 2024 £	31 December 2024 £
Within one year	59,558	2,773	59,643
Between two and five years	118,483	-	145,983
	<u>178,041</u>	<u>2,773</u>	<u>205,626</u>

25. Analysis of changes in net (debt)/funds

	At 1 January 2025 £	Cash flows £	Other non- cash changes £	At 30 June 2025 £
Cash and cash equivalents				
Cash at bank and in hand	636,986	(337,552)	(15,913)	283,521
Borrowings				
Finance lease	(63,810)	(36,920)	-	(100,730)
Other loans	(158,856)	(216,861)	-	(375,717)
Invoice financing	(96,683)	57,306	-	(39,377)
Borrowings total	<u>(319,349)</u>	<u>(196,475)</u>	<u>-</u>	<u>(515,824)</u>
Net funds/(debt)	<u>317,637</u>	<u>(534,027)</u>	<u>(15,913)</u>	<u>(232,303)</u>

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For the period ended 30 June 2025**

25. Analysis of changes in net (debt)/funds (continued)

	At 1 January 2024	Cash flows	Other non- cash changes	At 30 June 2024
	£	£	£	£
Cash and cash equivalents				
Cash at bank and in hand	559,539	(363,502)	(605)	195,432
Borrowings				
Finance lease	(47,591)	4,226	-	(43,365)
Borrowings total	<u>(47,591)</u>	<u>4,226</u>	<u>-</u>	<u>(43,365)</u>
Net funds/(debt)	<u>511,948</u>	<u>(359,276)</u>	<u>(605)</u>	<u>152,067</u>

Non-cash changes relate to:

Cash at bank and in hand - relates to the loss on translation of the foreign subsidiary.

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

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.

27. 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 further to the events outlined below.

- Entered into a binding SPA with Junhee Lee to acquire 100% of the issued capital of First Avenue General Contracting - Sole Proprietorship LLC (Target) on the 23 July 2025, a UAE entity registered with a regional NOC that holds pre-qualifications relevant to SRJ's business for AED 1,055,000 (A\$~440,000). Completion of the acquisition, which occurred on 22 August 2025, will deliver the platform to contract directly with a regional NOC and major regional clients, significantly advancing the Group's commercial capability in the region. No amounts are recognised in these interim financial statements. At the date of signing the financial statements, the completion report has not been finalised. The fair value assessment is in progress and will be reflected in the next reporting period.

- Entered into a binding 50:50 Joint Venture Agreement (JVA) with CAPSA Engineering & Contracting LLC (CEC) on the 23 July 2025, a National Oil Company (NOC) registered entity based in the Middle East. Under the JVA, the Group and CEC will collaborate to deliver a multi-year scope of work valued at more than US\$ 6 million over two years, with approximately 70% expected to be recognised during the first 12 months. Under FRS 102 Section 15, the arrangement does not meet the definition of a joint venture or joint operation.

- Successful completion of a A\$357k strategic placement to new and existing shareholders at A\$0.004 per share to support completion of the acquisition and working capital.

- The Company is undertaking a fully underwritten ANREO on an 8-for-9 basis to raise approximately A\$2,535,393 (Entitlement Offer) via the issue of 633,848,293 new fully paid Chess Depositary Interests (CDIs). The new CDIs will rank equally with existing SRJ CDIs. Under the Entitlement Offer, eligible shareholders and CDI holders are invited to subscribe for 8 New CDIs for every 9 existing SRJ shares or CDIs. All New CDIs offered under the Entitlement Offer will be issued at a price of A\$0.004 per New CDI.

- Received approval to increase to 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.

- During the period, the process to incorporate a new Group company in the UAE, Air Control Entech Survey LLC, commenced. This was finalised on 14 July with the issue of its trade licence, which therefore becomes the establishment date of the company (the date of incorporation). Air Control Entech Limited ("ACE") 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 will conduct its business activities in the region.

- On 18 August 2025, A\$200,000 of the A\$250,000 loan outstanding from Lazarus (trading as BJS Robb Pty Ltd, being a combination of investors, Peloton Capital Pty Ltd and Jindabyne Capital Pty Ltd) was converted into equity at the same price as the Entitlement Offer (A\$0.004 per CDI). The remaining balance of A\$50,000 plus an establishment fee of A\$12,500 was agreed to be settled across three equal monthly payments commencing 1 October 2025.