science group

27 July 2026

SCIENCE GROUP PLC

(‘Science Group’, the ‘Group’ or the ‘Company’)

INTERIM RESULTS
FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2026

Summary

- Resilient H1 performance positions Group for another solid year
- Adjusted* Operating Profit of £11.5m (H1 2025: £11.3m)
- AOP margin of 24.3% (H1 2025: 19.7%)
- Adjusted* basic EPS of 20.4 pence (H1 2025: 19.3 pence)
- Core revenue (excluding pass-through defence revenue) of £46.4m (H1 2025: £48.7m)
- 2026 share buy-back programme anticipated to exceed £20.0m

Science Group plc

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* Alternative performance measures are provided in order to enhance the shareholders’ ability to evaluate and analyse the underlying financial performance of the Group. Refer to Note 1 for detail and explanation of the measures used.

Interim Results 2026

Science Group plc is an international Services and Systems company delivering innovation through the application of science, technology and engineering. The Group's financial priorities and strategic drivers are: adjusted operating profit, operating margin and cash flow. The capital generated from the operating cash flow, combined with the significant cash resources on the Group's balance sheet, is allocated to (i) corporate opportunities where the resources and capabilities of the Group can be deployed to produce attractive returns for shareholders, and/or (ii) capital returns to shareholders through the annual dividend and the share buy-back programme.

Science Group reports another resilient performance for the first half of the year, despite the global geopolitical environment and the uncertainty in the UK defence sector. For the six months ended 30 June 2026, Group Adjusted Operating Profit ('AOP') increased to £11.5 million (H1 2025: £11.3 million), an AOP Margin increase to 24.3% (H1 2025: 19.7%). Core revenue was £46.4 million (H1 2025: £48.7 million) and total revenue was £47.2 million (H1 2025: £57.2 million), the respective difference reflecting the managed reduction of low margin, pass-through defence revenue.

Profit before Tax of £8.1 million was consistent with the prior year after normalising for the H1 2025 exceptional corporate investment gain of £24.0 million. Adjusted basic earnings per share increased to 20.4 pence (H1 2025: 19.3 pence), benefitting from the increased profitability and the reduction in share capital resulting from the ongoing buy-back programme.

Cash conversion remained strong at 94%, generating £10.7 million from operations in the period (H1 2025: £21.2 million, which benefitted from a working capital normalisation). After returning £26.3 million to shareholders over the past year through the share buy-back programme and dividend (and after payment of the £5.1 million tax on the 2025 corporate investment gain), Group cash at 30 June 2026 was £67.9 million (30 June 2025: £82.0 million) with net funds of £56.8 million (30 June 2025: £70.3 million). The Group's revolving credit facility of £30.0 million remains undrawn.

(Alternative performance measures provide clarity on the Group's underlying trading performance. Refer to Note 1 for detail and explanation of the measures used.)

Services Division – Sagentia

Sagentia provides product development, regulatory and advisory services. The Division is differentiated through deep technical, scientific and engineering expertise combined with specialist industry knowledge.

The geopolitical turmoil in the Middle East impacted business confidence in H1 2026, across the Division's international corporate client base, with concerns over increasing energy prices, global inflationary pressures and potential interest rate increases. Such an environment inevitably creates uncertainty and slows investment decisions resulting in delays to procurement schedules. While some market sectors stabilised fairly rapidly, others have taken longer to normalise.

Science Group entered the UK defence market through the acquisition of TP Group in 2023. In recent years, to align with the Board's financial priorities, Sagentia Defence has progressively reduced the exposure to low margin, pass-through activities, reducing reported revenue but enhancing margin. The completion of this transition coincided with the UK Defence Investment Plan ('DIP') delay which, as widely reported, materially disrupted UK defence contracting. With the DIP release in July 2026, the Sagentia Defence practice is already seeing an improvement which is anticipated to continue in the second half.

Notwithstanding the external challenges in the period, the AOP margin for the Services Division was held at 24.0% (H1 2025: 23.9%), delivering AOP of £7.0 million (H1 2025: £7.9 million). Core revenue was £28.2 million (H1 2025: £29.0 million) excluding £0.8 million (H1 2025: £4.2 million) low margin, pass-through revenue. In summary, Sagentia reported a creditable first half performance and most sectors are well positioned to increase in the second half of the year.

Systems Businesses

The Group has two Systems Businesses, both of which have strong positions in their respective markets. In the first half of 2026, both Businesses performed in line with the Board's expectations.

Critical Maritime Systems & Support ('CMS2') is based in Portsmouth, Hampshire, and designs, manufactures and supports submarine atmosphere management systems for the defence sector, specialising in regenerative systems to support extended submerged operations.

Due to operational timings on certain contracts, CMS2 margin increased to an exceptional 38.3% (H1 2025: 21.9%) and AOP increased to £4.3 million (H1 2025: £3.6 million). Revenue in the first half of 2026 was £11.1 million, compared to the prior year core revenue of £12.3 million. H1 2025 reported revenue was £16.6 million, including £4.3 million of low margin consumables revenue, which did not recur in H1 2026. It is a characteristic of the CMS2 Business that revenue and margins experience significant variability and over 2026 as a whole a more normalised margin is anticipated.

Frontier is a leading developer and supplier of radio and audio semiconductors/modules, with a significant share of its core market. Frontier's new product, Auria, provides enhanced connected audio for a larger addressable market than the traditional Frontier product range and branded products have now been launched.

The Frontier Business remains relatively stable, in the context of the significant increase in DRAM costs which have impacted the consumer electronics industry. While these costs have been passed on to the distribution channel, there has been modest unit volume decline. However, this has been largely offset by increased selling prices and higher end product mix. As a result, adjusting for FX headwind and a one-off benefit in H1 2025, revenue in the first half of 2026 of £6.8 million was effectively flat on the prior year (H1 2025: reported £7.1 million) with AOP held at £0.9 million (H1 2025: £0.9 million). All R&D costs of Auria continue to be expensed maintaining a high correlation between AOP and cash conversion.

Freehold Property

Science Group owns two large freehold properties. Harston Mill, near Cambridge is approx 9,000 sq m on 6.5 hectares and Great Burgh, near Epsom, is approx 4,000 sq m on 3.6 hectares. These sites are primarily used for the Group's operations, although the Harston Mill site does have some third-party tenants. The properties are held in separate corporate entities with an aggregate balance sheet value of £20.5 million. (The last independent valuation in December 2023 valued the properties in aggregate in the range £16.9 million to £31.6 million.) The Board recognises that these properties are significant assets in prime locations and considers it appropriate to explore opportunities to enhance shareholder value. Advisors have been appointed to evaluate a range of options which may provide benefits in the longer term.

Capital Allocation

At 30 June 2026, as a result of the significant return of capital to shareholders through the buy-back programme, the Company had 40.8 million shares in issue (30 June 2025: 44.4 million) and held 5.4 million shares in treasury (30 June 2025: 1.7 million). The Group continues the buy-back programme through the broker delegated authority and ad hoc incremental transactions. During the first half of 2026, 2.4 million shares were purchased for treasury at an average price of 553 pence per share, returning £13.5 million to shareholders. Subject to corporate activity, the Board anticipates capital allocation to the buy-back exceeding £20.0 million in 2026.

Summary

The first half of 2026 delivered another resilient performance for Science Group despite the challenges presented by external factors. Whilst the geopolitical environment remains volatile, the Board anticipates sequential period growth in the second half of the year, driven principally by the Services division.

Science Group retains a particularly strong balance sheet, enabling the Board to continue to evaluate corporate opportunities where the potential risk-adjusted returns justify the deployment of capital, while in parallel continuing to return capital to shareholders through the share buy-back programme.

Consolidated Income Statement

For the period ended 30 June 2026

	Note	**Six months ended 30 June 2026 (Unaudited) £000**	Six months ended 30 June 2025 (Unaudited) £000	Year ended 31 December 2025 (Audited) £000
Revenue	**5**	**47,201**	57,165	111,663
Direct operating expenses		**(25,907)**	(34,642)	(65,627)
Sales and marketing expenses		**(3,833)**	(3,813)	(7,952)
Administrative expenses		**(9,030)**	(10,680)	(21,203)
Net proceeds from disposal of corporate investment		**-**	24,038	24,051
Adjusted operating profit		**11,466**	11,286	23,065
Amortisation of acquisition related intangible assets		**(2,043)**	(2,059)	(4,084)
Net proceeds from disposal of corporate investment		**-**	24,038	24,051
Share-based payment charge		**(992)**	(1,197)	(2,100)
Operating profit		**8,431**	32,068	40,932
Finance income		**356**	926	2,034
Finance costs		**(640)**	(793)	(1,471)
Profit before income tax		**8,147**	32,201	41,495
Income tax charge (including R&D tax credit of £359,000 (H1 2025: £299,000))	**6**	**(2,166)**	(7,535)	(8,223)
Profit for the period		**5,981**	24,666	33,272
Earnings per share				
Earnings per share (basic)	**7**	**14.3p**	55.3p	75.1p
Earnings per share (diluted)	**7**	**14.0p**	54.1p	73.6p

Consolidated Statement of Comprehensive Income

For the period ended 30 June 2026

	Six months ended 30 June 2026 (Unaudited) £000	Six months ended 30 June 2025 (Unaudited) £000	Year ended 31 December 2025 (Audited) £000
Profit for the period attributable to:			
Equity holders of the parent	**5,981**	24,666	33,272
Profit for the period	**5,981**	24,666	33,272
Other comprehensive income/(expense) items that may be reclassified to profit or loss:			
Exchange differences on translating foreign operations	**95**	(798)	(606)
Fair value gain/(loss) on derivative financial instruments	**213**	(349)	(400)
Hedging instruments reclassed to profit or loss	**(78)**	(703)	(789)
Deferred tax (charge)/credit on hedging instruments	**(34)**	288	322
Other comprehensive income/(expense) for the period	**196**	(1,562)	(1,473)
Total comprehensive income for the period attributable to:			
Equity holders of the parent	**6,177**	23,104	31,799
Total comprehensive income for the period	**6,177**	23,104	31,799

Consolidated Statement of Changes in Shareholders' Equity (unaudited)

Group	Share capital £000	Share premium £000	Treasury shares £000	Merger reserve £000	Translation reserve £000	Cash flow hedge reserve £000	Retained earnings £000	Total equity £000
Balance at 1 January 2025	**462**	**26,834**	**(6,424)**	**10,343**	**766**	**553**	**51,461**	**84,005**
Purchase of own shares	-	-	(1,437)	-	-	-	-	**(1,437)**
Issue of shares out of treasury stock	-	-	81	-	-	-	(80)	**1**
Share-based payment charge	-	-	-	-	-	-	1,197	**1,197**
Deferred tax credit on share-based payment transactions	-	-	-	-	-	-	495	**495**
Transactions with owners	**-**	**-**	**(1,356)**	**-**	**-**	**-**	**1,612**	**256**
Profit for the period	-	-	-	-	-	-	24,666	**24,666**
Other comprehensive income/(expense) items that may be reclassed to profit or loss:								
Exchange differences on translating foreign operations	-	-	-	-	(798)	-	-	**(798)**
Fair value loss on derivative financial instruments*	-	-	-	-	-	(349)	-	**(349)**
Hedging instruments recycled to profit or loss*	-	-	-	-	-	(703)	-	**(703)**
Deferred tax credit on derivative financial instruments*	-	-	-	-	-	288	-	**288**
Total comprehensive (expenses)/income for the period*	**-**	**-**	**-**	**-**	**(798)**	**(764)**	**24,666**	**23,104**
Balance at 30 June 2025	**462**	**26,834**	**(7,780)**	**10,343**	**(22)**	**(211)**	**77,739**	**107,365**

*Some of the 30 June 2025 Consolidated Statement of Changes in Shareholders' Equity disclosures have been aligned to be in accordance with the audited financial statements. These amendments are solely presentational in nature and the total reported balance as of 30 June 2025 remains unchanged.

Group	Share capital £000	Share premium £000	Treasury shares £000	Merger reserve £000	Translation reserve £000	Cash flow hedge reserve £000	Retained earnings £000	Total equity £000
Balance at 1 July 2025	**462**	**26,834**	**(7,780)**	**10,343**	**(22)**	**(211)**	**77,739**	**107,365**
Purchase of own shares	-	-	(9,300)	-	-	-	-	**(9,300)**
Issue of shares out of treasury stock	-	-	1,529	-	-	-	(1,526)	**3**
Dividends paid	-	-	-	-	-	-	(3,564)	**(3,564)**
Share-based payment charge	-	-	-	-	-	-	903	**903**
Deferred tax charge on share-based payment transactions	-	-	-	-	-	-	(786)	**(786)**
Transactions with owners	**-**	**-**	**(7,771)**	**-**	**-**	**-**	**(4,973)**	**(12,744)**
Profit for the period	-	-	-	-	-	-	8,606	**8,606**
Other comprehensive income/(expense) items that may be reclassed to profit or loss:								
Exchange differences on translating foreign operations	-	-	-	-	192	-	-	**192**
Fair value loss on derivative financial instruments	-	-	-	-	-	(51)	-	**(51)**
Hedging instruments recycled to profit or loss	-	-	-	-	-	(86)	-	**(86)**
Deferred tax credit on derivative financial instruments	-	-	-	-	-	34	-	**34**
Total comprehensive income/(expense) for the period	**-**	**-**	**-**	**-**	**192**	**(103)**	**8,606**	**8,695**
Balance at 31 December 2025	**462**	**26,834**	**(15,551)**	**10,343**	**170**	**(314)**	**81,372**	**103,316**

Group	Share capital £000	Share premium £000	Treasury shares £000	Merger reserve £000	Translation reserve £000	Cash flow hedge reserve £000	Retained earnings £000	**Total equity £000**
Balance at 1 January 2026	**462**	**26,834**	**(15,551)**	**10,343**	**170**	**(314)**	**81,372**	**103,316**
Purchase of own shares	-	-	(13,478)	-	-	-	-	**(13,478)**
Issue of shares out of treasury stock	-	-	289	-	-	-	(288)	**1**
Dividends declared**	-	-	-	-	-	-	(4,098)	**(4,098)**
Share-based payment charge	-	-	-	-	-	-	992	**992**
Deferred tax credit on share-based payment transactions	-	-	-	-	-	-	486	**486**
Transactions with owners	**-**	**-**	**(13,189)**	**-**	**-**	**-**	**(2,908)**	**(16,097)**
Profit for the period	-	-	-	-	-	-	5,981	**5,981**
Other comprehensive income/(expense) items that may be reclassed to profit or loss:								
Exchange differences on translating foreign operations	-	-	-	-	95	-	-	**95**
Fair value gain on derivative financial instruments	-	-	-	-	-	213	-	**213**
Hedging instruments recycled to profit or loss	-	-	-	-	-	(78)	-	**(78)**
Deferred tax charge on derivative financial instruments	-	-	-	-	-	(34)	-	**(34)**
Total comprehensive income for the period	**-**	**-**	**-**	**-**	**95**	**101**	**5,981**	**6,177**
Balance at 30 June 2026	**462**	**26,834**	**(28,740)**	**10,343**	**265**	**(213)**	**84,445**	**93,396**

**A dividend of 10 pence per share for 2025 was approved at the AGM on 20 May 2026. This dividend was paid in July 2026.

Consolidated Balance Sheet

At 30 June 2026

	Note	**At 30 June 2026 (Unaudited) £000**	At 30 June 2025 (Unaudited) £000	At 31 December 2025 (Audited) £000
Assets				
Non-current assets				
Acquisition related intangible assets		**15,278**	19,106	17,302
Goodwill		**18,617**	18,471	18,544
Property, plant and equipment and right-of-use assets		**23,100**	24,273	23,600
Deferred tax assets		**2,015**	1,897	1,870
		59,010	63,747	61,316
Current assets				
Inventories		**1,774**	863	1,039
Trade and other receivables		**19,059**	19,471	24,247
Current tax assets		**483**	1,495	1,631
Derivative financial instruments		**60**	337	185
Cash and cash equivalents - Group cash	**8**	**67,928**	82,041	72,608
Cash and cash equivalents - Client funds	**8**	**2,456**	2,382	2,398
		91,760	106,589	102,108
Total assets		**150,770**	170,336	163,424
Liabilities				
Current liabilities				
Trade and other payables		**36,493**	35,189	38,071
Current tax liabilities		**127**	5,333	341
Provisions	**9**	**2,501**	2,581	3,095
Borrowings	**10**	**600**	600	600
Lease liabilities	**11**	**677**	689	731
		40,398	44,392	42,838
Non-current liabilities				
Provisions	**9**	**1,475**	1,344	931
Borrowings	**10**	**10,539**	11,124	10,832
Lease liabilities	**11**	**1,833**	2,484	2,055
Derivative financial instruments		**344**	616	603
Deferred tax liabilities		**2,785**	3,011	2,849
		16,976	18,579	17,270
Total liabilities		**57,374**	62,971	60,108
Net assets		**93,396**	107,365	103,316
Shareholders' equity				
Share capital		**462**	462	462
Share premium		**26,834**	26,834	26,834
Treasury shares		**(28,740)**	(7,780)	(15,551)
Merger reserve		**10,343**	10,343	10,343
Translation reserve		**265**	(22)	170
Cash flow hedge reserve		**(213)**	(211)	(314)
Retained earnings		**84,445**	77,739	81,372
Total equity		**93,396**	107,365	103,316

Consolidated Statement of Cash Flows

For the period ended 30 June 2026

	Six months ended 30 June 2026 (Unaudited) £000	Six months ended 30 June 2025 (Unaudited) £000	Year ended 31 December 2025 (Audited) £000
Profit before income tax	**8,147**	32,201	41,495
Adjustments for:			
Gain on corporate investment disposal*	**-**	(25,471)	(25,483)
Amortisation of acquisition related intangible assets	**2,043**	2,059	4,084
Depreciation of property, plant and equipment	**216**	276	542
Depreciation of right-of-use assets	**420**	426	846
Bank charges on derivative financial instruments	**-**	-	135
Net interest charge/(income)	**284**	(133)	(563)
Share-based payment charge	**992**	1,197	2,100
(Increase)/decrease in inventories	**(713)**	225	68
Decrease in receivables	**5,177**	8,443	3,756
Increase/(decrease) in payables representing client funds	**31**	(268)	(328)
(Decrease)/increase in payables excluding balances representing client funds	**(5,804)**	589	3,361
Change in provisions	**(53)**	1,684	1,781
Cash generated from operations*	**10,740**	21,228	31,794
Interest paid	**(597)**	(660)	(1,296)
Proceeds from interest rate swaps*	**-**	612	612
UK corporation tax paid	**(500)**	(896)	(7,458)
Foreign corporation tax paid	**(482)**	(327)	(488)
Cash flows from operating activities*	**9,161**	19,957	23,164
Interest received	**356**	314	1,422
Purchase of property, plant and equipment	**-**	(33)	(33)
Purchase of intangible assets	**-**	-	(166)
Proceeds from sale of corporate investments*	**-**	58,164	58,176
Purchase of corporate investments and associated costs*	**-**	(32,693)	(32,693)
Cash flow used in investing activities*	**356**	25,752	26,706
Issue of shares out of treasury	**1**	-	4
Purchase of own shares	**(13,478)**	(1,437)	(10,737)
Dividends paid	**-**	-	(3,564)
Purchase of derivative financial instruments	**-**	-	(135)
Payment of bank loan arrangement fees	**-**	(415)	(415)
Net (repayment of)/proceeds from bank loans	**(300)**	50	(250)
Principal elements of lease payments	**(412)**	(487)	(888)
Cash flows used in financing activities*	**(14,189)**	(2,289)	(15,985)
(Decrease)/Increase in cash and cash equivalents in the period	**(4,672)**	43,420	33,885
Cash and cash equivalents at the beginning of the period	**75,006**	41,451	41,451
Exchange gain/(loss) on cash	**50**	(448)	(330)
Cash and cash equivalents at the end of the period (Note 8)	**70,384**	84,423	75,006

*Some of the 30 June 2025 cash flow disclosures have been aligned to be in accordance with the audited financial statements. These amendments are solely presentational in nature and the total reported cash flows as of 30 June 2025 remain unchanged.

Cash and cash equivalents is analysed as follows:

	Six months ended 30 June 2026 (Unaudited) £000	Six months ended 30 June 2025 (Unaudited) £000	Year ended 31 December 2025 (Audited) £000
Cash and cash equivalents – Group cash	**67,928**	82,041	72,608
Cash and cash equivalents – Client funds	**2,456**	2,382	2,398
	70,384	84,423	75,006

Extracts from notes to the financial statements

1. General information

The financial information for the six months ended 30 June 2026 set out in this interim report is unaudited and does not constitute statutory accounts as defined in Section 434 of the Companies Act 2006. The financial information included for the year ended 31 December 2025 has been extracted from the 2025 Financial Statements of Science Group plc. The Group's statutory financial statements for the year ended 31 December 2025 have been filed with the Registrar of Companies. The auditor's report on those financial statements was unqualified and did not contain a statement under Section 498(2) or Section 498(3) of the Companies Act 2006.

These unaudited interim results have been approved for issue by the Board of Directors on 24 July 2026.

The Group and Company financial statements of Science Group plc for the year ended 31 December 2025 were prepared under the International Financial Reporting Standards ('IFRS') as adopted by the UK in conformity with the requirements of the Companies Act 2006 and have been audited by Grant Thornton UK LLP. Copies of the Financial Statements are available from the Company's registered office: Harston Mill, Royston Road, Harston, Cambridge, CB22 7GG and can be found on the Company's website at www.sciencegroup.com.

Science Group plc (the 'Company') and its subsidiaries (together 'Science Group' or 'Group') is an international Services and Systems company delivering innovation through the application of science, technology and engineering.

The Company is the ultimate parent company in which results of all the Science Group companies are consolidated.

The Company is incorporated in England and Wales under the Companies Act 2006 and is listed on the Alternative Investment Market of the London Stock Exchange (SAG).

Alternative performance measures

The Group uses alternative non-Generally Accepted Accounting Principles performance measures of 'adjusted operating profit', 'adjusted earnings per share' and 'net funds' which are not defined within IFRS. These are explained in the 2025 Financial Statements and the calculations are as follows:

(a) Adjusted operating profit

The calculation of this measure is shown on the Consolidated Income Statement.

(b) Adjusted earnings per share

The calculation of this measure is disclosed in Note 7.

(c) Net funds

This measure is calculated as follows:

	At 30 June 2026 £000	At 30 June 2025 £000	At 31 December 2025 £000
Cash and cash equivalents – Group cash	**67,928**	82,041	72,608
Borrowings	**(11,139)**	(11,724)	(11,432)
Net funds	**56,789**	70,317	61,176

(d) Core revenue

This is defined as total reported revenue excluding low margin pass-through Defence revenue. This measure allows for like-for-like comparison between periods in which there has been an active managed reduction of low margin pass-through Defence revenue (relevant for both Sagentia Defence and CMS2).

2. Accounting policies

The principal accounting policies applied in the preparation of these interim financial statements are unchanged from those set out in the financial statements for the year ended 31 December 2025. These policies have been consistently applied to all the periods presented.

2.1 Basis of preparation

These interim consolidated financial statements are for the six months ended 30 June 2026. They have been prepared based on the measurement and recognition principles of IFRS as adopted by the UK in conformity with the requirements of the Companies Act 2006 and effective at the time of preparing these statements. The financial statements have been prepared on the historical cost basis except for certain financial instruments and share-based payments which are measured at fair value.

Going concern

The Directors have considered the current Group cash balance of £67.9 million and assessed forecast future cash flows for the next 12 months. In addition, the Group has a Revolving Credit Facility ('RCF') with Lloyds Bank plc for £30.0 million until March 2030 (which remains undrawn to date). The Directors are satisfied that the Group has adequate cash and financial resources to continue in operational existence for the foreseeable future, being a period of at least a year following the release of these unaudited interim results and therefore continue to adopt the going concern basis of accounting in preparing the interim financial statements.

3. Financial risk management

Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including currency risk and fair value interest risk), credit risk, liquidity risk and cash flow interest rate risk. The Group's overall financial risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. Science Group uses derivative financial instruments to hedge certain risk exposures.

4. Segmental information

The Services segment comprises 5 consultancy Practices under the Sagentia brand: Medical, Innovation, Regulatory, Defence and Aviation. The Systems segments comprise two Businesses: (a) Critical Maritime Systems & Support ('CMS2'), which designs, manufactures and supports submarine atmosphere systems for the defence sector; and (b) Frontier Smart Technologies ('Frontier') which designs and supplies radio and audio semi-conductors/modules.

The Group's segmental reporting shows the performance of the operating businesses separately from the value generated by the Group's significant freehold property assets and the corporate costs. Financial information is provided to the Chief Operating Decision Makers ('CODMs') in line with this structure: the Services segment; the two Systems Businesses (CMS2 and Frontier); the Freehold Properties and Corporate costs.

The Services Practices are aggregated into one Services Segment because the Practices provide similar consultancy services and share economic characteristics, including the timing of revenue recognition, the nature of performance obligations, and the nature of costs incurred in the provision of said performance obligations. The CODMs review this Segment as a whole. This aggregation does not impact the user's ability to understand the entity's performance, its prospects for future cash flows or the user's decisions about the entity as a whole as it is a fair representation of the performance of each service line.

Services segment revenue includes all consultancy fees plus recharged materials and expenses relating directly to the performance of the services. CMS2 revenue includes the design, manufacture and support of specialist systems for submarine atmosphere management, used in the UK and international naval defence markets. Frontier revenue includes sales of chips and modules which are incorporated into digital radios and audio systems. The Freehold Properties Segment includes the results for the two freehold properties owned by the Group. Income is derived from third party tenants from the Harston Mill site and from internal businesses which have been charged fees at an arm's length market rental rate for their utilised property space and associated costs. Corporate costs include PLC/Group costs.

Services	**Six months ended 30 June 2026 (Unaudited) £000**	Six months ended 30 June 2025 (Unaudited) £000	Year ended 31 December 2025 (Audited) £000
Services revenue*	29,017	33,197	71,487
Revenue	**29,017**	33,197	71,487
Direct operating expenses	(15,632)	(18,378)	(38,208)
Sales and marketing expenses	(3,264)	(3,131)	(6,638)
Administrative expenses	(4,527)	(5,181)	(10,557)
Adjusted operating profit	**6,951**	7,926	18,769
Amortisation of acquisition related intangible assets	(643)	(615)	(1,231)
Share-based payment charge	(714)	(804)	(1,454)
Operating profit	**5,594**	6,507	16,084

*Other revenue for 6 months ended 30 June 2025 (previously disclosed separately) now included within Services revenue.

Systems – CMS2	**Six months ended 30 June 2026 (Unaudited) £000**	Six months ended 30 June 2025 (Unaudited) £000	Year ended 31 December 2025 (Audited) £000
Systems revenue – CMS2	11,095	16,590	26,396
Revenue	**11,095**	16,590	26,396
Direct operating expenses	(5,576)	(11,320)	(17,830)
Sales and marketing expenses	(15)	(57)	(30)
Administrative expenses	(1,727)	(2,132)	(3,987)
Adjusted operating profit	**4,254**	3,636	5,532
Amortisation of acquisition related intangible assets	(410)	(410)	(819)
Share-based payment charge	(67)	(145)	(164)
Operating profit	**3,777**	3,081	4,549

Systems – Frontier	**Six months ended 30 June 2026 (Unaudited) £000**	Six months ended 30 June 2025 (Unaudited) £000	Year ended 31 December 2025 (Audited) £000
Systems revenue – Frontier	6,790	7,088	13,193
Revenue	**6,790**	7,088	13,193
Direct operating expenses	(4,893)	(5,127)	(9,824)
Sales and marketing expenses	(521)	(534)	(1,139)
Administrative expenses	(1,482)	(1,669)	(3,350)
Adjusted operating profit	**949**	892	1,102
Amortisation of acquisition related intangible assets	(990)	(1,034)	(2,034)
Share-based payment charge	(65)	(100)	(188)
Operating loss	**(106)**	(242)	(1,120)

Freehold Properties	**Six months ended 30 June 2026 (Unaudited) £000**	Six months ended 30 June 2025 (Unaudited) £000	Year ended 31 December 2025 (Audited) £000
Intra-Group property income	1,697	1,655	3,311
Third-party property income	299	290	587
Revenue	**1,996**	1,945	3,898
Direct operating expenses	(1,079)	(1,052)	(2,212)
Administrative expenses	(511)	(473)	(992)
Adjusted operating profit	**444**	458	769
Share-based payment charge	(38)	(38)	(75)
Operating profit	**406**	420	694

Corporate	**Six months ended 30 June 2026 (Unaudited) £000**	Six months ended 30 June 2025 (Unaudited) £000	Year ended 31 December 2025 (Audited) £000
Direct operating expenses	(424)	(419)	(863)
Sales and marketing expenses	(33)	(61)	(115)
Administrative expenses	(783)	(1,256)	(2,348)
Net proceeds from disposal of corporate investment	-	24,038	24,051
Adjusted operating loss	**(1,132)**	(1,626)	(3,107)
Net proceeds from disposal of corporate investment	-	24,038	24,051
Share-based payment charge	(108)	(110)	(219)
Operating (loss)/profit	**(1,240)**	22,302	20,725

Group	**Six months ended 30 June 2026 (Unaudited) £000**	Six months ended 30 June 2025 (Unaudited) £000	Year ended 31 December 2025 (Audited) £000
Services revenue	29,017	33,197	71,487
Systems revenue – CMS2	11,095	16,590	26,396
Systems revenue – Frontier	6,790	7,088	13,193
Third-party property income	299	290	587
Revenue	**47,201**	57,165	111,663
Direct operating expenses	(25,907)	(34,642)	(65,627)
Sales and marketing expenses	(3,833)	(3,813)	(7,952)
Administrative expenses	(9,030)	(10,680)	(21,203)
Net proceeds from disposal of corporate investment	-	24,038	24,051
Adjusted operating profit	**11,466**	11,286	23,065
Amortisation of acquisition related intangible assets	(2,043)	(2,059)	(4,084)
Net proceeds from disposal of corporate investment	-	24,038	24,051
Share-based payment charge	(992)	(1,197)	(2,100)
Operating profit	**8,431**	32,068	40,932
Net finance (costs)/income	(284)	133	563
Profit before income tax	**8,147**	32,201	41,495
Income tax charge	(2,166)	(7,535)	(8,223)
Profit for the period	**5,981**	24,666	33,272

In the Freehold Properties Segment, income includes £1.7 million (H1 2025: £1.7 million) generated from intra-Group recharges. The corresponding costs are included within the operating Segments and are eliminated on consolidation.

5. Revenue

In the following tables, revenue is disaggregated by geographical market and by the currency in which the contract is denominated.

For the period ended 30 June (Unaudited)

Geographical market	UK £000	Europe (excl. UK) £000	North America £000	Asia £000	Other £000	Total £000
2026	**19,077**	**5,882**	**11,938**	**9,905**	**399**	**47,201**
2025	29,484	5,091	9,053	12,791	746	57,165

Currency	USD £000	EUR £000	GBP £000	Total £000
2026	**16,899**	**1,442**	**28,860**	**47,201**
2025	14,526	1,079	41,560	57,165

6. Income tax

The income tax charge for the period ended 30 June 2026 is charged at the effective tax rate calculated for the period using reasonable estimates and incorporating both current and deferred taxation:

	Six months ended 30 June 2026 (Unaudited) £000	Six months ended 30 June 2025 (Unaudited) £000	Year ended 31 December 2025 (Audited) £000
Profit before tax	**8,147**	32,201	41,495
Current taxation	**(2,255)**	(7,068)	(9,252)
Current taxation – adjustment in respect of prior years	**(29)**	(61)	76
Deferred taxation	**(241)**	(705)	170
Deferred taxation – adjustment in respect of prior years	**-**	-	52
R&D tax credit	**359**	299	731
Tax charge	**(2,166)**	(7,535)	(8,223)
Effective tax rate	**26.6%**	23.4%	19.8%

The Group claims Research and Development tax credits under the Research and Development (‘R&D’) Expenditure Credit scheme.

7. Earnings per share

The calculation of earnings per share is based on the following results and number of shares:

	Six months ended 30 June 2026 (Unaudited) £000	Six months ended 30 June 2025 (Unaudited) £000	Year ended 31 December 2025 (Audited) £000
Profit for the financial period	**5,981**	24,666	33,272
Weighted average number of shares:			
For basic earnings per share	**41,869,218**	44,625,973	44,314,909
For diluted earnings per share	**42,793,751**	45,633,222	45,234,640
Earnings per share:	**Pence**	Pence	Pence
Basic earnings per share	**14.3**	55.3	75.1
Diluted earnings per share	**14.0**	54.1	73.6

The calculation of adjusted earnings per share is as follows:

	Six months ended 30 June 2026 (Unaudited) £000	Six months ended 30 June 2025 (Unaudited) £000	Year ended 31 December 2025 (Audited) £000
Adjusted* profit after tax for the period	**8,543**	8,593	17,816
Weighted average number of shares:			
For basic earnings per share	**41,869,218**	44,625,973	44,314,909
For diluted earnings per share	**42,793,751**	45,633,222	45,234,640
Adjusted earnings per share:	**Pence**	Pence	Pence
Basic earnings per share	**20.4**	19.3	40.2
Diluted earnings per share	**20.0**	18.8	39.4

*Calculation of adjusted profit after tax:

	Six months ended 30 June 2026 (Unaudited) £000	Six months ended 30 June 2025 (Unaudited) £000	Year ended 31 December 2025 (Audited) £000
Adjusted operating profit	**11,466**	11,286	23,065
Finance income	**356**	926	2,034
Finance costs	**(640)**	(793)	(1,471)
Adjusted profit before tax	**11,182**	11,419	23,628
Tax charge at the blended corporation tax rate of 23.6% (H1 2025: 24.7%)	**(2,639)**	(2,826)	(5,812)
Adjusted profit after tax	**8,543**	8,593	17,816

8. Cash and cash equivalents

	Six months ended 30 June 2026 (Unaudited) £000	Six months ended 30 June 2025 (Unaudited) £000	Year ended 31 December 2025 (Audited) £000
Cash and cash equivalents – Group cash	**67,928**	82,041	72,608
Cash and cash equivalents – Client funds	**2,456**	2,382	2,398
	70,384	84,423	75,006

The Group receives cash from clients, primarily in North America, which are pass-through funds solely for the purpose of payment of registration fees to regulatory bodies. This cash is separately identified for reporting purposes and is unrestricted.

9. Provisions

(Unaudited)	**Dilapid -ations £000**	**Legal £000**	**NIC on share options £000**	**Other £000**	**Total £000**
At 1 January 2025	682	172	1,118	288	2,260
Increase in provision	-	-	457	1,278	1,735
Utilisation of provision	-	(2)	-	-	(2)
Provision reversed during the period	-	(50)	-	-	(50)
Movement due to foreign exchange	(8)	(6)	(4)	-	(18)
At 30 June 2025	674	114	1,571	1,566	3,925
Increase in provision	4	160	303	75	542
Utilisation of provision	-	-	-	(39)	(39)
Provision reversed during the period	(45)	(15)	(219)	(127)	(406)
Movement due to foreign exchange	2	1	1	-	4
At 31 December 2025	635	260	1,656	1,475	4,026
Increase in provision	-	-	191	-	191
Utilisation of provision	-	(64)	-	-	(64)
Provision reversed during the period	-	(98)	(38)	(43)	(179)
Movement due to foreign exchange	2	-	-	-	2
At 30 June 2026	**637**	**98**	**1,809**	**1,432**	**3,976**

	At 30 June 2026 (Unaudited) £000	At 30 June 2025 (Unaudited) £000	At 31 December 2025 (Audited) £000
Current provision liabilities	**2,501**	2,581	3,095
Non-current provision liabilities	**1,475**	1,344	931
	3,976	3,925	4,026

The NIC on share options provision is for the employer's NIC liability on share options (or proportion of options) that have vested. As employees are contractually responsible for the employer's NIC on any share options exercised and are required to remit this sum to the Company prior to the share options being exercised, a corresponding asset is recognised in current assets.

Other provisions include a settlement balance where the Group is currently engaged in commercial discussions with a customer in relation to a contractual matter. While the discussions remain ongoing and the matter is commercially sensitive, the Group has assessed that it has a present obligation arising from past events. Based on management's best estimate of the potential outflow, a provision of £1.3 million continues to be recognised at the reporting date. The timing and final amount of any settlement remains uncertain, and the associated risks have been taken into account in determining the value of the provision. No further information has been disclosed as it is considered that doing so would prejudice the Group's position in the continuing discussions.

10. Borrowings

	At 30 June 2026 (Unaudited) £000	At 30 June 2025 (Unaudited) £000	At 31 December 2025 (Audited) £000
Current bank borrowings	**600**	600	600
Non-current bank borrowings	**10,539**	11,124	10,832
	11,139	11,724	11,432

There are two Term Loans for a combined initial value of £12.0 million, each for 10 years expiring in March 2035. Each loan is secured solely and individually against the Group's freehold properties: one loan to the property in Harston, near Cambridge, and a second, independent loan to the property in Epsom, Surrey. In addition, there is a RCF for £30.0 million, for a period of 5 years expiring in March 2030. The RCF remains undrawn to date.

11. Lease liabilities

	At 30 June 2026 (Unaudited) £000	At 30 June 2025 (Unaudited) £000	At 31 December 2025 (Audited) £000
Current lease liabilities	**677**	689	731
Non-current lease liabilities	**1,833**	2,484	2,055
	2,510	3,173	2,786

Lease liabilities arise on properties leased by the Group. The leases have remaining periods of between 1 and 7 years from the balance sheet date.

12. Related party transactions

The Group provides support and services to its subsidiaries. Any intra-Group lending, via loans or trading transactions, is eliminated on consolidation, and therefore not disclosed.

13. Critical accounting estimates and judgements

In preparing these interim financial statements, management has made judgements and estimates that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those described in the last annual financial statements.

14. Subsequent events

There are no post balance sheet events to disclose.

Disclaimer Statement

This announcement contains forward-looking statements. These have been made by the Board in good faith based on the information available to them and it is believed that the expectations reflected in these statements are reasonable. However, due to the inherent uncertainties, including both economic and other risk factors underlying such forward-looking information, the Directors can give no assurance that these expectations will prove to be correct. Actual results may differ materially from those expressed or implied, and investors should not place undue reliance on any such forward-looking statements. Nothing in this announcement should be construed as a profit forecast, or a guide as to the performance, financial or otherwise of the Company whether in the current or any future financial year.

No representation or warranty is made as to the achievement or reasonableness of, and no reliance should be placed on such forward-looking statements. The forward-looking statements contained in this announcement speak only as of the date of this announcement. The Company undertakes no obligation to update or revise any information contained in this announcement, except as may be required by applicable law or regulation.

The Board, officers, members, employees, agents or advisers of the Company expressly disclaim any liability for any direct, indirect or consequential loss or damage (including, without limitation, loss of profit) suffered by any person as a result of any obligation or undertaking to disseminate any updates, revisions or corrections to any forward looking statements or other information contained in the announcement, including to reflect any change in the Company's expectations with regard thereto, any new information or any change in events, conditions or circumstances on which any such statements are based, unless required to do so by law or any appropriate regulatory authority.

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