

# Making transport work

Annual Report and Accounts 2025



# We make transport work – safely, efficiently and sustainably

Tracsis is a leading provider of software, hardware, data analytics/Geographic Information Systems and services for the rail, traffic data and wider transport industries.



## Investment case

We deliver sustainable long-term value for our stakeholders through developing innovative, technology-driven solutions that solve complex problems.

→ Read more on **page 3**



## Business model

Our deep domain knowledge delivers long-term value to our shareholders, mission-critical solutions to our customers, and rewarding careers for our people.

→ Read more on **pages 10 to 11**

## Strategic Report

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## Our journey

### Where we've come from

With its deep sector knowledge and world class research in the UK rail industry, Tracsis plc was founded in 2004 to commercialise its transport scheduling and software optimisation technologies. Since its creation, Tracsis has diversified into related transport technologies and into new geographies, supported by organic growth and selective M&A. Our purpose is to “Make transport work - safely, efficiently and sustainably”.

### Where we are

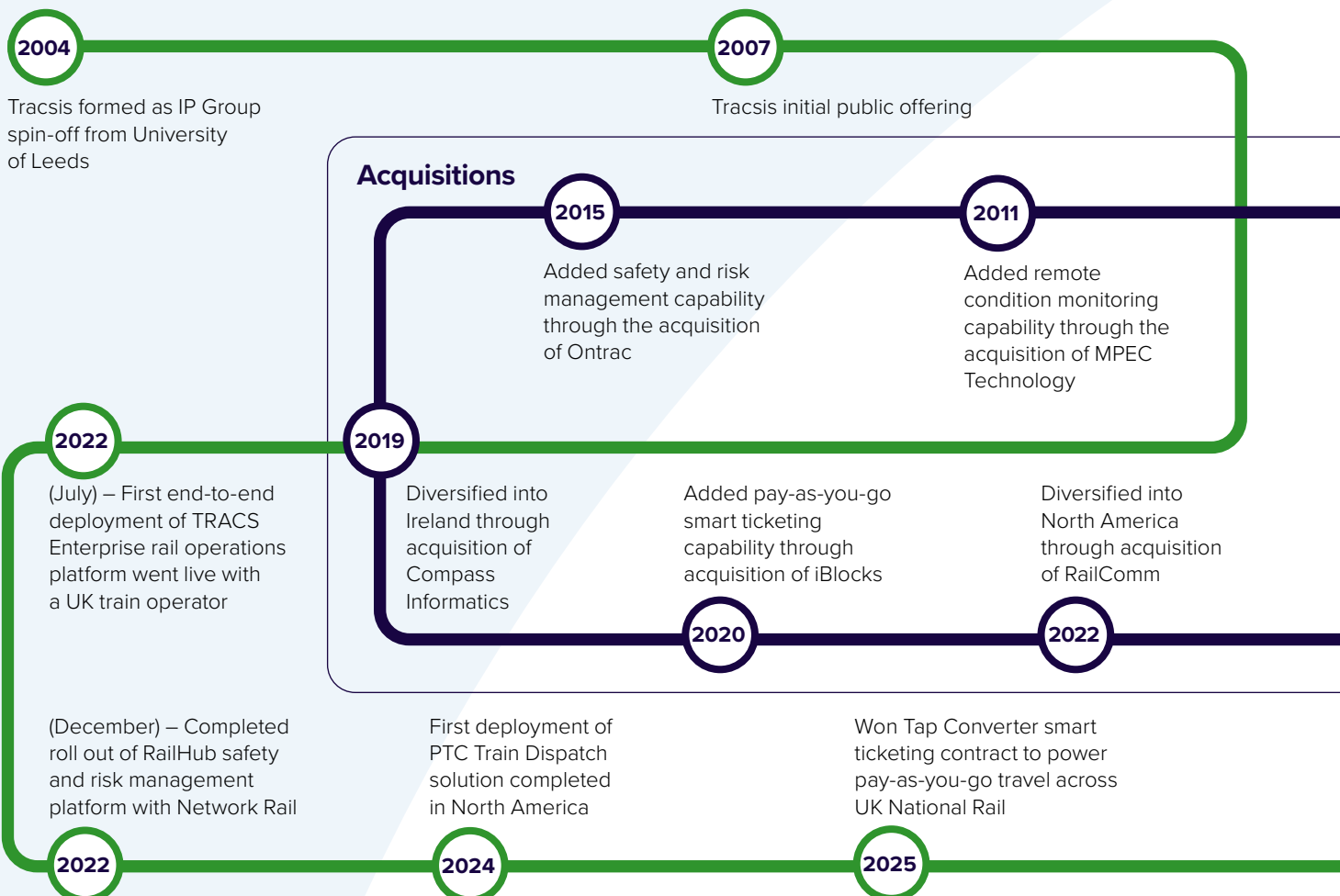
Today, Tracsis is a leading transport technology provider, delivering software, hardware, data analytics and services to the rail, traffic data and wider transport industries. We use our technical capabilities, expert domain knowledge, and unique range of products and services to deliver mission-critical solutions to our customers and long-term value to our shareholders. Today, the Group has c.500 permanent employees serving its growing customer base from offices in the UK, Ireland and North America.

### Where we are going

We see significant growth opportunities for the Group as transport industries around the world seek digital solutions that improve efficiency, performance, productivity and safety. Our products and services are synonymous with sustainability in an increasingly interconnected world.

Tracsis has a purpose that is well aligned with these macro-drivers, and has a growth strategy to deliver long-term shareholder value, with organic growth that is supplemented by disciplined M&A. Tracsis has a track record of healthy cash generation, leaving us well placed to continue to invest in our technology base that will deliver our next generation of products. In executing this strategy we will pivot to being a technology product business delivering scalable, SaaS-native application software platforms, with increasing international diversification.

→ Read more on [page 7](#)





# A diversified portfolio in attractive end markets

We are an innovative, fast-to-market technology provider of mission-critical transport solutions



## Rail Technology & Services

A software, technology and product-led business. It develops and supplies software that solves complex resource, asset optimisation and control problems for train operators, as well as smart ticketing, delay repay and other retail software to improve the customer experience for rail users. For rail infrastructure providers, it also provides remote condition monitoring software and hardware for smarter, data-led maintenance decisions, and safety and risk management software that keep workers safe and compliant, while helping to minimise operational risk.

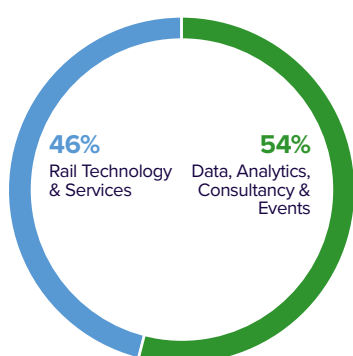


## Data, Analytics, Consultancy & Events

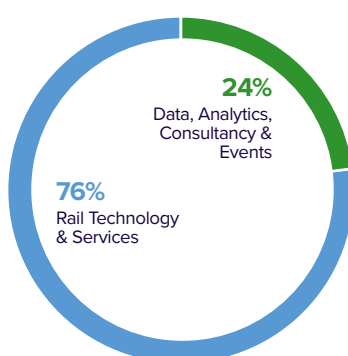
A largely services-led business focusing on data capture and analysis, GeoIntelligence, traffic data collection and analysis and events transport management. The division provides technology, bespoke products and services, and data insights that underpin large-scale intelligent transport systems, smart city planning, transport management and positive environmental decision making.

→ Read more about our divisions on **pages 4 and 5**

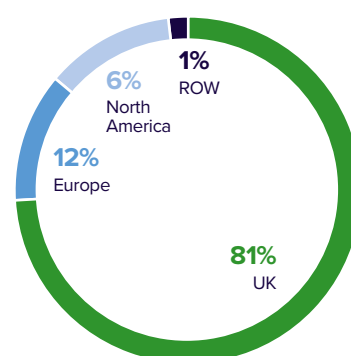
Revenue by division



Adjusted EBITDA by division



Revenue by geography (%)



# Delivering sustainable stakeholder value

Our investment proposition is built on five key themes



## 1. Well-differentiated technology and market position

→ Read more on **pages 4 and 5**



## 2. Attractive, enduring market drivers

→ Read more on **page 6**



## 3. A strategy focused on growth and margin improvement

→ Read more on **page 7**



## 4. Healthy cash generation and strong balance sheet

→ Read more on **pages 22 and 23**



## 5. Sustainable business model

→ Read more on **pages 10 and 11**

# A well-differentiated technology and market position

We provide class-leading technology and actionable insights, supported by deep domain expertise

## Rail Technology & Services

### Operations

Tracsis supplies a range of software products to passenger and freight operators that enable them to increase the efficiency of their operations and provide an enhanced experience for their customers. The product suite covers all aspects of transport operations including timetabling, resource and rolling stock planning and optimisation, real-time performance and control, service recovery, incident management, retail services and asset management. **TRACS Enterprise** is a high availability, cloud hosted, enterprise-wide modular planning and delivery system for passenger and freight operators providing a single source of information for all timetable, resource planning, work allocation and control decision support. In North America, our **Train Dispatch** software seamlessly integrates different train types and rulesets to optimise movement instructions, ensuring safe and efficient operations from a single system that fully supports all positive train control ("PTC") enabled railroads.

### Assets

Tracsis provides **remote condition monitoring** software and hardware solutions that enable condition-based maintenance of critical infrastructure assets, improving their performance and life cycle. We are a leading provider of rail-approved data loggers and sensors to monitor asset performance within level crossings, switch machines, track circuits, wiring and signalling systems. Supported by our own web-based data acquisition software platform, Centrix, we offer infrastructure owners a complete solution to deliver operational efficiencies.

### Ticketing

Tracsis provides smart ticketing solutions and bespoke software development of mission-critical back office solutions used by train operators and the Rail Delivery Group. **smartTIS** is a unique account-based ticketing product that offers a flexible, multi-modal tap and travel system with a best fare guarantee.

It is capable of performing the full cycle from token-agnostic tap capture through to fare generation, payment collection and revenue settlement. Capable of applying all rail fare types, railcard discounts, weekly capping and flexible ticketing, it is uniquely placed to facilitate the move towards a paperless, pay-as-you-go smart ticketing environment. This technology can be deployed in ITSO smartcard, contactless bankcard, or mobile app formats for customer use.

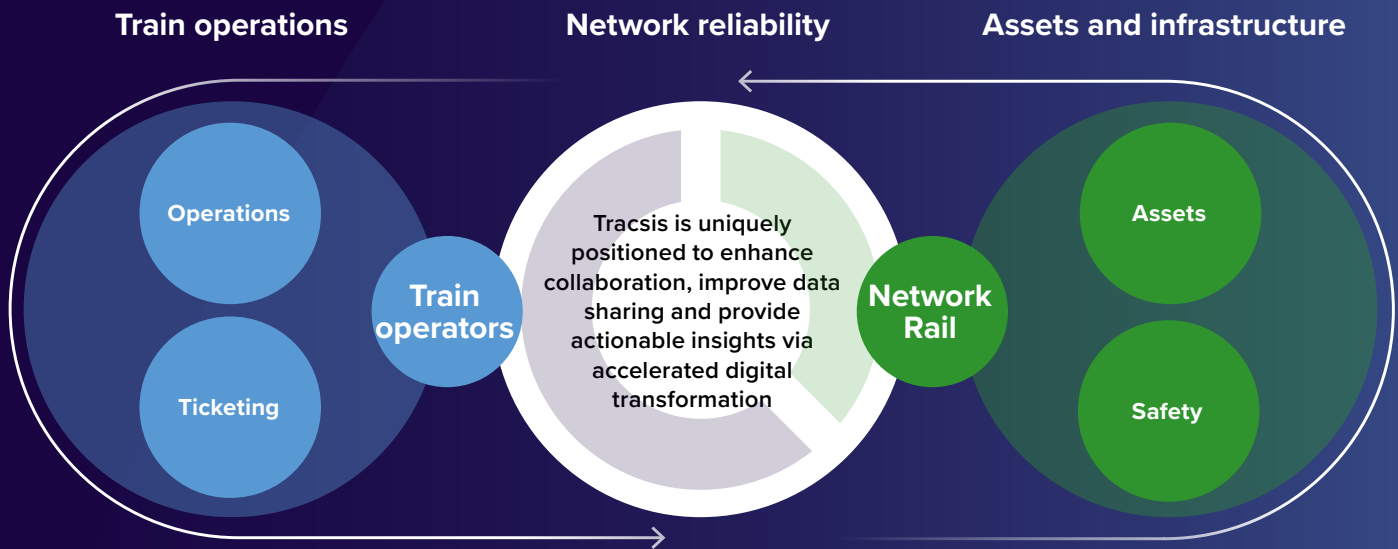
We also provide automated **delay repay** claim assessment on the UK rail network for train operators, including claim decision, fulfilment and fraud detection.

### Safety

Software that allows infrastructure providers and maintainers to plan and deliver safe work on the railways by automating heavily regulated business processes, by enabling users to plan and execute work collaboratively, and by providing better quality and more visual information. Our flagship product **RailHub** is a digital platform with unique capabilities, including schematics on demand, live work site monitoring and digital sign-offs, which ensure work being carried out on or near the line is done so safely and productively. Accessible simultaneously across smartphones, tablets and desktops, our software solutions are part of the move to a more digital railway.

## Our unique position in the UK rail industry

Working with both transport operators and infrastructure providers, we are well positioned to benefit from digital transformation in rail and the wider transportation industry



## Data, Analytics, Consultancy & Events

### GeoIntelligence

Tracsis provides location-related technologies including Geographic Information Systems ("GIS") and Earth Observation, as well as analytics solutions and services, to assist government and commercial organisations to deliver more efficient operations, protect their assets and meet regulatory requirements. Application sectors are primarily regulated industries including transportation, utilities, environment and agriculture. The focus on location technology creates particularly valuable insights for planning transport services and assets, protecting and enhancing natural resources, and ensuring and facilitating regulatory compliance.

### Traffic data

Provides transport data collection and analysis for local authorities, transport planners and operators, highways authorities and large engineering consultancies. Through the application of automatic data collection systems, video with machine learning AI, and manual survey methods, we provide temporary or permanent data collection in any traffic environment and for any class of traffic including motor vehicle type, cyclists and pedestrians. The insights we offer are deployed by industry-leading public and private sector clients to improve the flow of traffic and trade throughout the UK and Ireland.

### Events, Transport Planning and Management

We deliver traffic management solutions and event admission control services for large, complex operations including cultural and sporting events, festivals, large retail sites and other ad hoc activities. We support our customers with all aspects of planning, control, signage, traffic management and car parking. Technologies such as Tracsis Live Technology ("TLT") offer improved traffic monitoring and traffic flow in and out of major event venues.

### Transport insights

Tracsis provides consultancy and professional services to support operational, commercial, customer service and strategic planning activities in rail, bus and the wider transport industry.

# Attractive, enduring market drivers

Tracsis' growth opportunity is underpinned by structural drivers in the markets where we operate, as transport industries modernise and adopt digital solutions

## 1. More efficient and sustainable public transport networks

### Opportunity

- Digital transformation of the railway to achieve sustainable improvements in efficiency and performance
- Legacy operational systems are under invested and poorly integrated
- Ageing infrastructure needing modernisation and reliability upgrades
- Operational efficiencies through real-time asset tracking and condition-based maintenance
- Increasing focus on network reliability including through the interconnectedness of assets and infrastructure
- Network Rail target of a net zero emissions railway by 2050

### Tracsis solutions

- **TRACS Enterprise** delivers cost savings for rail operators as well as enhanced operational capabilities including scenario planning and customer information
- Our **remote condition monitoring** technology improves asset performance and reduces the requirement for maintenance interventions
- Tracsis' **Train Dispatch** technology enhances efficiency and flexibility for train operators in North America

## 2. Improved safety outcomes

### Opportunity

- Improving the safety of people working on or near the railway and other transport infrastructure

### Tracsis solutions

- **RailHub** interfaces with multiple source systems to provide a single platform that enables the planning and delivery of safe work across rail infrastructure

## 3. A better customer experience

### Opportunity

- Growing consumer demand for a modern, frictionless and increasingly integrated transport experience
- Ensuring customers get best value for money, in the face of ticket and fare complexity
- Increasing use of public transport is key to delivering a lower carbon future

### Tracsis solutions

- **smartTIS** enables pay-as-you-go ("PAYG") travel on the UK rail network, capable of applying all rail fare types, railcard discounts and weekly capping, and can ensure the customer always pays the best available fare
- Tracsis' **delay repay** solutions deliver automated claim assessment on the UK rail network for train operators

## 4. A more connected transport and urban infrastructure network

### Opportunity

- Enhanced network reliability
- More energy efficient and sustainable infrastructure
- Optimised urban transport planning
- Public and private investment in smart mobility and infrastructure
- Government policy supporting smart cities and sustainability
- Mobility-as-a-Service ("MaaS") creating demand for integrated, multi-modal travel

### Tracsis solutions

- **smartTIS** can support multi-modal PAYG travel across multiple travel categories
- **Geo Intelligence** capabilities including Geographic Information Systems ("GIS"), Earth Observation technologies and data analytics and visualisation
- **FlowIQ** traffic data analysis technology enables automated traffic data analysis, speed identification and moving object path tracing



## Our strategy

# A strategy focused on growth and margin improvement

Our strategy is based around four pillars. In executing this strategy we will increasingly focus on delivering scalable SaaS-native application software platforms

## 1. Core market growth

- Deepen engagement with core transport customers by expanding SaaS solutions, cross-selling and embedding Tracsis platforms into end-to-end operations
- Capture rail digitalisation including smart ticketing, timetable optimisation, crew and rolling stock scheduling, safety platforms and predictive analytics

## 2. Technology investment

- Consolidate product portfolio into modular SaaS-native platforms to enable faster, lower cost deployment, especially into international markets
- Execute market-led product roadmaps supported by a common software architecture to accelerate new product development and commercialisation

## 3. Extend market opportunity

- Expand geographically, leveraging UK leadership and reputation to scale in North America and select other countries where Tracsis has a clear product-market fit and strong line of sight to success
- Enter adjacent transport technology markets in smart infrastructure, multi-modal travel and digital ticketing
- Expand in high growth markets with demand for smart mobility and digital infrastructure

## 4. Inorganic growth

- Accelerate growth through disciplined M&A to build out the technology stack and address attractive transport market applications in the UK and internationally, supplementing organic growth

## Supported by capital allocation to deliver long-term shareholder value

The Group's cash balance, robust fundamentals and healthy cash generation position it well to continue to invest in growth. We will allocate capital in line with our growth strategy, with a clear focus on growing high margin recurring revenues:

### 1. Organic growth

- Capex and working capital to support operational deliver
- Product development to consolidate our portfolio into modular application software platforms and to access international market
- Investment in our people

### 2. M&A

- Disciplined criteria focused on recurring revenue growth, earnings accretion and cash generation
- Acquisitions integrated into the Group's global delivery model
- Portfolio discipline to focus on core activities

### 3. Returns to shareholders

- Maintain progressive dividend

# Powering pay-as-you-go ticketing across UK National Rail

Tracsis' smart ticketing technology enables pay-as-you-go ("PAYG") travel for passengers on the UK rail network. Fully operable with smartcards, contactless bankcards and mobile apps, our solution enables a "best fare" guarantee for the customer, providing a modern, frictionless transport experience that can integrate with multiple modes of transport.



## smartTIS

Originally released in 2014 on the Southern network, smartTIS is a back-office system that allows customers to tap and travel around the network. Our technology calculates the best fare for the journey taken.

smartTIS is live with GTR, SWR, Transport for Wales, Merseyrail, ScotRail and GWR and provides them with access to a depth of insight as to how commuters are travelling on their rail networks and offers consumers a more efficient and cheaper rail experience.

**The only RDG-accredited PAYG solution in the UK rail network outside London**

**20%+**  
**of all UK rail stations are covered with this technology**

In February 2025 Tracsis was awarded a multi-year contract to support the rollout of PAYG across National Rail. The "Tap Converter" system that powers this will use Tracsis technology to calculate the best fare, automatically applying entitlements, concessions, discounts and fare caps.



## Tap Converter

The Tap Converter system will be a centralised smart ticketing technology platform that processes "tap" data from various sources such as smartcards, contactless bankcards and mobile apps/barcodes when passengers tap in and out at stations. It will also integrate with multiple modes of transport, supporting the delivery of London-style PAYG ticketing for rail, bus and tram travel.

Tracsis will utilise its existing technology to construct journeys from these taps, calculating the best fare while automatically applying entitlements, concessions, discounts and fare caps. Once calculated, the system provides this fare information to the TOC to charge the passenger and submits settlement records to the rail industry's settlement engine.

[Discover more at tracsis.com](https://www.tracsis.com)



# Multi-year GeoIntelligence contract win with UK government

In October 2025 Tracsis was awarded a new multi-year contract to deliver geospatial analytics and remote monitoring services to the UK Rural Payments Agency ("RPA"), an executive agency sponsored by the Department for Environment, Food & Rural Affairs ("DEFRA").

This is the first major GeoIntelligence contract win for the Group outside of Ireland, and positions Tracsis as a trusted partner in future digital initiatives.



## DEFRA / RPA contract

Tracsis' unique solution leverages Geographic Information Systems ("GIS"), Earth Observation and machine/deep learning techniques to enable the efficient, scalable and near-real-time monitoring of England's diverse agricultural landscape. This strategic engagement with DEFRA reflects our proven capabilities in delivering innovative digital solutions to complex public sector challenges.

The contract has an initial five-year term with the option to extend for up to a further five years, and underscores our commitment to sustainability and innovation.

Discover more at [tracsis.com](https://tracsis.com)

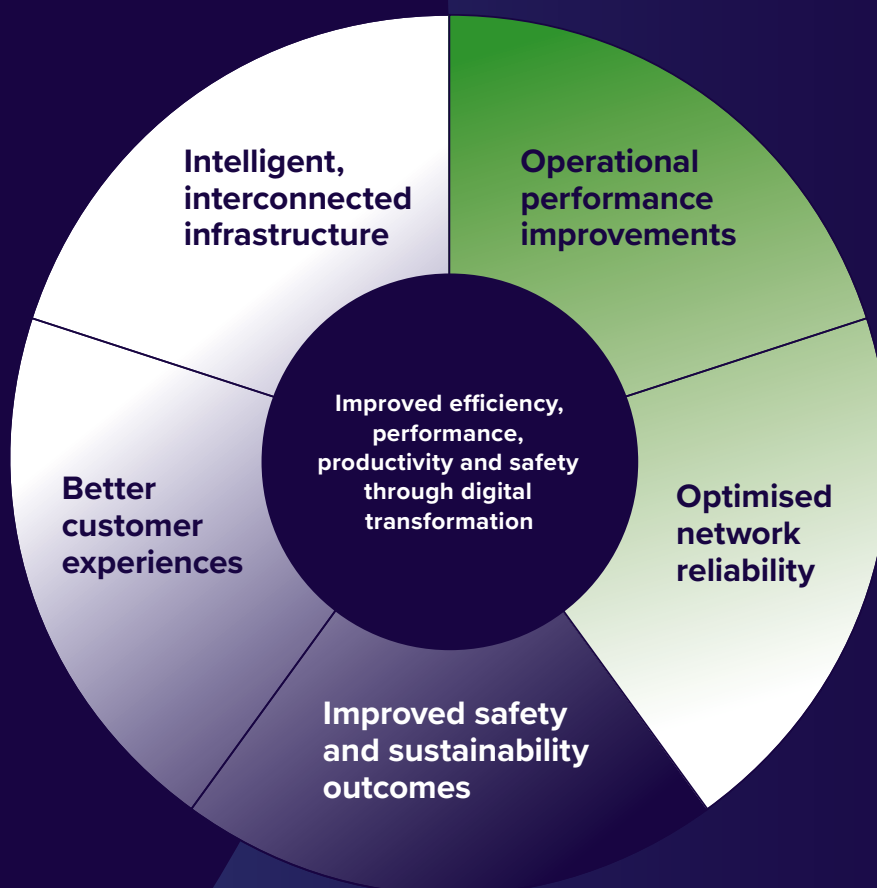




# A sustainable business model

We combine technical expertise and deep domain knowledge to deliver long-term value to our shareholders, mission-critical solutions to our customers and rewarding careers for our people

## How we create value



### Rail Technology & Services

Our Rail Technology & Services division combines class-leading technology with deep domain knowledge to enable train operators and infrastructure providers to achieve improved efficiency, performance, productivity and safety.

### Data, Analytics, Consultancy & Events

Our Data, Analytics, Consultancy & Events division delivers insights and on-the-day execution through a combination of technology, data analysis and deep sector expertise.



## The value we create for our stakeholders

### Employees

We consider our employees to be some of the best in the sector and we are focused on providing them with a safe and rewarding working environment, providing opportunities for personal development, career progression and an inclusive and open culture.

**498**

Average number of permanent staff (FY24: 573)

→ Read more on **pages 39 to 44**

### Customers

We provide innovative, technology-driven solutions that solve complex problems for our customers and enable them to better achieve their operational, regulatory and sustainability goals. We develop strong, long-term relationships with our customers to become trusted partners and innovators which help our customers address future challenges.

**2**

TRACS Enterprise deployments completed in FY25 (FY24: 2)

→ Read more on **page 25**

### Shareholders

Through the execution of our strategy we aim to deliver long-term growth and value creation for our shareholders. We have a strong balance sheet, which enables us to continue to invest in the growth of the business, including through acquisition and technology R&D.

**24.8p**

Diluted adjusted earnings per share (FY24: 25.1p)

→ Read more on **page 25**

### Environment

Our products and services enable our customers to deliver their sustainability goals, including positive environmental outcomes such as lower GHG emissions. We are committed to reducing our own environmental impact and will be shortly publishing our approach to achieving net zero by 2050.

**1,008**

Scope 1 and 2 GHG emissions total tCO<sub>2</sub>e (FY24: 1,023)

→ Read more on **pages 30 to 33**

### Suppliers

We work closely with our suppliers and operate with integrity and in an ethical way.

**78%**

of invoices paid within 30 days (FY24: 84%)

→ Read more on **page 25**

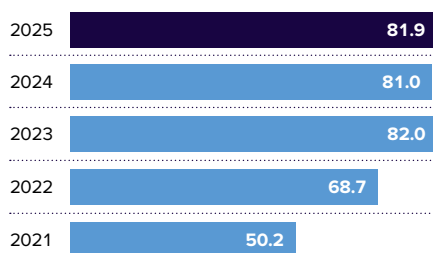
# Measuring success

The KPIs used to monitor the financial performance of the Group are set out below

In the prior year we reported an annual recurring revenue metric. This year we have provided additional analysis of our recurring revenue streams between recurring software licence revenue and consumer-driven transactional revenue, as these have different drivers of growth. We have also added a free cash flow KPI to provide further insight into the Group's cash generation. All other KPIs are consistent with those reported in the prior year.

## Revenue

£81.9m



### Definition

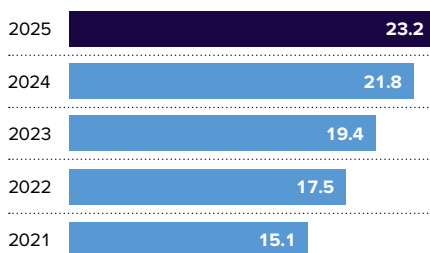
Value of goods sold and services provided to customers, net of sales taxes.

### Comment

Increase from prior year reflects growth in both operating segments, including increased recurring and transactional revenues in Rail Technology & Services, and record Events activity levels in Data, Analytics, Consultancy & Events.

## Recurring software licence revenue

£23.2m



### Definition

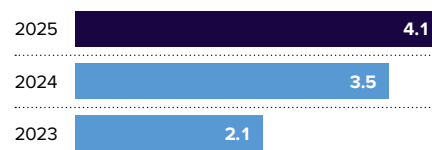
Rail Technology & Services revenue in the financial year from software licences where the product has been deployed with the end customer. Includes annual renewals and multi-year contracts.

### Comment

Increase of 6% in the year mainly in the UK and includes the benefit from two FY25 TRACS Enterprise deployments.

## Consumer-driven transactional revenue

£4.1m



### Definition

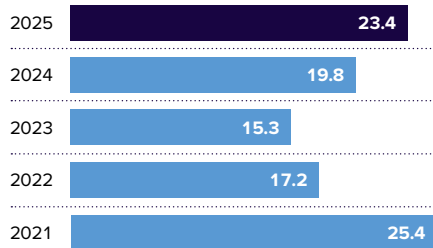
Revenue in the financial year from processing consumer pay-as-you-go smart ticketing and delay repay transactions.

### Comment

Increase of 17% includes the benefit from new customer deployments completed during FY24 and FY25.

## Cash

£23.4m



### Definition

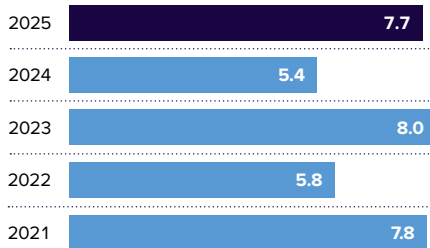
Value of cash and cash equivalents and cash held in escrow.

### Comment

Net cash flow from operating activities was healthy at £11.2m (FY24: £8.5m) despite the lower level of EBITDA including the benefit from favourable working capital movements. Cash of £23.4m is after completing a £3m share buy-back during H2 of FY25.

## Free cash flow

£7.7m

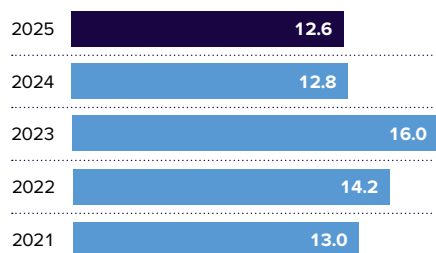


### Definition

Net cash flow from operating activities after purchase of property, plant and equipment, proceeds from disposal of property, plant and equipment, purchase of intangible assets, proceeds from exercise of share options, lease liability payments, lease receivable receipts and capitalised development costs, and before payment of contingent consideration. See note 29 for reconciliation.

### Comment

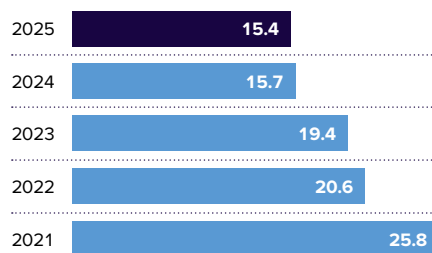
Increase versus prior year includes the benefit from favourable working capital movements, increased interest receivable, and lower cash outflows relating to exceptional costs.

**Adjusted EBITDA****£12.6m****Definition**

Earnings before net finance income/expense, tax, depreciation, amortisation, exceptional items, other operating income, share-based payment charges and share of result of equity accounted investees. See note 28 for reconciliation.

**Comment**

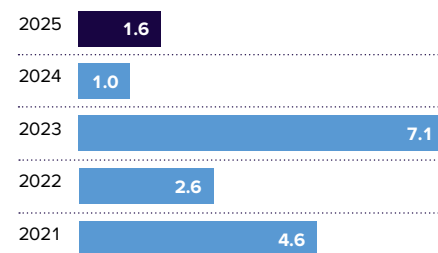
Modest decrease from prior year principally reflects lower remote condition monitoring revenue in the UK as a result of Network Rail Control Period 7 ("CP7") funding restrictions, and a lower profit contribution from our Events and Traffic Data businesses, partly offset by growth from across the rest of the portfolio.

**Adjusted EBITDA margin****15.4%****Definition**

Adjusted EBITDA divided by revenue.

**Comment**

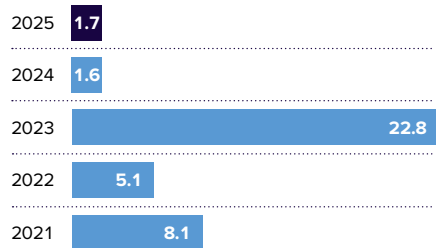
Decrease from prior year reflects CP7 funding headwinds and a lower level of profitability from our Traffic Data and Events businesses.

**Profit before tax****£1.6m****Definition**

Earnings before taxation.

**Comment**

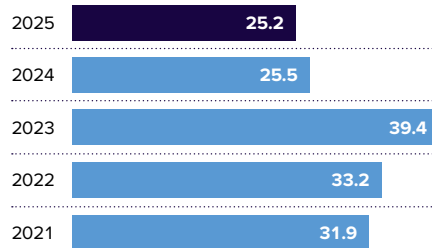
Increase in prior year principally reflects a higher level of interest receivable and a lower level of exceptional costs associated with delivering the Group transformation.

**Basic earnings per share****1.7p****Definition**

Profit attributable to ordinary shareholders divided by the weighted average number of ordinary shares in issue.

**Comment**

Basic EPS performance in 2024 and 2025 has been lower than in 2023, principally reflecting lower operating profit performance including the effect of CP7 funding constraints, as well as the exceptional costs associated with delivering the transformation of the Group's operating model.

**Adjusted basic earnings per share****25.2p****Definition**

Profit after tax before amortisation, share-based payment charges, exceptional items and other operating income divided by the weighted average number of ordinary shares in issue during the period.

**Comment**

Adjusted EPS performance principally reflects changes in adjusted EBITDA. In 2024 and 2025 this has been adversely impacted by Network Rail CP7 funding constraints and, in 2025, by a lower profit contribution from our Events and Traffic Data businesses.

# Strong operational progress, focused on growth transformation



**Jill Easterbrook**  
Non-Executive Chair  
Tracsis plc

**“  
The Group has made strong operational progress this year and the Board is optimistic for the future as the Group moves towards growth transformation underpinned by our strategic development.”**

## Dear Stakeholder

I am pleased to introduce the Tracsis plc Annual Report and Accounts for the year ended 31 July 2025, a year in which the business made good strategic and operational progress and has established a credible growth transformation plan for the future. On behalf of the Board I would like to extend thanks to our team that worked so hard during the year.

Our CEO, David Frost, provides detailed commentary on our FY25 market performance and outlook on pages 16 to 20, but I would like to take this opportunity to highlight the key drivers of our FY25 performance. Annual recurring revenue and transactional revenue are key metrics for the Group in growing the business, and during the year both increased by 6% and 17% respectively. The Group's overall financial performance for FY25 was resilient in the face of Network Rail Control Period 7 (“CP7”) funding constraints, a cyber-attack at a major UK transport authority and lower profitability in our Traffic Data and Events businesses that the Group had previously reported. Despite these headwinds, the Group delivered an improved performance in the second half of the year.

As previously announced, Tracsis was selected by the Rail Delivery Group as a provider to one of four digital PAYG ticketing trials that will run across the Northern and East Midlands railway networks and we are seeing the expansion of smart ticketing as a future growth driver for the business, which you can read more about in our case study on page 8. Our progress in



North America has been slower than we anticipated, though we remain confident of the long-term opportunity in this market, where the industry is actively looking for new participants.

## Strategic progress

During the year, the Board considered our product roadmap and the investments necessary to deliver the next generation of Tracsis products, that are to be built on a common architecture which can then be deployed in non-UK environments with agility.

While the business is focused on ensuring it maintains healthy levels of organic growth, the Board has continued to review M&A opportunities, as well as our M&A selection criteria, to ensure we identify businesses that support our strategic focus which can be operated within the One Tracsis model without diluting their entrepreneurial spirit.

## Board changes

On 31 July, Chris Barnes stood down as Chief Executive Officer after six years and I want to take this opportunity to thank him on behalf of the Board and employees. Chris made significant progress in modernising and streamlining the Group as well as entering into new international markets and we wish him well for the future.

I would also like to take this opportunity to welcome David Frost, who joined the Group on 9 July and assumed the role of CEO from 1 August. David is an accomplished CEO, who most recently served as Chief Executive Officer of Ovarro Ltd, a technology company that serves in the critical asset monitoring sector. David provides his initial reflections on the business and he outlines his plans for the future on pages 16 to 20. The Board has been impressed with David's considered approach and clarity of thought and we are looking forward to supporting him through the next phase of Tracsis' journey.

## Health and safety

The Board and Senior Leadership Team hold a shared belief that every Tracsis employee is entitled to a safe working environment. In support of this principle, the Board dedicates time at each meeting to review health and safety performance, including a detailed examination of incident circumstances and the consideration of additional mitigation strategies to prevent recurrence. During the year, the Lost Time Injury Rate ("LTIR") increased in comparison to FY24 and the Board reviewed the cultural and behavioural factors that influence this metric, and will continue to provide support to senior leaders as they implement and reinforce robust preventative measures.

## Sustainability and ESG

Tracsis is committed to delivering sustainable growth that benefits the communities in which we and our customers operate. Our products and services are well aligned with this vision, and support our customers in delivering positive environmental and social outcomes. During the year, Tracsis established a Board-level ESG Committee and undertook a detailed gap analysis of its ESG disclosures and policies, as well as reviewing our Net Zero Transition Plan which will be published shortly, which will set out Tracsis' commitment and approach to supporting a net zero future. Although we recognise there is more to do, we reduced our carbon

footprint this year by 1.5% and we understand what actions are necessary for the business to achieve net zero by 2050.

You can read more about sustainability and ESG on pages 26 to 49.

## Employees

Tracsis employs c.500 permanent employees around the world and we look after and help develop our employees to support to the long-term success of the business.

During FY25 the Board and I met with a number of employees, including those in America. These sessions were incredibly valuable to myself and my Board colleagues, as we got to see and speak to employees in their workplace and understand the workplace culture that exists at our operational sites.

We conducted our all-employee engagement survey again this year, as well as recently launching a set of corporate values: "Progression, Integrity, Collaboration and Ownership." These values will help shape our organisational culture in the future, as we operate as a "One Tracsis" team. A summary of the feedback from the most recent survey and actions taken in response can be found on page 41.

## Governance

The Board takes its responsibilities for its stewardship of the business seriously and is committed to the highest standards of governance. The Board continues to adopt the Quoted Companies Alliance Code (the "QCA Code") and our assessment of compliance against the 2023 iteration can be found in the Governance Report on pages 65 and 66.

The Board also spent time reviewing its performance. An internal evaluation, supplemented by individual interviews was undertaken and a summary of the findings from these exercises can be found in the Governance Report on page 65.

## Dividend and Annual General Meeting

The Board recognises that dividends play an important role for investors. The Group remains committed to the progressive dividend policy that was adopted in 2012. I am pleased to confirm the Board has proposed a final dividend of 1.4p per share (FY24: 1.3p per share) which, if approved, would result in a full year dividend of 2.6p per share (FY24: 2.4p per share).

The Annual General Meeting of the Company will be held at 9.00 a.m. on 14 January 2026 at Nexus, Discovery Way, Leeds LS2 3AA. The meeting is an ideal forum for raising any questions you may have of your Board, and I hope many of you will take advantage of this opportunity. I very much look forward to meeting you there.

## Looking ahead

The Group has made a positive start to FY26 and remains on track to deliver adjusted EBITDA in line with market expectations for the full year.

As a result, despite the continued uncertainty in the UK rail market, the Board remains confident in the long-term growth opportunities in UK rail and broader markets for our diversified and growing portfolio of products and services.

**Jill Easterbrook**  
Non-Executive Chair  
19 November 2025

# Making positive progress against our strategic objectives



**David Frost**  
Chief Executive Officer

**“**  
*Tracsis is an outstanding business, with strong fundamentals serving attractive end markets. I am very excited about its future and leading Tracsis through the next phase of its development.”*

## Q&A with our new CEO, David Frost

### What attracted you to Tracsis?

I have spent all of my career working in the industrial automation sector, most recently as Chief Executive of Ovarro, and so, when the opportunity to lead Tracsis arose, I was confident that I could use my skills and experience learned throughout my career to help the Company fulfil its growth potential. Tracsis is an outstanding business with strong fundamentals which serves attractive end markets.

Chris Barnes made significant progress in modernising the business, building it into a company that is well positioned for future growth. The technology and deep domain expertise of Tracsis, combined with the attractive end markets served by our passionate and dedicated employees, mean I am excited about the part I can play in leading the next phase of Tracsis' development.

“

***Our heritage of supporting the rail industry, both in the UK and North America, will enable us to expand our core capabilities into other geographical areas through new product development, and by targeting other transport adjacencies.”***

### **What were your first reflections on the Group?**

When I joined the Group in July this year, I went to each business to meet the teams, listen, learn and understand our customer proposition. I was touched by the warm welcome our employees gave me and I was impressed with their industry knowledge and dedication and the pride they showed in their work. It was clear to me that I was joining a great business and it made my onboarding easier, knowing that I had great teams that delivered great products.

Tracsis has a strong and capable Senior Leadership Team and I was comforted by its level of professionalism and experience, supplemented by a healthy level of challenge that ensures Tracsis makes high quality day-to-day operational decisions.

Our customer proposition combined with our technology and application know-how is a key differentiator for us and, as we grow, we must not lose sight of this. We will ensure that we retain our customers and develop products which will meet their future needs, while consolidating and simplifying the portfolio of products to make their deployment more efficient and more agile in the future.

### **What are your priorities?**

Fundamentally, the most important part of any successful business is its people. Developing internal talent and offering people great and rewarding careers will drive our success. I am passionate about offering opportunities to people and helping them succeed. It is our employees that will deliver on our vision and strategy and we should acknowledge that without them, Tracsis would not be where it is today, nor where it needs to be in the future.

In parallel, I am focused on delivering strong outcomes for our stakeholders. Whether that's our shareholders, our customers, our suppliers or the wider community, they should all benefit from Tracsis' performance, products and services that underpin our purpose.

### **Are you planning to change the strategy?**

Any strategy should be continually reviewed to ensure it reflects changing external conditions. Fundamentally, the strategy for Tracsis is well founded. We will deliver shareholder returns and value to our customers through

operating as a “One Tracsis” team, with a focus on delivering high quality repeat and recurring revenue, that drives organic growth, and we will supplement this with high quality M&A. Tracsis is well positioned in the UK rail sector; we will continue to invest in this core market as well as looking for opportunities to diversify in other adjacent segments within the transport sector, in the UK and internationally.

### **What do you see as the future growth drivers for the Group?**

The world is becoming more advanced, not less. As society develops, the demand for more interconnected mobility increases and therefore the infrastructure surrounding this will need to keep pace. Our heritage of supporting the rail industry, both in the UK and North America, will enable us to expand our core capabilities into other geographical areas through new product development, and by targeting other transport adjacencies. Our existing and future product proposition will be designed to support this strategic direction and I am keen to ensure that any diversification is done in a considered manner, aligned to our strategic direction and purpose.

### **What are your reflections on FY25 performance and expectations for FY26 and beyond?**

Tracsis delivered a set of financial results that was in line with the revised market guidance issued in April of this year. This was set against a challenging backdrop of Network Rail Control Period 7 (“CP7”) funding constraints affecting our Rail Technology & Services division, as well as a cyber-attack on a major transport provider affecting Data, Analytics, Consultancy & Events. Our teams did a good job in mitigating these headwinds as much as possible and we have achieved notable strategic and operational success during the year. Margins in our Traffic Data and Events businesses were lower than expected and a number of mitigating actions were put in place, which saw this margin improve through the second half of the year.

We further reduced our cost base in North America while maintaining the ability to win and deliver future contracts and since 1 August 2025, all global Rail Technology & Services activities are being led by a single management team under a common global delivery model. We remain confident of the long-term opportunity in the North American market, where the industry is actively looking for new participants. We do, however, note that our pipeline conversion is somewhat slower than we see in other geographies, which we work hard to accelerate.

Both annual recurring and repeat revenue, as well as customer-led transactional revenue, increased and the growth of new technology in areas such as smart ticketing gives us confidence about the future market potential. Andy Kelly (CFO) gives his view on our financial performance on pages 22 and 23.

Our focus is on delivery in FY26 through implementing our strategy and executing on our investment plans. We will continue to pursue organic and acquisitive growth, supported by our strong balance sheet and cash position.

### Strategic progress

We are making meaningful progress in positioning the business for scalable, long-term growth. The organisational transformation delivered over the past two years has strengthened the Group's resilience, improved revenue quality and enhanced its ability to secure strategic, multi-year contracts. This is evidenced by further growth in recurring revenue during FY25, and successfully securing new multi-year contracts that support future revenue growth.

This includes the Tap Converter contract, to provide the central smart ticketing technology platform enabling pay-as-you-go ("PAYG") travel in urban areas across UK rail. Development work is ongoing with deployment to customers expected in 2026. This represents a growth opportunity for the business, as the rail industry moves towards frictionless travel for commuters. In addition, Tracsis is participating as one of four providers selected for digital PAYG trials across the Northern and East Midlands railway networks, providing an opportunity to showcase the capabilities of Tracsis' Hopsta-powered smart ticketing app.

Post year end we also secured a multi-year GeoIntelligence contract with the UK government to deliver a land use monitoring system (see page 9). This is an important strategic step in expanding our GeoIntelligence offering into the UK market and positions the business well as a trusted partner for future projects.

Unifying our Rail Technology & Services business under one global leadership team is a major step forward and enables us to execute more consistently as we expand. We have a clear strategy to deliver long-term sustainable growth as outlined on page 10. In executing this strategy we will pivot to being a technology product business delivering scalable, SaaS-native application software platforms, with increasing international diversification. In support of this strategy, the Board has approved investment in the next generation of the Operations and Planning platform to reinforce our leading UK rail market position and to support international expansion.

### Our strategy for North America

North America remains a key strategic priority. The first full deployment of a positive train control variant of Tracsis' Dispatch solution was completed with a US rail provider during H1 FY25. We have a healthy pipeline of further Dispatch opportunities across passenger, freight and industrial operators, though timelines remain subject to evolving customer requirements. During FY25, we have further streamlined our cost base while maintaining commercial and delivery capability in this market. The Board believes Tracsis remains well positioned to deliver long-term growth in North America, supported by industry demand for new technology providers.

### People

Tracsis has c.500 permanent employees, who are located across three countries. We continue to operate a hybrid working model with most of our employees spending some time working in one of our locations and some time at home.

Our success will be as a direct result of having exceptional products and services that are delivered by employees who are engaged and dedicated towards our customers. This year, we conducted an all-employee engagement survey to gauge our employees' sentiments and gather feedback on the execution of our strategy.

Our employees told us that they valued hearing from our senior leaders more. As such, all-employee briefings delivered by the Senior Leadership Team increased and we are now holding quarterly all-employee briefings on business performance, strategic direction and also giving an 'employee spotlight' to individuals who wish to speak on a particular project or initiative. I also make regular visits to our offices alongside other members of the Senior Leadership Team, to provide an update on what is happening around the business and to give our teams an opportunity to ask questions in a more informal setting.

### One Tracsis

Operating as One Tracsis is fundamental to achieving our vision for the business. I am passionate about ensuring we have a single set of values and behaviours that define how we work together and how we deliver for our customers. They are the foundation of our shared success and will remain central as Tracsis grows globally.

### ESG

ESG is at the heart of the Tracsis value proposition and synonymous with our purpose. During the year, we established a Board-level ESG Committee, led by James Routh (Senior Independent Director) which demonstrates the seriousness with which Tracsis takes its ESG obligations. This Committee oversees our ESG activities and disclosures and has taken proactive steps to ensure that Tracsis meets its commitment to be carbon neutral by 2030, as a step to achieving net zero by 2050. Our Environmental Management System is ISO 14001 certified and we have environmental champions at each site who are tasked with implementing local ESG initiatives. You can read more about our approach to ESG on pages 26 to 49.



***The strategy of Tracsis to grow organically and to complement this growth with high quality M&A is on a firm footing. We will continue to target opportunities in our field of expertise, yet at the same time explore opportunities in adjacent transport markets."***



## Health and safety

Safeguarding the health, welfare and safety of our people is a priority for us at Tracsis. I have taken on the lead executive responsibility for health and safety in the business and we take our obligations to keep our employees safe from harm seriously.

Although the Lost Time Injury Rate ("LTIR") has increased relative to the prior year, the Board takes an active role in overseeing health and safety performance. At each meeting, the Board reviews all reported incidents in detail, examining root causes and evaluating the effectiveness of mitigation measures that have been implemented to prevent recurrence. Throughout the year, the Board has worked closely with the Management Team to identify and embed further corrective actions aimed at reversing this trend. Encouragingly, we are seeing signs in improvement in our health and safety performance in FY26.

## Group trading performance

### Improved H2 trading performance

The second half of FY25 was much improved, resulting in a full year performance in line with revised guidance.

During the year, we grew recurring revenue and successfully secured new multi-year contracts. As a result, we ended the year with stronger momentum.

We are making meaningful progress in positioning the business for scalable, long-term growth. Unifying our Rail Technology & Services operations under one global leadership team is a major step forward and enables us to execute more consistently as we grow. At the same time, we have started the investment in our next generation Operations and Planning platform to reinforce our UK leadership in UK rail and support international expansion.

## Trading progress and prospects

### Rail Technology & Services

The division saw a 1% revenue growth despite Network Rail CP7 funding constraints. The division maintains a large installed base of mission-critical solutions with continued progress in long-term drivers of value.

#### Summary segment results:

Revenue	£37.9m	(FY24: £37.6m)
Adjusted EBITDA	£9.6m	(FY24: £9.8m)
Profit before tax	£2.8m	(FY24: £2.7m)
Recurring software licence revenue	£23.2m	(FY24: £21.8m)
Consumer-driven transactional revenue	£4.1m	(FY24: £3.5m)

The Rail Technology & Services division delivered modest revenue growth despite near-term headwinds from Control Period 7 ("CP7") funding constraints. The division delivered further growth in recurring revenue, supported by a large installed base of mission-critical solutions.

Revenue increased by 1% (£0.3m) to £37.9m. In the UK there was growth in all product categories with the exception of remote condition monitoring ("RCM") where UK hardware revenue was 42% lower than the prior year as a result of the CP7 funding headwinds. This included the benefit from work to deliver the next funded phase of work to expand the functionality of the RailHub safety platform, and the first phases of work to deliver the PAYG Tap Converter contract. This more than offset lower project delivery revenue in North America following the completion of the first Dispatch deployment in September 2024.

Recurring software licence revenue increased by 6% to £23.2m, driven by UK growth including the benefit of the two FY25 TRACS Enterprise deployments. Consumer-driven transactional revenue increased by 17% to £4.1m driven by new PAYG and delay repay deployments completed during FY24.

Adjusted EBITDA decreased by 2% (£0.2m) to £9.6m. This principally reflects the lower RCM volumes, with an adverse impact to EBITDA of c.£1.5m versus prior year. This was largely offset by margin improvement across the rest of the portfolio.

Profit before tax increased by 5% (£0.1m) reflecting the benefit from an increased level of interest receivable on cash balances, having centralised our cash management activities. There were £1.5m of exceptional costs in the year (FY24: £1.8m) to complete the operating model transformation and including the exit costs to terminate a very low margin customer contract. This offset a £0.3m increase in the amortisation of intangible assets versus prior year.

## Data, Analytics, Consultancy & Events

Modest growth, with improved H2 trading performance following actions taken to improve profitability in Traffic Data and Events.

#### Summary segment results:

Revenue	£43.9m	(FY24: £43.4m)
Like-for-like revenue <sup>1</sup>	£43.7m	(FY24: £41.8m)
Adjusted EBITDA	£3.0m	(FY24: £2.9m)
Profit before tax	£0.2m	(FY24: (£0.8m))

The Data, Analytics, Consultancy & Events division delivered modest growth. Having delivered a softer trading performance during H1 FY25, this was significantly improved in the second half of the financial year including the benefit from actions taken to improve profitability in Traffic Data and Events.

Reported revenue increased by 1% (£0.5m). Activity levels in Events remained high throughout the year, including the benefit from new wins. The business delivered a record revenue as a result, in excess of £20m. This more than offset lower revenue from our Traffic Data business, including the headwind from one large customer suffering a cyber-attack during H1 FY25. That issue has been resolved and there was a recovery in revenue through H2 FY25. Professional services revenue was also lower than the prior year, principally reflecting the non-repeat of certain low margin, non-software-related activities that were previously delivered through the Group's Transport Consultancy business, which we exited during H2 FY24.

<sup>1</sup> Excluding revenue from Transport Consultancy activities no longer being pursued (FY25: £0.2m, FY24: £1.6m).

## Data, Analytics, Consultancy & Events *continued*

Excluding these exited activities, like-for-like revenue for this division increased by 5% (£1.9m) versus prior year, driven by Events.

Adjusted EBITDA was 1% (£0.1m) higher than prior year. FY25 performance was adversely impacted by a lower level of profitability across the Traffic Data and Events businesses during H1 FY25, reflecting inflationary input cost increases that were not fully mitigated through pricing during that period. We took a series of actions to address this including operational changes, pricing and close control of expenditure. As a result of these actions, these businesses delivered a significantly improved trading performance during H2 FY25, achieving an adjusted EBITDA margin that was 2% pts higher than during FY24. We expect the full benefit of these actions to be delivered in FY26.

Profit before tax increased by £0.9m to £0.2m, reflecting a lower level of exceptional transformation costs. £0.3m of exceptional costs in FY25 include the final headcount reductions from the Group operating model transformation programme and headcount actions taken to improve profitability in Traffic Data and Events.

## Outlook

I joined Tracsis because I could see that it was a great business full of growth potential. Last year, Chris Barnes wrote that "the macro-economic drivers that makes Tracsis a compelling investment case remain strong and our products and services are focused towards attractive end markets. Our products enable our customers to digitally transform their business through increased efficiency, performance and productivity, combined with improved safety and customer experience" and having been in the business for just a few months, I support that assessment.

The strategy to grow organically and to complement this with high quality M&A is on a firm footing. We will continue to target acquisition opportunities in our field, yet at the same time be prepared to explore opportunities in adjacent transport markets. Fundamentally, Tracsis is a rail business, built on a heritage of UK rail, but we should not be constrained by this, particularly when our products and skills can be used in innovative ways to grow our business. The world is becoming more interconnected and, together with our next generation of products and services, we should respond to these macro-drivers with agility and confidence.

The Group has delivered an improved trading performance in the second half of FY25 with continued growth in recurring software licence and consumer-driven transactional revenues. Actions taken to transform the Group's operating model have strengthened the Group's resilience, improved revenue quality and enhanced its ability to secure strategic, multi-year contracts. Entering FY26, our focus remains firmly on delivery and execution, and we are on track.

“

*I joined Tracsis because I could see it was a great business full of growth potential. With a strong balance sheet and healthy cash flow, the Group is well placed to invest with discipline.”*

We see significant opportunity, as transport industries seek digital solutions that improve efficiency, performance, productivity and safety. Tracsis has a clear purpose that is well aligned with these macro-drivers, and has a strategy to deliver sustainable long-term shareholder value, with organic growth supplemented by disciplined M&A. In executing this strategy, we will pivot to being a technology product business delivering scalable, SaaS-native application software platforms, with a focus on recurring revenues and with increasing international diversification.

With a strong balance sheet and healthy cash flow, the Group is well placed to invest with discipline. Post year end we have started the development of our next generation Operations and Planning software platform to reinforce our leading UK position and support international expansion. This will create a common reference architecture that will underpin accelerated future development across the whole Group-wide portfolio. We continue to evaluate M&A opportunities in line with disciplined criteria, and to review our portfolio for alignment with our long-term strategy.

Trading in the early part of FY26 has been in line with the Board's expectations and we expect to deliver FY26 financial performance in line with market expectations, while making further progress in executing the Group's growth transformation strategy.

**David Frost**  
Chief Executive Officer  
19 November 2025





# Solid financial foundations



**Andy Kelly**  
Chief Financial Officer

**“**  
*In challenging market conditions we have continued to grow recurring and transactional revenues and to delivery healthy cash generation. The Group is well positioned to deliver long-term growth, supported by a strong balance sheet. We will continue to invest in technology development and in acquisitive growth.”*

## Trading performance

Total Group revenue of £81.9m was 1% (£0.9m) higher than the prior year (FY24: £81.0m). After adjusting for non-repeating revenue from the Transport Consultancy activities no longer being pursued as previously announced, revenue on a like-for-like basis<sup>1</sup> was 3% (£2.2m) higher than the prior period. Rail Technology & Services revenue increased by 1% (£0.3m) and Data, Analytics, Consultancy & Events revenue increased by 5% (£1.9m) on a like-for-like basis. Recurring software licence revenue<sup>2</sup> increased by 6% to £23.2m, and customer-driven transactional revenue<sup>3</sup> increased by 17% to £4.1m.

Adjusted EBITDA of £12.6m was 1% (£0.2m) lower than in the prior year (FY24: £12.8m), with an adjusted EBITDA margin of 15.4% versus 15.7% in FY24. The Group's EBITDA performance was impacted by Network Rail CP7 funding constraints that resulted in a 42% reduction in UK RCM hardware revenue. This was largely offset by healthy profit growth elsewhere in the Rail Technology & Services division, which is benefiting from transformation actions taken to streamline this business.

Profit before tax of £1.6m was 60% (£0.6m) higher than prior year (FY24: £1.0m), despite the £0.2m decrease in adjusted

\* In addition to statutory reporting, Tracsis plc reports alternative performance measures ("APMs") which are not defined or specified under the requirements of International Financial Reporting Standards ("IFRS"). These metrics adjust for certain items which impact upon IFRS measures, to aid the user in understanding the activity taking place across the Group's businesses. APMs are used by the Directors and management for performance analysis, planning, reporting and incentive purposes. A summary of APMs used and their closest equivalent statutory measures is given in note 29.

1 Excluding revenue from Transport Consultancy activities no longer being pursued (FY25: £0.2m, FY24: £1.6m).

2 Revenue from software licences where the product has been deployed with the end customer. Includes annual renewals and multi-year contracts.

3 Revenue from processing consumer PAYG smart ticketing and delay repay transactions.

4 Includes profit or loss on disposal of property, plant and equipment or internally generated intangible assets, proceeds from exercise of share options and net exchange differences within cash generated from operations.



EBITDA outlined above. This reflects the following items (presented as rounded figures):

- £2.5m depreciation charge at a similar level to the prior period (FY24: £2.4m);
- £5.9m amortisation of intangible assets (FY24: £5.5m) higher than the prior year including the accelerated amortisation of marketing-related intangibles in North America having rebranded to Tracsis;
- £2.4m exceptional costs principally relating to the transformation of the Group's operating model (FY24: £3.0m);
- £0.4m of share-based payment charges (FY24: £0.9m) lower than the prior period reflecting a lower level of awards during FY25;
- £0.4m operating expense (FY24: £<0.1m income) reflecting the reversal of accrued receivables estimated in prior years for research and development tax credits; and
- £0.6m net finance income (FY24: <£0.1m) reflecting increased returns on cash balances.

Adjusted earnings per share decreased by 1% to 25.2p (FY24: 25.5p). Statutory earnings per share increased to 1.7p (FY24: 1.6p).

The Group continues to have significant levels of cash and remains debt free. Cash generation remains healthy. At 31 July 2025 the Group's cash balances were £23.4m, which is £3.6m higher than the prior year (FY24: £19.8m). During the year the Group returned £3.7m cash to shareholders through dividends and share buy-back.

## Exceptional costs

Over the last two years the Group has completed a programme of actions to transform its operating model, focused around enhancing our technology development and delivery capabilities. The principal focus has been in the Rail Technology & Services division, where previously separate operating businesses have been integrated under a single leadership team and operating model, enabling us to establish a consistent approach to how we develop and deliver application software based on industry best practice. From 1 August 2025 our Rail Technology operations in North America have been brought into this structure, meaning that all activities in this division are now managed on a global basis.

Alongside this, we have taken other one-off actions that better position the Group to deliver long-term scalable growth and improved profitability. These actions included upgrading operating systems and processes, streamlining the Group's operating footprint, exiting from low-margin activities and contracts, addressing other legacy operating and compliance challenges and rationalising the Group's cost base. During the summer of FY25 we completed a CEO transition, alongside which we are embedding a leadership structure to deliver the Group's strategy to scale the business focused around application software products with increasing international diversification.

The costs associated with executing these actions are material and non-recurring in nature. Consistent with the Group's accounting policy, these costs have been reported as exceptional items in FY24 and FY25, to aid the reader in understanding the underlying trading performance of the business. During FY25 we incurred £2.4m of costs associated with these activities (FY24: £3.0m), of which £2.0m were cash costs (FY24: £2.7m).

## Cash generation

Free cash flow increased to £7.7m (FY24: £5.4m) despite the small decrease in adjusted EBITDA described above. This included the benefit from favourable working capital movements including the unwind of the large trade receivables balance at 31 July 2024, a higher level of net interest received including the benefit from actions taken to centralise cash management activities as part of the Group transformation, and a lower level of cash outflows relating to exceptional items. This was partly offset by £0.8m of capitalised development costs (FY24: £0.5m) including product development in Rail Technology and operational systems in Data, Analytics, Consultancy and Events. During the year the Group purchased £0.3m of intangible assets (FY24: £nil) relating to a Traffic Data AI platform that was previously provided by a supplier, that will deliver future cost savings.

## Free cash flow\*

	Year ended 31 July 2025 £'000	Year ended 31 July 2024 £'000
Adjusted EBITDA*	12,574	12,759
Changes in working capital	624	(480)
Purchase of property, plant and equipment (net of proceeds from disposal)	(635)	(1,246)
Lease liability payments (net of lease receivable receipts)	(1,380)	(1,409)
Capitalised development costs	(835)	(462)
Purchase of intangible assets	(312)	—
Tax paid	(1,590)	(1,652)
Net interest received	581	171
Other <sup>4</sup>	89	(14)
<b>Free cash flow before exceptional items</b>	<b>9,116</b>	7,667
Cash outflows on exceptional items	(1,445)	(2,283)
<b>Free cash flow*</b>	<b>7,671</b>	5,384

During H2 of FY25 the Group completed its previously announced share buy-back programme, repurchasing the full £3.0m (FY24: £nil). Dividends paid to shareholders were £0.8m (FY24: £0.7m) and there was a total of £0.3m of transaction costs associated with implementing the new £35m revolving credit facility (FY24: £nil). There was no material impact from foreign exchange movements (FY24: £0.1m favourable). As a result, total cash balances increased by £3.6m to £23.4m.

During the year the Group agreed a £35m revolving credit facility with HSBC UK Bank plc, expiring in July 2028 with an option to extend until July 2030. This is intended to supplement the Group's healthy cash generation, providing additional headroom and flexibility for the Group to continue to execute against its strategic objectives including new product development and M&A.

## Dividend

The Board remains committed to a progressive dividend policy. The Board has recommended a final dividend of 1.4p per share. The final dividend, subject to shareholder approval at the forthcoming Annual General Meeting, will be paid on 12 February 2026 to shareholders on the register at the close of business on 30 January 2026. This will bring the total dividend for the year to 2.6p per share.

**Andy Kelly**  
Chief Financial Officer

19 November 2025

# Building strong relationships

## Section 172 statement

The Directors have acted in a way that they consider, in good faith, to be most likely to promote the long-term success of the Company and to deliver long-term shareholder value, while having regard for all individual stakeholders

The Board considered who its key stakeholders are, and the potential impact of decisions made on them, taking into account a wide range of factors including the impact on the Group's operations and the likely consequences of decisions made in the long term.

The Directors promote a culture within Tracsis of treating everyone fairly and with respect and this extends to all principal stakeholders including shareholders, employees, consultants, suppliers, customers and the communities where it operates.

## Principal decisions taken by the Board in FY25

The principal decisions taken by the Board during the year, along with how the Directors considered stakeholder interests when discharging their duties under section 172 of the Companies Act 2006, are set out below.

Principal decision and stakeholders considered	Board's decision making process	Longer-term considerations
<b>Dividend and share buy-back</b> Shareholders, potential investors and lenders	Consideration of the financial resources required to execute our strategy, including organic investment and acquisition opportunities and delivery of returns to shareholders.	Ensuring that the Company's progressive dividend policy and returns to shareholders are consistent with the Company's financial performance without detriment to the strength of the balance sheet and future sustainability.
<b>Board succession planning and Board changes</b> Shareholders, potential investors and employees	The Board considered the future strategy of the Group, balanced with the existing skills and experience of the Board, together with onboarding a new CEO.	Ensuring an appropriately balanced and experienced Board, the majority of which is independent, to ensure that the Group can deliver on its strategy for the future and deliver strong returns to shareholders.
<b>Capital allocation</b> Shareholders, potential investors, lenders, employees and customers	The Group's budget, approved by the Board, sets the allocation of capital to deliver our growth strategy through product innovation, capital expenditure, M&A activity and sustainability.	Balancing investment for future growth against the longer-term interests of our businesses, their employees and our shareholders.
<b>Business transformation</b> Shareholders, customers, suppliers and employees	The Board set the growth transformation agenda, to enable the business to have solid foundations on which to execute its strategy.	Monitoring and ensuring that the transformation agenda generates substantial business growth and that we provide a range of excellent careers for our employees.

## Engaging with stakeholders

The Group's key stakeholders and material issues, and how the Board and the Group have engaged with them during the year are outlined below and opposite.

### Employees

#### Why we engage

The long-term success of the Group depends on the engagement and commitment of its employees. We strive to provide our people with opportunities for personal development, career progression and a safe and inclusive working culture.

#### How we engage

- Divisional and business unit line managers
- All-employee briefings
- Employee training
- Internal communications
- Health and safety reviews
- Employee survey

#### Outcomes

Engagement occurs on both a formal and an ad hoc basis throughout the year. The CEO and CFO make regular visits to our offices, enabling staff to engage and to ask questions in a more informal setting. The Board also rotates the location of their meetings around Tracsis operating locations, giving employees the opportunity to meet with Board members and ask questions.

All-employee briefings are given by the Senior Leadership Team on a quarterly basis, covering business performance and key strategic and operational initiatives. These sessions are also an opportunity for colleagues to ask questions. All sessions are recorded and are made available for all colleagues to access.

We additionally conducted our annual employee engagement survey, in order to listen to the views of our employees and offered a wide range of training courses to employees in order to aid their personal development.

The health and safety of all employees is a key priority. Health and safety activities are co-ordinated centrally by the Group Health & Safety Manager and are reported to senior management and the Board on a monthly basis. During the year there was one RIDDOR reportable incident, no serious injuries and no fatalities.

## Customers

### Why we engage

The Group has a wide range of current and prospective customers across its divisions and business units. Regular contact is maintained through a variety of relationships at all levels throughout the organisation. The Group seeks to develop strong, long-term relationships with these customers to become trusted partners and innovators who can help them to address future challenges.

### How we engage

- Regular contact through divisional and Group management
- Attendance at industry events and tradeshow

### Outcomes

The Group mainly engages with its customers via a mix of face-to-face meetings, video and telephone calls, industry events, and email communication. We have a number of large projects that are ongoing at any point in time which require regular dialogue and close liaison with our customer base. Our products and services offer a compelling value case for our customers, and we have continued to secure new large, multi-year contracts across both divisions.

## Suppliers

### Why we engage

The Group has a policy of treating all suppliers fairly and in accordance with high standards of business conduct and ethics.

### How we engage

- Regular contact through business unit and Group management
- Supplier due diligence
- Payment of suppliers in accordance with agreed terms and conditions

### Outcomes

The Group's payment terms are generally within 30 days of invoice, and we provide details of our payment practices twice a year. The July 2025 report indicated that the average time taken to pay invoices was 24 days and that 78% of invoices were paid within 30 days.

## Communities

### Why we engage

We see ourselves as part of the communities in which we live and work, and we are committed to ensuring that the Group's operations, products and services positively contribute to these communities.

### How we engage

- Operating businesses mainly maintain these relationships at a local level
- Group volunteering and community outreach policy
- Hosting engagement activities focused on technology
- Sponsorship of community events

### Outcomes

We have a volunteer and community outreach policy that provides paid time off to enable and encourage our people to volunteer their time and skills to support community and charitable initiatives. We are encouraging each part of the Group to use this to take a more active role in their communities and we have internal goals to increase the usage of volunteering days by 20% in FY26.

In September 2025, Tracsis was a part of the Leeds Digital Festival, which is a collaborative celebration of digital culture in all its forms.

During the year, the Group has made further progress towards its target of being carbon neutral for scope 1 and scope 2 emissions by 2030 and net zero by 2050. This is described in more detail on pages 30 to 33.

## Investors and lenders

### Why we engage

The Board is committed to communicating openly with shareholders to ensure that its strategy and performance are understood. We provide them with reliable, timely and transparent information on a regular basis, in order that they can make informed decisions on their investment in our Company.

### How we engage

- Annual Report and Accounts
- AGM
- Group website
- Investor roadshows and results presentations
- Stock exchange announcements
- Investor visits and ad hoc meetings
- Engagement through the Group's broker

### Outcomes

Responsibility for managing ongoing shareholder dialogue rests with the CEO and CFO, with the support and assistance of the Company's broker. Two investor roadshows were completed in the year, for the final results from the previous year and the interim results from the current year. Both were conducted through a mix of face-to-face meetings and video conference. These meetings cover existing and potential new investors. On both occasions the Group also conducted an online presentation available for all holders and non-holders to attend.

The Group maintains regular contact with major shareholders and there were various ad hoc meetings throughout the year with both UK and overseas investors.

# Letter from the Chair of the ESG Committee



**Dr James Routh**  
Chair of the ESG Committee

## Committee members

	Meetings attended
<b>James Routh – Chair</b>	●●
Tracy Sheedy	●●
James Routh	●●
Ross Paterson	●●
Jill Easterbrook	●●
Andy Kelly	●●
● Attended   ○ Not attended	

→ For more details about our Board members, read pages 62 and 63

## Dear Stakeholder

It is a pleasure to make my inaugural report as Chair of the newly established Board-level ESG Committee. During the year, the Committee met twice<sup>1</sup> including an initial meeting in March 2025, and I am pleased to report we have made good progress in ensuring that ESG and sustainability remain at the heart of the Tracsis strategy and operating model.

Tracsis is committed to delivering long-term sustainable value for our people, customers, communities and shareholders.

<sup>1</sup> It is intended that on a full year basis, the Committee would typically meet three times.

Our products and services are well aligned with this vision, supporting customers in delivering positive environmental and social outcomes. The effective integration of ESG into the business will deliver benefits to our customers and those communities in which we operate.

To ensure that our strategy and reporting are aligned with best practice and as a starting point for the work of the Committee, a gap analysis was performed on our ESG policy framework. External ESG consultants also undertook an analysis of our ESG disclosures to help us ensure we continue to provide transparent, accurate and insightful information to our stakeholders. We were particularly pleased that the report confirmed that matters relating to ESG were comprehensively covered and we are pleased to expand our reporting on key topics including diversity, equality and inclusion, and our approach to managing cyber security and customer privacy.

The Committee has also been involved in the development of Tracsis’ Net Zero Transition Plan (“NZTP”) which will shortly be published on our website. The plan will set out our strategic intent and pathway to carbon neutral by 2030 and net zero by 2050. The plan has deepened our understanding of both the challenges as well as the actions and investment required to achieve our net zero ambition and we have already taken actions to update our vehicle procurement policy in line with this.

From a social perspective, substantial work has been undertaken by Tracsis in the last year, which included introducing a new partner for community-based volunteering in schools, aiming to increase social mobility in deprived areas. Internally, we improved our diversity, continued to employ a robust health and safety framework and enhanced our employee engagement feedback processes. As a result of this feedback, the Group has taken meaningful action, highlighting the commitment of ensuring Tracsis provides safe, rewarding and sustainable employment.

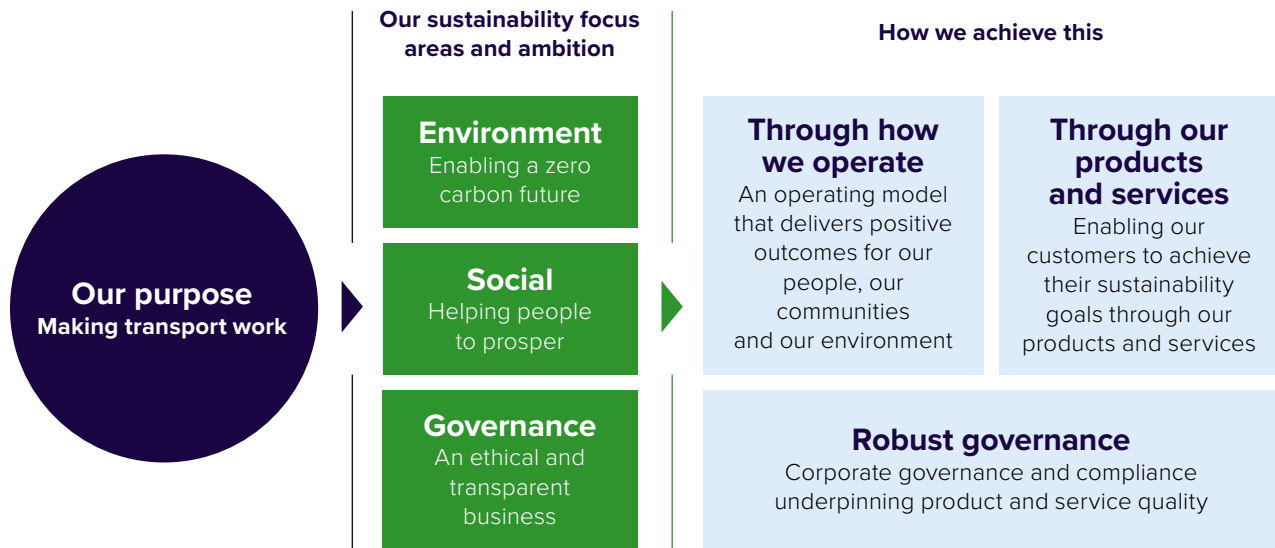
It is clear from my first year as Committee Chair that ESG is already at the heart of Tracsis’ ethos, and I am proud of the work our team and the Committee have delivered this year. I’d like to thank the team for all its hard work and dedication over the twelve months, and I look forward to building on this success and reporting to you again next year with continuing initiatives that deliver further progress in ESG matters.

**Dr James Routh**  
Chair of the ESG Committee  
19 November 2025

“**Sustainability remains at the heart of Tracsis’ purpose and our operating model delivers positive outcomes to all our stakeholders.**”



## Tracsis sustainability framework



We are committed to clear and transparent ESG reporting and have reassessed the aspects of our business that are material to our stakeholders to provide greater levels of transparency. We continue to report on areas of our business that correspond to the United Nations Sustainability Development Goals and this year, to provide our stakeholders with transparent and decision-useful information, our disclosures have been developed by the principles of the Sustainability Accounting Standards Board (“SASB”) standards for software and information technology services.

## United Nations Sustainable Development Goals (“SDGs”)

We have identified the SDGs and their sub-indicators that align with our business and have considered how we can support them, detailed below.

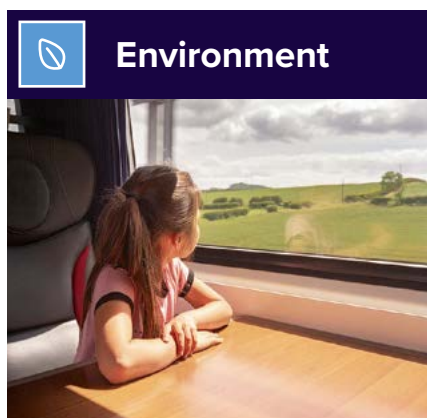
<p><b>3 – Good health and well-being</b></p> <p><b>Sustainable development target</b></p> <ul style="list-style-type: none"> <li><b>3.6</b> – Halve the number of global deaths and injuries from road traffic accidents.</li> </ul> <p><b>How Tracsis supports this</b></p> <p>Our Rail Technology &amp; Services products help to deliver a modern, efficient and safer railway with an improved customer experience, which encourages increased use of public transport. Our Traffic Data business provides data that is used in the planning of a safe and efficient road network.</p>	<p><b>4 – Quality education</b></p> <p><b>Sustainable development target</b></p> <ul style="list-style-type: none"> <li><b>4.4</b> – Increase the number of youths and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship.</li> </ul> <p><b>How Tracsis supports this</b></p> <p>Our community outreach activities are focused on encouraging careers in technology and improving access and diversity.</p> <p>The apprenticeship levy is used to upskill staff, and train individuals at the start and mid-way through their careers.</p>	<p><b>5 – Gender equality</b></p> <p><b>Sustainable development target</b></p> <ul style="list-style-type: none"> <li><b>5.5</b> – Ensure women’s full and effective participation and equal opportunities for leadership.</li> </ul> <p><b>How Tracsis supports this</b></p> <p>33% of the Tracsis Board is female.</p> <p>25% of level 1 managers (below the Senior Leadership Team) are female.</p> <p>We are acting to increasing female representation across all levels in leadership positions throughout the business.</p>
<p><b>9 – Industry, innovation and infrastructure</b></p> <p><b>Sustainable development target</b></p> <ul style="list-style-type: none"> <li><b>9.1</b> – Develop quality, reliable, sustainable and resilient infrastructure, including regional and transborder infrastructure, to support economic development and human wellbeing, with a focus on affordable and equitable access for all.</li> </ul> <p><b>How Tracsis supports this</b></p> <p>The core purpose of our Rail Technology &amp; Services division is to enable the digital transformation of the railway to improve reliability, efficiency and sustainability and to increase passenger volumes by rail.</p>	<p><b>11 – Sustainable cities and communities</b></p> <p><b>Sustainable development target</b></p> <ul style="list-style-type: none"> <li><b>11.2</b> – Provide access to safe, affordable, accessible and sustainable transport systems for all.</li> <li><b>11.6</b> – Reduce the adverse per capita environmental impact of cities.</li> </ul> <p><b>Tracsis alignment</b></p> <p>Our products help to deliver a modern railway, with high levels of availability, increased efficiency, improved safety, and access to PAYG ticketing. We also provide analysis to deliver optimised transport infrastructure solutions which contribute to sustainable transport initiatives and CO<sub>2</sub> reduction through efficient transport planning.</p>	<p><b>13 – Climate action</b></p> <p><b>Sustainable development target</b></p> <ul style="list-style-type: none"> <li><b>13.2</b> – Integrate climate change measures into policies, strategies and planning.</li> </ul> <p><b>Tracsis alignment</b></p> <p>We aim to minimise our environmental footprint by reducing our emissions. Our target is to be carbon neutral for scope 1 and scope 2 emissions from Tracsis operations by 2030 and net zero by 2050.</p>

## Our ESG goals

The following table summarises our current ESG goals and their alignment to our operating model, products and services.

Environment		
<b>Sustainability ambitions</b> We aspire to achieve net zero by decarbonising our operations, addressing climate risks and opportunities, and enabling an economy-wide transition through our products and services.	<b>Tracsis operating model</b> We are focused on minimising our environmental footprint by reducing the carbon emissions from Tracsis' operations.  Our target is to be carbon neutral for scope 1 and scope 2 emissions across Tracsis operations by 2030 and net zero by 2050.	<b>Tracsis products and services</b> We envisage a zero carbon, energy efficient transport future.  Our products and services enable this by improving transport effectiveness and efficiency.
Social		
<b>Sustainability ambitions</b> We want to ensure Tracsis has a positive impact on the people who work for us, and in the communities where we operate.	<b>Tracsis operating model</b> We provide our employees with meaningful, safe and rewarding employment by: <ul style="list-style-type: none"><li>• ensuring they are safe and protected from harm in the workplace – our 2030 target is for zero lost time injuries;</li><li>• creating an inclusive and positive culture, with progression based on merit and capability;</li><li>• ensuring equal pay for equal work, and fairly rewarding success;</li><li>• providing training and development for all employees through formal programmes; and</li><li>• identifying potential and supporting career progression.</li></ul>	<b>Tracsis products and services</b> We deliver a positive social impact on society at large by: <ul style="list-style-type: none"><li>• supporting our customers to deliver positive social impacts through the application of our products and services;</li><li>• delivering improved health and safety outcomes for our customers through our Rail Technology &amp; Services and Traffic Data products; and</li><li>• having a positive impact in the communities where we operate, through apprenticeship schemes and community engagement.</li></ul>
Governance		
<b>Sustainability ambitions</b> Our ambition is to be a successful, innovative and sustainable business that delivers long- term value and is accountable for its actions and behaviours.	<b>Tracsis operating model</b> Operating ethically, with effective and transparent stakeholder engagement.	<b>Tracsis products and services</b> Safeguarding the confidentiality, availability and integrity of business data and customer information, while ensuring continuity of services.

## Key ESG highlights



### Environment

- We have increased our usage of renewable energy across all our sites. 79% of our energy tariffs are from renewable energy sources (FY24: 52%).
- Energy Savings Opportunity Scheme Phase 3 measurable action plan submitted that further strengthened our plans to manage and reduce unnecessary energy use.
- Rolled out an employee EV scheme and updated the Group vehicle procurement policy to support net zero ambitions.
- Estate rationalisation continued.
- Expanded FY24 carbon footprint calculation to five scope 3 categories.
- Published government procurement carbon reduction plans for four Tracsis entities.
- Upskilled the Group Environmental Manager, who now has Institute of Sustainability and Environmental Professionals ("ISEP") practitioner status.
- Formed a relationship with Ecologi and began planting trees in the UK and the US for every new starter.
- Retained a specialist ESG consultancy retained to support strategic decision making and policy creation, as well as undertaken external validation of our carbon reporting methodology and compliance with GHG protocol and ESG-related regulations.



### Social

- Increased our inclusivity through training, blind recruitment and flexible and remote working initiatives.
- 1,117 hours of learning were logged on our online learning and development platform during FY25 (FY24: 981).
- Increased participation in our engagement survey to 67% (FY24: 66%).
- Responded to employee survey feedback to increase the level of communication from leadership. Divisional and quarterly Company-wide "all-hands" meetings have become a regular feature and periodic divisional newsletters keep staff up to date with key news.
- Continued our community engagement programme including – encouraging staff to participate in STEM-related events in local schools, running workshops at Leeds and Manchester Digital Festivals, and 21 colleagues volunteering in their local communities (FY24: 18).



### Governance

- Successfully transitioned to ISO 27001:2022 standard (information security, cyber security and privacy protection) replacing our previous 2013 version in UK and US Rail Technology & Services and EU Data Analytics business units.
- Maintained a Group-wide ISO 14001 certification.
- Successfully certified to ISO 9001 compliant quality management system covering the design and development of software and hardware, delivering products and customer support from across the UK Rail Technology & Services sites.
- Maintained ISO 9001 (quality management) accreditations, in the provision of traffic, transportation and pedestrian surveys and associated analysis and report generation.
- Secured full compliance with the 2023 iteration of the QCA Code.
- Building on the increased rigour, accountability and performance for external customers, Rail Technology & Services will achieve ISO 20000 certification in 2026.
- Issued and updated new policies, including a whistleblowing policy, together with an online reporting portal for individuals to raise concerns.

# Environment

Our Group-wide ISO 14001-compliant environmental management system (“EMS”) provides a framework for the business to understand and continually improve its environmental performance. By adhering to the standard, we can ensure that we are taking proactive measures to minimise our environmental footprint, comply with relevant legal requirements (in the UK, the EU and North America) and achieve our environmental objectives.

The EMS provides the framework within which we can:

- blend environmental performance with strategic business growth;
- report on our carbon emissions, to a defined standard;
- understand and report on our supply chain and value chain emissions; and
- achieve tangible benefits such as reduced waste, energy conservation and cost savings.



## Our approach to climate change

The latest scientific findings about climate change underpin the urgency to act, and the need for businesses to support a wider societal transition to a climate-resilient economy with low greenhouse gas (“GHG”) emissions.

We also understand the ambitious and legally binding targets set by the UK government to achieve net zero GHG emissions by 2050.

To play our part, we will need to change the way we operate to meet these requirements, as well as adapting to a more comprehensive, transparent and prescribed framework for disclosing our evolving approach and progress on this journey.

## Net Zero Transition Plan

We will shortly be publishing our Net Zero Transition Plan (“NZTP”) to explain where we are on our carbon reduction journey and where we plan to be in future years. The plan will lay out our key strategies and the actions required to achieve our ambition, and how the business will hold itself accountable for its delivery.

The plan is based on the globally recognised Transition Plan Taskforce (“TPT”) framework<sup>1</sup>, which is expected to be integrated into future climate regulations. This will be our first TPT-aligned disclosure and it is intended that this document will evolve, alongside changing worldwide expectations, new technological development and our own understanding of how we will achieve decarbonisation. Adopting this standard will allow the business to highlight areas of progress as well as areas of risk, whilst prompting us to consider future opportunities. The document will expand to a full disclosure and will be updated over time.

## Our net zero ambition

Our ambition for net zero transition comprises three core elements:

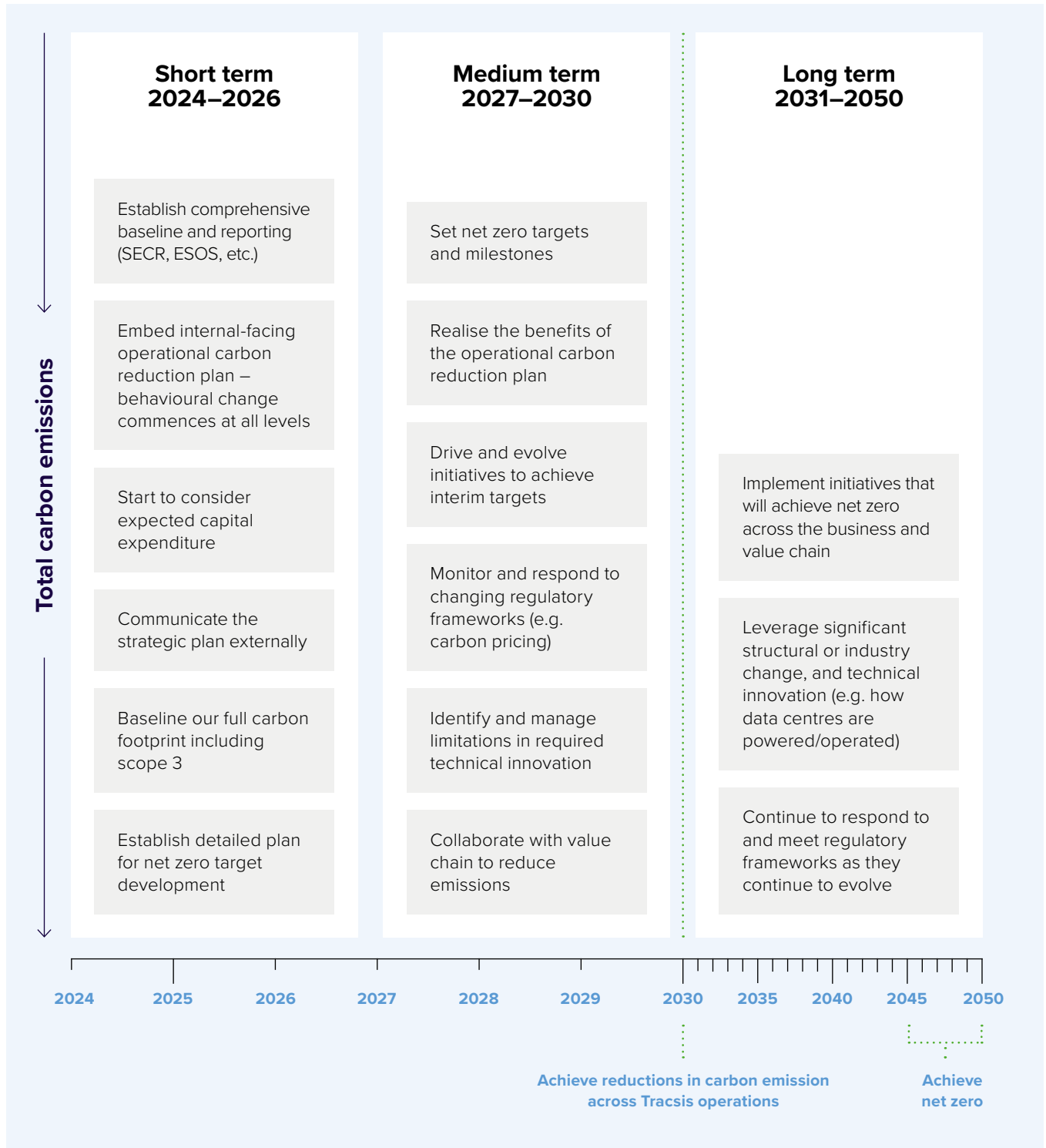
- **Decarbonise the business** – we see reducing GHG emissions as the area in which Tracsis can deliver the most material positive environmental impact. We are developing our targets and implementation actions to achieve net zero by 2050.
- **Appropriately respond to climate-related risks and opportunities** – that arise from transitioning to a low GHG-emission-generating and climate-resilient economy.
- **Contribute to an economy-wide transition** – Tracsis products and services help enable others to transition to a zero carbon future though supporting the development of a more capable railway system that will encourage the population to use public transport as opposed to private vehicles.

<sup>1</sup> The Transition Plan Taskforce (“TPT”) was launched in April 2022 to develop the gold standard for private sector climate transition plans. Its materials were informed by global engagement with financial institutions, real economy corporates, policymakers, regulators and civil society.



## Path to achieving our net zero ambition

The below schematic sets out the key activities and approximate timings on our path to achieving net zero.



## Environment *continued*

### Reducing our impact on the environment

We are committed to environmental sustainability. Progress towards achieving our 2030 targets for Tracsis operations is set out below. 2022 was the first year Tracsis measured its carbon emissions and is therefore referred to as our baseline year.

Aim	Metric	2030 target	Performance	Change in the year
<b>Carbon neutral</b> (scope 1 and scope 2)	Tonnes of equivalent carbon dioxide emissions (tCO <sub>2</sub> e)	Zero	FY25: 1,008 FY24: 1,023 <sup>1</sup> FY22: 974	1.5% reduction
<b>Fleet electrification</b> (owned and hired for operations)	Number of electric vehicles/total number of vehicles	100%	FY25: 16% FY24: 16% FY22: 3%	—
<b>100% renewable energy supply</b>	% kWh of renewable electricity supply (scope 2)	100%	FY25: 79% FY24: 52% FY22: 40%	52% increase

1 2024 number has been re-based to include all scope 1 and scope 2 emissions

### Progress in FY25

We are pleased that this year we have made a 1.5% reduction in our scope 1 and 2 emissions, bringing us closer to our ambition of being carbon neutral in our operations. This was achieved through a rationalisation of our estate, including the closure of two under-utilised offices, by merging one into a nearby site and switching the team from hybrid to fully home working at the other. We continually assess our estate and by consolidating offices we reduce the wasted energy from heating, cooling and lighting when office spaces are less fully occupied.

Fleet electrification remained static during the year. From 2026 we will begin transitioning our older vehicles, replacing them with equivalent EV or hybrid models or those with significantly lower emissions than vehicles they previously replaced.

We have made good progress in switching energy tariffs in our offices to renewable sources and this has been possible in a large number of offices where the energy provider is at our discretion. As we move closer to 2030, or as leases expire, we will make decisions as to whether we remain in the buildings where we have no control over the energy supplier, but we will continue to exert pressure on our landlords to switch to greener tariffs.

#### Actions taken in FY25 to progress towards our environmental ambitions

- We continue to make adjustments across the Group to reduce our energy usage and emissions.
- The rationalisation of offices continued in FY25 with the closure and relocation of colleagues in two offices; reducing our UK location-based energy by 20% to 274,821 kWh. Group-wide kWh reduced by 11% to 492,981.
- Our Company policy on the purchase of diesel-only vans has been updated to require new vehicles to be either EV or hybrid, or have significantly lower emissions than the vehicles they replace.
- Implemented an employee electric vehicle scheme, which will help to reduce our scope 3 employee commuting emissions.
- A desktop financial feasibility study has been conducted to estimate the cost of switching our fleet to fully electric by 2030. There will be operational challenges to overcome due to the availability of vehicle charging infrastructure and the sometimes remote nature of our business operations.

- During FY25 we expanded our carbon footprint calculation to five scope 3 categories, which will be reported in the Group NZTP at subsidiary entity level when it is shortly published. We will continue to expand our calculation to a full carbon footprint baseline during FY26 beyond the categories already calculated, which include:
  - Category 4 emissions from upstream delivery;
  - Category 5 emissions from waste and water;
  - Category 6 emissions from business travel (expanded from grey fleet only);
  - Category 7 emissions from employee commuting; and
  - Category 9 emissions from downstream transport of goods.
- Continued engagement and awareness to all employees including:
  - certain businesses taking part in an environmental induction and being required to read the accompanying environmental policies;
  - regular Company notices and links for information on local, national and worldwide initiatives;
  - site-level education and awareness; that is communicated through our HR system and covers Company policy updates, new statutory and regulatory requirements, environmental news and Company initiatives;
  - all new starters receive an introduction to the EMS in their induction week and to attest to Company environmental policies; and
  - the network of environmental champions cascades the Company environmental policies to local teams.
- Environmental champions across all sites continue to embed energy savings initiatives in site offices, including those in line with the Energy Savings Opportunity Scheme Phase 3 action plan.
- All sites are regularly audited both internally and externally to ensure that energy saving standards are being maintained.

- Implemented a tree planting initiative. For each new permanent employee Tracsis funds a high quality native tree planting project in the UK and North America. We work with the impact team at Ecologi, a B corp which selects projects that support vital ecosystem functions and native biodiversity, to maximise the impact of our funding. Planting trees has a number of benefits for mitigating climate change, supporting biodiversity and also for improving human health. As a climate solution, the conservation and restoration of forests is one of the ways we can help to remove carbon from the atmosphere and store it in the trees' biomass.

## Energy consumption and emissions data

### SECR indicators

Carbon emissions are the primary metric for monitoring progress towards achieving our carbon neutral and eventual net zero ambitions. The data below has been prepared in line with the Streamlined Energy and Carbon Reporting ("SECR") regulations, which is mandated for this report, but which also includes all sources of scope 1 and scope 2 emissions. See the methodology below for full details of the sources.

	By region								
	FY22		FY24		FY25		Group total		
	UK	Global excl. UK	UK	Global excl. UK	UK	Global excl. UK	Baseline FY22	FY24	FY25
Energy consumption/kWh									
Scope 1: Gas, own transport fuel and on-site fuel	3,256,919	186,467	3,317,536	210,785	3,250,975	241,850	3,443,387	3,528,321	3,492,825
Scope 2: Electricity and own electric transport (location-based)	434,311	51,257	344,021	209,659	274,821	218,160	485,568	553,680	492,981
Scope 3: Grey fleet (Category 6)	529,652	70,372	273,214	26,439	465,396	51,252	600,024	299,653	516,648
Energy consumption total	4,220,882	308,096	3,934,771	446,883	3,991,192	511,262	4,528,979	4,381,654	4,502,454
Emissions/tCO2e									
Scope 1: Direct emission from owned/controlled operations	792	82	841	76	843	85	875	917	928
Scope 2: Indirect emissions from use of electricity (location-based)	83	16	78	29	50	31	99	107	81
Scope 2: Indirect emissions from use of electricity (market-based)	52	4	47	—	20	—	56	47	20
Scope 1 and scope 2 total (location-based)	876	98	919	105	893	115	974	1,023	1,008
Scope 1 and scope 2 total (market-based)	844	87	887	76	862	85	931	963	947
Scope 3: Grey fleet (Category 6)	123	16	66	6	114	13	140	73	127
Calculated emissions total (location-based)	999	114	985	111	1,008	128	1,113	1,096	1,135
Calculated emissions total (market-based)	967	103	953	82	976	98	1,071	1,036	1,074
Intensity ratio/tCO2e per £100,000 revenue									
Scope 1 and scope 2 (location-based)	1.57	0.76	1.41	0.66	1.32	0.82	1.42	1.26	1.23
Scope 1 and scope 2 (market-based)	1.51	0.67	1.36	0.48	1.27	0.82	1.35	1.19	1.19
Scope 1, scope 2 and scope 3 (location-based)	1.79	0.89	1.76	0.86	1.48	0.91	1.62	1.35	1.39
Scope 1, scope 2 and scope 3 (market-based)	1.73	0.80	1.71	0.64	1.44	0.70	1.56	1.28	1.31

Figures are rounded up totals which may not reflect the row-level figures. The collection and calculation methodologies has been externally validated by our external ESG consultant.

### Methodology

Reporting (and the organisational boundary to which it applies) uses the control approach as defined in the GHG Protocol Corporate Standard (Revised). BEIS-DEFRA 2025 conversion factors are used for UK emissions and Sustainable Energy Authority of Ireland ("SEAI") 2024 conversion factors are used for Ireland. North American figures use the 2007 IPCC Fourth Assessment conversion factors (to be consistent with the BEIS-DEFRA 2025 conversion factors which are based on the 2007 IPCC Fourth Assessment figures).

**Scope 1 emissions:** Emissions from combustion of gas are based on kWh consumption. The measure includes emissions from combustion of fuel for transport purposes and for use in on-site equipment. Calculations are based on litres of purchased fuel (converted to kWh for the energy consumption calculation above using BEIS-DEFRA 2024 conversion factor ratios). The emissions from refrigerants are based on office and Company vehicle air-conditioning and are calculated using service reports where available.

**Scope 2 emissions:** Emissions for location-based purchased electricity and heat, steam and cooling are based on kWh consumption. Owing to the nature of the events industry, it has not been possible to produce carbon emission figures for remote event sites where event organisers provide electricity supply to temporary cabins, so these emissions are excluded. For scope 1 and 2 emissions, the primary sources of data are invoices and service reports. Missing data points have been estimated based on available data for the same business location.

**Scope 3 emissions:** Scope 3 emissions included here are those from business travel in rental cars and permanent and casual employee-owned vehicles where the Company is responsible for purchasing the fuel. Calculations are based on mileage from expense claim data or, where unavailable, maximum estimated mileage for each business given the nature of its operations.

## Non-financial and sustainability information statement

The Non-financial and sustainability information statement is designed to help our stakeholders understand the impact of climate change on our business and long-term strategy.

This is our third year disclosing our Non-financial and sustainability information statement and whilst we maintain the opinion that significant financial planning or budgetary change as a result of climate change is not likely to be required, we have continued to invest and evolve our approach to reducing our impact on the planet and mitigate

the adverse impacts of climate change. We remain committed to reducing our emissions and impact on the environment and have continued to make progress as detailed further in the Environment section of this report on page 33.

Area	Our approach
<b>Governance Disclosure:</b> (a) a description of the <b>governance arrangements</b> of the Company in relation to assessing and managing climate-related risks and opportunities.	<p>At Tracsis, the Board has overall responsibility for sustainability issues including the oversight of climate-related matters and effective management of climate-related risks and opportunities, in line with the responsibility to monitor any issues which impact the strategy, risk management and operations of the Group.</p> <p>The roles of the Board (through the Audit &amp; Risk Committee), Executive Directors (through the Senior Leadership Team), divisional management, and the Company Secretariat team in governing the Group's principal risks and opportunities can be found in the Risk Management section of this report.</p> <p>For climate-related matters, this governance framework is supplemented with the Board-level ESG Committee which is responsible for the execution oversight of the Group's sustainability strategy including its response to climate change and the risks and opportunities it presents.</p> <p>Our ISO 14001-certified environmental management system and Group Environmental Manager provide additional controls Group-wide through process support and best practice knowledge. External advice is also sought as needed from the ESG specialist consulting firm Addidat.</p> <p>Pages 45 to 49 provide more detail on how we govern ESG at Tracsis. The Board (through the ESG Committee) is responsible for approving the Group's ESG disclosures as well as the wider Group sustainability strategy and ensuring that it is effectively responding to the identified climate-related risks and opportunities.</p>

Please also see...

- Risk Management section on pages 52 and 53
- Governance section of ESG on pages 45 to 49

## Strategy

### Disclosure:

(b) a description of:

- (i) the principal **climate-related risks and opportunities** arising in connection with the operations of the Company; and
- (ii) the **time periods** by reference to which those risks and opportunities are assessed.

Our view remains that significant financial planning or budgetary change as a result of climate change is unlikely to be required given our expectation that digital transformation will continue to be a critical component of achieving a sustainable and less carbon intensive transport infrastructure. Implementing our Net Zero Transition Plan is expected to require some capital investment, particularly in respect of decarbonising our vehicle fleet; however, this is considered a business as usual investment in terms of operational and capital costs.

Similarly, realising market opportunities will not require significant investment as the current skillset and business model supports the new work that could arise. As a result, there are no effects of climate-related matters reflected in judgements and estimates applied in the financial statements. We will continue to refine our analysis as new data becomes available, both internally and externally, and we will continue to monitor our climate exposure risk and action plans through the Group's established risk management framework.

We assess climate-related risks and opportunities against the following defined time horizons:

- Short: now - 2026; in line with business plan forecasting.
- Medium: 2027 - 2030; encompassing the Group's ambition for carbon neutral scope 1 and scope 2 by 2030.
- Long: 2030 - 2050; encompassing longer-term industry and policy, including net zero by 2050.



## Area

## Our approach

**Strategy continued Disclosure:**

- c) a description of the **actual and potential impacts** of the principal climate-related risks and opportunities on the business model and strategy of the Company; and
- (d) an analysis of the **resilience** of the business model and strategy of the Company, **taking into consideration different climate-related scenarios**.

Tracsis has identified and manages four climate-related transition risks and two climate-related opportunities. Following a detailed assessment of the physical climate impact on the business, including use of geospatial risk modelling in FY23, we have not identified any physical climate-related risks to our business.

Our first Non-financial and Sustainability Information Statement was first disclosed in the FY23 Annual Report, where we conducted a resilience analysis of our strategy against three physical climate scenarios and two transition scenarios. This analysis is within our short-term timescale and therefore will be conducted again in FY26. Our methodology for assessing these risks and opportunities, together with their financial impact, is explained below and overleaf.

As previously announced, the Group has exited certain non-software-related activities that were previously delivered by its Data, Analytics, Consultancy & Events division. This did not result in any material change to the outcomes of the scenario analysis completed previously.

No new key climate-related risks have emerged or been identified. The scenario analysis for this period is explained below.

**Strategy**

We used the following three climate-related scenarios using the Representative Concentration Pathways ("RCP") to project out to 2100 for physical climate risks.

- RCP 2.6: a climate pathway, likely to keep global temperature rise below 2 °C by 2100. CO<sub>2</sub> emissions start declining by 2020 and go to zero by 2100.
- RCP 4.5: an intermediate and probable baseline scenario more likely than not to result in global temperature rise between 2 °C and 3 °C by 2100 with a mean sea level rise 35% higher than that of RCP 2.6. Many plant and animal species will be unable to adapt to the effects of RCP 4.5 and higher RCPs. Emissions peak around 2040, then decline.
- RCP 8.5: a worst case scenario where global temperatures rise between 4.1°C and 4.8°C by 2100 to identify impacts of extreme physical climate risks with limited global climate change mitigation.

We have used the following two climate-related scenarios, looking out to 2050 for transition risks.

- Net Zero 2050 ("NZE"): an ambitious scenario which sets out a narrow, but achievable, pathway for the global energy sector to achieve net zero CO<sub>2</sub> emissions by 2050, to inform the decarbonisation pathways used by the Science Based Targets initiative ("SBTi").
- Stated Policies Scenario ("STEPS"): a scenario which represents the roll forward of announced policy measures.

The Group's exposure to climate-related risks is at the lower end of exposure, but working for and with the transport industry does present its own unique risks and opportunities. Although initial climate-related risks in the short term are "Significant", these rise to "Major" in the medium to long term. Adequate implementation of mitigation strategies including a comprehensive scope 3 footprint screening will assist us to withstand the potential risks. Climate-related opportunities already exist operationally and can be acted upon now, and opportunities in the market are expected to grow over time and could have a "Major" positive impact.

Our current view is that significant financial planning or budgetary change as a result of climate change is unlikely to be required given our expectation that digital transformation will continue to be a critical component of achieving a sustainable and less carbon intensive transport infrastructure. Implementing a robust carbon reduction plan will have some cost including capital investment in decarbonising our vehicle fleet; however, this is considered business as usual with respect to operational and capital costs. Similarly, realising market opportunities will not require significant investment as the current skillset and business model support the new work that could arise. There are no effects of climate-related matters reflected in judgements and estimates applied in the financial statements as a result. We will continue to develop our analysis as new data becomes available, both internally and externally, and we will continue to monitor our climate exposures and action plans through the Group's risk management framework.

Please also see...

→ [Key climate-related risk and opportunities on pages 37 and 38](#)

## Non-financial and sustainability information statement *continued*

Area	Our approach
<p><b>Risk management Disclosure:</b></p> <p>(e) a description of how the Company <b>identifies, assesses, and manages</b> climate-related risks and opportunities; and</p> <p>(f) a description of <b>how processes for identifying, assessing and managing climate-related risks are integrated</b> into the overall risk management process in the Company.</p>	<p>The assessment and management of climate-related risks is integrated into the Group-wide approach to risk management as outlined on pages 52 and 53 and is overseen by the Senior Leadership Team, which maintains a Group-wide risk register which includes the most significant risks from across the business.</p> <p>In maintaining this risk register, it considers risks identified at the operational level and submits reports to the Audit &amp; Risk Committee for oversight and challenge which helps inform risk appetite and mitigation activities. The Senior Leadership Team assesses any changes to the Group's risk profile and identifies risks being managed at a Group or divisional level.</p> <p>The ESG Committee is responsible for reviewing and approving the Non-financial and sustainability information statement disclosure annually, which includes a review of the climate-related risks and opportunities.</p>
Please also see... → Risk Management section on pages 52 and 53	
<p><b>Metrics and targets Disclosure:</b></p> <p>(g) a description of the <b>targets used by the Company to manage</b> climate-related risks and to realise climate-related opportunities and of performance against those targets; and</p> <p>(h) the <b>key performance indicators</b> used to assess progress against targets used to manage climate-related risks and realise climate-related opportunities and a <b>description of the calculations</b> on which those key performance indicators are based.</p>	<p>We recognise that setting measurable targets is essential for driving focus, activity and demonstrating progress.</p> <p>Our ambition is to significantly reduce our emissions and be carbon neutral by 2030 across scope 1 and 2 and net zero by 2050. We are committed to continue to invest in and evolve our operations that would support net zero.</p> <p>We will shortly be publishing our Net Zero Transition Plan, which will set out our ambition, strategy and progress in more detail. The Net Zero Transition Plan will be periodically refreshed to reflect our ongoing journey and evolution in achieving our net zero ambition.</p>
Please also see... → Key climate-related risk and opportunities on pages 37 and 38	











## Key climate-related risks and opportunities

### Transition risks















Risk	Impact description	Response
<b>Reputational risk linked to sustainable performance and reporting</b> <ul style="list-style-type: none"> <li>Downstream value chain</li> <li>Medium to long</li> <li>Major. Lost revenue Group-wide, especially Rail Technology &amp; Services</li> <li>Probable</li> <li>External ESG ratings, lost tenders, customer feedback</li> </ul>	<p>Our focus is on the transport industry, particularly rail, as decarbonisation becomes a key priority for customers and policymakers. Customers are increasingly requesting sustainability plans, emissions targets and science-based targets. Additionally, while our operational carbon footprint is low, we have not yet fully calculated our scope 3 footprint, which could lead to under-reporting, particularly associated with category 1 (purchased goods and services).</p>	<p>We remain committed to communicating our sustainability progress to stakeholders, which will be in our Net Zero Transition Plan that will be published shortly.</p> <p>We will continue to monitor trends, widen our scope 3 reporting, and consider science-based targets. By staying ahead of expectations, we aim to turn this risk into an opportunity and become a preferred choice in the market.</p>
<b>Carbon pricing in operations</b> <ul style="list-style-type: none"> <li>Own operations</li> <li>Medium</li> <li>Significant to major. Higher costs Group-wide, especially within Data, Analytics, Consultancy &amp; Events</li> <li>Frequent</li> <li>Scope 1 and scope 2 emissions</li> </ul>	<p>Carbon pricing on direct emissions is expected to rise significantly, posing a “Significant” to “Major” financial risk for Tracsis based on projected carbon prices under IEA scenarios, impacting both the UK and North America.</p>	<p>Through reducing scope 1 and scope 2 emissions, largely through electrification of the fleet, and switching to 100% renewable electricity, we are actively taking steps to mitigate the risk of carbon pricing in our operations.</p>
<b>Carbon pricing in supply chain</b> <ul style="list-style-type: none"> <li>Upstream value chain</li> <li>Medium</li> <li>Major. Higher costs Group-wide, especially within Data, Analytics, Consultancy &amp; Events</li> <li>Frequent</li> <li>Scope 3 emissions</li> </ul>	<p>Carbon pricing is also expected to impact Tracsis’ value chain beyond its own operations. As we build out our full scope 3 emissions baseline during FY26 we will gain better insight into the financial risks posed by expanding carbon pricing on its indirect emissions.</p>	<p>Addressing scope 3 emissions is crucial for Tracsis to manage the financial impacts of expanding carbon pricing across its value chain.</p> <p>We use enterprise grade third party data centres that have robust and credible carbon reduction activities. We will start to report our associated emissions in FY26.</p> <p>Whilst we have yet to calculate a full baseline of emissions across our value chain, we have started to internally measure five scope 3 categories as part of expanding towards a full footprint during FY26.</p>
<b>Electric vehicle technology innovation</b> <ul style="list-style-type: none"> <li>Upstream value chain</li> <li>Medium</li> <li>Major. Increased cost to Data, Analytics, Consultancy &amp; Events</li> <li>Probable</li> <li>Scope 1 vehicle emissions</li> </ul>	<p>84% of the Group’s carbon emissions are generated from the vehicle fleet, which is primarily in the Traffic Data and Events businesses. Our ability to achieve our ambition to reduce our scope 1 emissions by 2030 has a significant dependency on the UK government’s policies around transition to electric vehicles and supporting infrastructure development to facilitate the UK’s transition to load-bearing electric vehicles at scale.</p>	<p>We continue to monitor UK government policy relating to net zero and its initiatives and funding to support the required transition to electric load-bearing vehicles.</p> <p>We continue to work with our vehicle partners to support their development of electric vehicles and enable our transition as soon as feasible at a reasonable cost.</p>

Non-financial and sustainability information statement *continued*Key climate-related risks and opportunities *continued*

## Climate-related opportunities

Opportunity	Impact description	Response
<b>Market</b> <b>Products and services</b>  Own operations  Medium to long  Major. Increased revenue Group-wide  Probable  Revenue from low carbon economy products and services	<p>Tracsis' focus on the transport industry, especially rail, positions it well to capitalise on the transition to a net zero future. Its products and services help optimise rail network performance and enable predictive maintenance, supporting customers' sustainability goals.</p> <p>Opportunities include expanding remote condition monitoring, integrating data sources for optimised decision making, and developing environmental management systems. Tracsis' data analytics and geospatial capabilities also provide insights to help customers adapt to climate-related risks.</p>	<p>While the pace of adoption may vary, these identified opportunities align with Tracsis' strategy and require maintaining close customer relationships to deliver solutions that meet their evolving sustainability needs.</p>
<b>Operational</b> <b>Resource efficiency and energy source</b>  Own operations  Short to medium  Major. Reduced costs and exposure to carbon tax, Group-wide  Frequent  Scope 1 and scope 2 emissions; percentage of renewable energy	<p>Increasing energy efficiency across Tracsis' sites will reduce energy costs and mitigate the impact of future carbon pricing by reducing emissions. The biggest emissions reduction opportunity is transitioning our fleet from combustion engines to electric, since 84% of the Group's emissions are generated by these vehicles.</p>	<p>We are committed to achieving full fleet electrification by 2030; however, this will require advancements in EV technology and adapting Tracsis' operating model. We have made a commitment that new vehicles purchased will be hybrid in nature, or have at least a 30% reduction in emissions compared to those vehicles it replaced.</p> <p>We will continue to invest in solar panels and transition to renewable energy sources from providers where our estate owners will allow.</p>

## Key

 <b>Area</b> Own operations, or area of value chain where risk or opportunity manifests	 <b>Likelihood</b> Based on the potential for a risk to manifest within a set period.  Frequent   within one year / once per annum  Probable   within one to five years / once in five years  Remote   not more than one in five years / > five years away
 <b>Timeframe</b>  Short (now–2026)  Medium (2027–2030)  Long (2030–2050)	 <b>Metrics</b> To monitor
 <b>Impact</b> Management's assessment of reputational and financial risk on an annualised basis.  Critical   >£2.5m EBITDA  Major   £1m–2.5m EBITDA  Significant   <£1m EBITDA	

# Social

Ensuring that Tracsis has a positive impact on the people who work for us, and across society at large, including in the communities where we and our customers operate, is fundamental to our ambition to deliver sustainable growth and long-term stakeholder value. Our strategy remains focused on four key areas:

- Health and safety
- Employee engagement
- Training, development and opportunities
- Community engagement

## Health and safety

Ensuring our people are safe and protected from harm in the workplace is a key priority and the Board is committed to enforcing a strong safety culture throughout the Group. During FY25 our Traffic Data and Events businesses experienced a Lost Time Injury Rate ("LTIR") of 8.8 (FY24: 5.5). There was one RIDDOR reportable incident (FY24: 2) and no fatalities (FY24: 0).

The Board reviews health and safety performance in detail and ensures that the Senior Leadership Team develops a culture of continuous improvement that is underpinned by robust reporting by way of the following framework:

# 8.8

### Lost time injury rate<sup>1</sup> (FY24: 5.5)

Statistic relates to Tracsis Traffic Data and Events businesses. Measured as number of long-term injuries (classified as a workplace injury resulting in one or more days absent from work x 1,000,000, divided by number of hours worked).

Element	Function/responsibilities
<b>Senior Leadership Team</b>	<ul style="list-style-type: none"> <li>• Overall responsibility for health and safety performance</li> </ul>
<b>Group Company Secretary</b>	<ul style="list-style-type: none"> <li>• Oversight of the Group health and safety function</li> <li>• Member of the Senior Leadership Team and adviser to the Board of Directors</li> <li>• Leads compliance training</li> </ul>
<b>Divisional-level Managing Directors</b>	<ul style="list-style-type: none"> <li>• Some hold statutory responsibilities for specific legal entities</li> <li>• Line management of local health and safety managers</li> <li>• Allocation of health and safety resource</li> <li>• Implementation of policy, process and procedures</li> <li>• Responsible for health and safety outcomes</li> </ul>
<b>Health and safety managers</b>	<ul style="list-style-type: none"> <li>• The Group retains two dedicated, experienced and qualified health and safety managers</li> <li>• Responsible for delivering the day-to-day health and safety function at the operational level, i.e. policy, process, procedures and reporting</li> </ul>
<b>Health and safety trained colleagues</b>	<ul style="list-style-type: none"> <li>• In addition to their primary role, a number of managers are "Managing Safety" trained, and hold a defined role in supporting the formal health and safety function</li> </ul>

In addition to the above, the Board receives a summary of health and safety incidents and remedial actions at each meeting. During the year, the Board reviewed initiatives and examined the health and safety culture in our businesses to determine the root causes of the LTIR increase during FY25, which included speaking to senior leaders about activities that would promote safe ways of working. The Chief Executive Officer is the lead sponsor for health and safety and is focused on understanding and quickly remediating the root causes of incidents. In addition, meaningful key performance measures have been established to enable trends to be identified more easily from both leading and lagging indicators. In addition, the Group Health & Safety Manager generates a detailed monthly health and safety report capturing all health and safety incidents (including near misses) that have occurred in the previous month. This report is subsequently reviewed by Senior Leadership Team and the Executive Directors. The review is aimed at understanding what happened, allocating the appropriate level of resources, directing mitigating actions, informing trend analysis, holding business units and the local health and safety function to account, and ensuring the prevention and continuous improvement principles are applied.



Social continued



OUR PEOPLE

**Pierce Mulholland**  
GIS Analyst  
Data, Analytics, Consultancy &  
Events division

My role is a GIS Analyst with Compass Informatics (Tracsis GeoIntelligence). I joined in July 2024 to work on the National Parks and Wildlife Service GIS contract as a seconded contractor based in Dublin.

Tracsis works in many different sectors which were largely of interest to me when applying to work with the Company. I have known about Compass since graduating from my MSc in 2021 and I always strived to work with the Company as it employs the best in the industry. As a young professional, I wanted to position myself to have the opportunity to work alongside and learn from experts in the GIS industry to ensure that I become the best version of myself, and Tracsis offers this to me through the diverse contracts and sectors it offers work within, alongside its focus on CPD to develop employees to becoming top talent.

Tracsis is a company that cares about its role in society and where it can position itself to be a net positive for the betterment of the world. This is shown further by the Company’s commitment to sustainability both internally and in working with clients to improve their sustainable practices. Since joining, I have also witnessed how much the business values its employees. Every victory is celebrated as the hard work of those who drove the business forward and the success of the business is seen as the success of its employees. For me, Tracsis is a forward-thinking, sustainable, innovative and employee-driven Company.

“  
*Tracsis is a company that cares about its role in society and where it can position itself to be a net positive for the betterment of the world.*”

Employee engagement

Tracsis employs c.500 permanent people around the world. How we look after, communicate with and help develop our employees is critical to the long-term success of the business.

Communication

Our approach to colleague engagement has evolved significantly during the year, with a stronger emphasis on making sure colleagues feel connected, heard, and supported. Alongside increasing activity at a local level, we have embedded new routines that ensure colleagues across all divisions have greater visibility of, and access to, senior leadership. Quarterly all-Tracsis calls, led by the CEO and other senior leaders, provide business-related information and provide an open forum for employees to ask questions.

We have increased the presence of senior leaders across our offices, strengthening visibility and connection with colleagues, and this has been further supported by the opening of a new office in London.

We have strengthened our use of the HR platform and introduced pulse surveys in addition to the annual employee engagement survey, making it easier for colleagues to share their views in real time. In addition, listening groups have been run across both divisions, that allows colleagues to discuss key themes from the engagement survey and help shape future initiatives.

This year, we held our first Group-wide management session, giving managers the chance to contribute to new processes and ensuring the perspectives of those closest to our teams are reflected in decision making. For the first time, we also invited key leaders to provide feedback on policies as they were being developed and updated, creating an opportunity for their voices to help shape the new policies and guides.

67%

completion rate of employee engagement survey  
(FY24: 66%)

75%

retention rate  
The reported retention rate of 89% for FY24 is not directly comparable to FY25 due to a refinement of the methodology.

1,117

hours of employee learning time (FY24: 981)

In-person events were also organised across different business units during the year, giving colleagues the opportunity to hear directly about our strategy as well as updates specific to their business unit. These sessions created a space for open discussion, stronger connections and greater alignment across teams.

Taken together, these activities have given colleagues more opportunities to share their voice and influence how we work, while enabling the Senior Leadership Team to gain a deeper understanding of employee sentiment and their priorities.

Over the past year, we have introduced several initiatives designed to improve the colleague experience and, in turn, retention. We remain committed to building on this progress, with a focus on creating an environment where colleagues choose to stay and grow their careers with Tracsis.

### Employee survey

Responding to employee feedback is a core part of our culture and engagement approach. Taking visible actions builds trust and reinforces future dialogue. During the past year, we implemented several initiatives in response to our employee survey, including:

- to improve transparency, Company performance is now reviewed quarterly in One Tracsis calls and business unit sessions;
- wider updates are shared through a variety of meetings, newsletters, and email communication;
- job titles and reporting lines have been realigned to roles and responsibilities, with further refinements ongoing;
- pay fairness has been supported by external and internal benchmarking of all roles in the annual review, and recruitment has been rebalanced with investment in operational roles, guided by benchmarking;
- policies have undergone a global review to simplify language, remove legalistic tone and ensure they better reflect a people-centric mindset;
- expanded opportunities for collaboration and exposure across teams, including Company-wide all-hands calls, cross-product initiatives and divisional calls hosted by the People team; and
- Managers are receiving greater support through locally resourced People Business Partners or equivalent, while change is being approached through a more inclusive and transparent process, involving those who can shape outcomes.

Our annual survey achieved a 67% response rate (FY24: 66%). We anticipate that the actions taken in response to feedback this year will support higher participation in FY26.

## Training, development and opportunities

### Training and development

Our people are at the centre of our success, and this year we continued to strengthen the support, benefits and opportunities available to them.

### Training

Our employee learning and development platform use has continued to grow, with 1,117 hours (149 days) of employee learning time recorded on subjects ranging from skills development, such as effective approaches to learning, to additional qualifications and managing their own career development. All colleagues are encouraged to invest in their careers and development, and as the learning platform becomes further embedded and our learning culture matures, we expect employee learning rates to increase.

### Recruitment

We streamlined recruitment by moving our UK and Ireland internal careers page to our HR system, branded as “MyTracsis” creating one central, transparent platform for opportunities and a seamless experience for colleagues and hiring teams. We also introduced polls through this system, providing colleagues with another simple way to share feedback and shape our initiatives.

### Benefits and policies

Benefits and policies were enhanced to reflect what matters to people. Several steps have been taken this year to continue to ensure Tracsis provides equal pay for equal work and fairly rewarding success, including:

- pay fairness has been supported by external and internal benchmarking of all roles in the annual review;
- the Holiday Buying Scheme was relaunched to give eligible colleagues greater flexibility in managing their work/life balance;
- an Electric Vehicle Scheme was introduced to support both sustainability and colleague choice where eligible;
- family policies were strengthened, with paternity leave doubled to four weeks for eligible colleagues and maternity coaching added to provide support before, during and after pregnancy; and
- a refined probation period to improve new starter security and strengthen retention in the first six months.

### Health and wellbeing

Wellbeing and inclusion remained central throughout the year. Highlights included marking Mental Health Awareness Week, relaunching our volunteering policy, supporting Neurodiversity Week, and hosting an external speaker on mental health. Looking ahead, we will continue building momentum with ongoing mindfulness sessions and further wellbeing initiatives.

This year also marked the rebrand of our function as the People team. With locally resourced People Business Partners or their equivalent, they can provide support that is closer to our colleagues and better aligned to the needs of each area of the business.

Social *continued*

Diversity, equality and inclusion

We are committed to being a diverse, equitable and inclusive employer. We are committed to fostering a culture of inclusion, where equal opportunity for employment and progression is based solely on merit and performance.

In our annual engagement survey, the diversity equality and inclusion (“DE&I”) section gave us encouraging insight into how people experience DE&I at Tracsis. The strongest result was that 82% of colleagues feel people are treated fairly regardless of age. This was followed by 81% saying people are treated fairly regardless of gender, and 79% saying people are treated fairly regardless of ethnicity.

Our approach to building and maintaining an inclusive culture considers the full life cycle of employees with reporting on progress up to Board level.

Initiatives undertaken to continually improve and embed our inclusive culture include:

- development of our One Tracsis corporate values;
- development of a consistent approach to remuneration together with appraisals and goal setting, aligned to key;
- Company-wide objectives;
- providing hybrid and flexible working policies;
- recruitment initiatives, such as blind CVs; and
- training and mentoring.

Our Chief People Officer is responsible for maintaining DE&I reporting and initiative progress. The Senior Leadership Team, led by the CEO, is accountable for taking actions to promote an inclusive culture and the Board is kept informed on progress. Following this year’s engagement survey, the Board reviewed the survey results and shared its views on DE&I-specific results.

DE&I progress

Moving forward, our approach to DE&I is evolving, as we look at line of business working groups, starting with Women in Technology. In addition, we are promoting our commitment to DE&I through championing the contribution of our diverse talent through internal and external channels.

We are committed to building a workplace that reflects the diversity of the communities we serve and ensuring inclusion at every level of the organisation. To support this, we collect information through our HR system on gender, race and disability across all colleagues. As disclosure of this information is voluntary, our reporting is based on the data colleagues choose to provide and therefore may not represent our full workforce. Percentages may not total 100% where data has not been shared.

Our values

Tracsis recently launched its corporate values, set out opposite, which underpin OneTracsis. We undertook feedback and listening sessions with our employees when developing these and we will be using these values to inform our recruitment and to ensure that we are operating as a single team.



OUR PEOPLE  
**James Page**  
Product Manager  
Rail Technology & Services division  
(UK)

I started at Tracsis in May 2025 as the Product Manager for MPEC, our remote condition monitoring solution for rail infrastructure, having previously had significant experience as a Product Manager at Nokia.

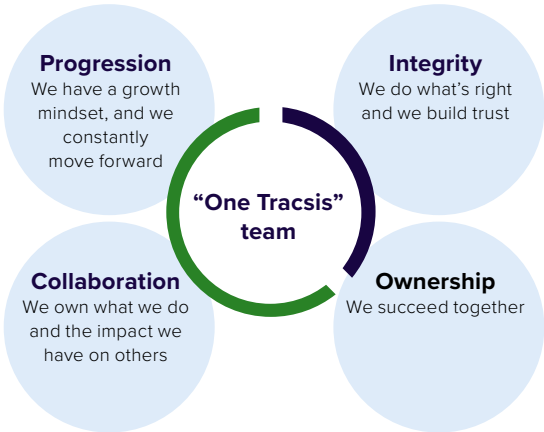
I joined Tracsis because I liked the combination of having a combined hardware and software product to work on, and I’m interested in how we can use the insights that are available through the product to deliver innovations to our customers, which in turn helps improve the commuter’s experience. Our remote condition monitoring product is well established in the UK, and we have a great team that I enjoy working with to take the product into new markets in the future.

Having recently joined Tracsis, what I appreciate and enjoy is the positive and helpful environment at the Company, and I look forward to assisting the business through its next stage of development.

“  
*I’m interested in how we can use the insights that are available through the product to deliver innovations to our customers, which in turn helps improve the commuter’s experience.*”

Culture

Creating “One Tracsis” values and core behaviours



## Gender

Gender-split (all employees) (12% preferred not to say)

**Male:**

61%

Gender-split (Management Team)

**Male:**

74%

**Female:**

26%

**Male:**

26%

**Non-binary:**

1%

## Race and ethnicity (all employees)

Ethnicity (all employees)	Percentage
White: English/Welsh/Scottish/Northern Irish/British	56%
White: Other White	11%
White: Irish	7%
Asian/Asian British: Indian	3%
Black/African/Caribbean/Black British	1%
Asian/Asian British: Chinese	1%
Asian/Asian British: Other Asian	1%

Ethnicity (management)	Number of colleagues
White	106
Asian/Asian British	3
Asian/Asian British: Indian	1
Black/African/Caribbean/Black British	3
Multiple Ethnicity	3
<b>Total</b>	<b>116</b>

## Disability

All employees

20

colleagues have declared a disability

4

are managers

We continue to encourage colleagues to share their details with confidence, to track progress more accurately and identify where further action is needed. By building this clearer picture, we are better placed to make meaningful improvements to ensure that diversity and inclusion remains central to our People strategy.

### Our target

As part of our commitment to being a diverse, equitable and inclusive employer, we have initiatives planned to further improve the diversity mix in our workforce. Targets have been drafted and are subject to Senior Leadership Team review and ESG Committee socialisation. Our focus will be on gender, women in leadership and ethnicity.



## Social *continued*



### OUR PEOPLE

#### Winston Jimenez

Vice President of Engineering  
Rail Technology & Services  
division (US)

My role is to ensure we deliver complete solutions for our customers, guiding projects from the very first discussions and proposals through to delivery, support and long-term partnership. My responsibility spans the full journey: shaping solutions during the quoting stage, managing execution and implementation and making sure we continue to add value well after systems go live.

What I enjoy most about working at Tracsis is the sense of purpose behind our work. The systems we provide are not abstract products; they directly impact the safety, efficiency and reliability of rail operations across North America, Latin America and Oceania. Knowing that our work contributes to keeping communities connected and economies moving gives real purpose to what we do. The challenges can be complex, but they bring out the best in our people - collaboration, innovation and resilience. It's rewarding to see that shared effort translate into real-world value for our customers.

I see Tracsis as a company that is both ambitious and grounded. We are forward-looking, continually innovating, and expanding globally, yet we never lose sight of our responsibility to customers and colleagues. The culture here is built on trust, accountability and teamwork, which makes the hard work not only worthwhile but enjoyable. For me, that combination of meaningful work and strong values makes Tracsis a company I'm proud to represent, and one where I can lead efforts to transform customer needs into end-to-end solutions that truly make a difference.

“

***Tracsis is forward-looking, continually innovating and expanding globally, yet we never lose sight of our responsibility to customers and colleagues.”***

## Community engagement

### Skills and opportunities

Tracsis has continued its commitment to STEM and community engagement in a number of ways this year. For the second year running, the Company-sponsored Leeds Digital, with the Tracsis team kicking off the festival at the launch event and connecting with festival organisers and fellow sponsors.

### Volunteering

Volunteering is an important aspect of our community engagement programme, and where possible we seek to contribute to science, technology, engineering and mathematics (“STEM”) related activities. The number of employees engaged in volunteering initiatives was up again year on year with 21 colleagues taking volunteer days in FY25 (18 colleagues in FY24). The Group encourages all employees to use their volunteering days and support causes that matter to them, reflecting our values and commitment to ESG, and we have placed a Company-wide goal to increase the number of volunteering days by 20%.

To mark Volunteer Week, Tracsis promoted its volunteer policy internally, showcasing colleagues' experiences of giving back to the community and encouraging colleagues to take advantage of the two days' paid leave available for volunteering. In addition, members of our rail software product team took part in a local primary school's STEM career day, inspiring young people to consider future careers in rail and technology.

This year, our voluntary support and charity work included:

- charity bike rides and runs;
- shop volunteering;
- providing apprenticeship advice in schools;
- hosting coffee mornings for elderly residents;
- supporting conservation projects such as moth monitoring and animal sanctuaries; and
- taking part in climate action workshops.

By supporting these diverse interests, we not only create a positive impact in our communities but also help colleagues feel more motivated, engaged and connected in their work.

# Governance of ESG

## Board oversight and reporting

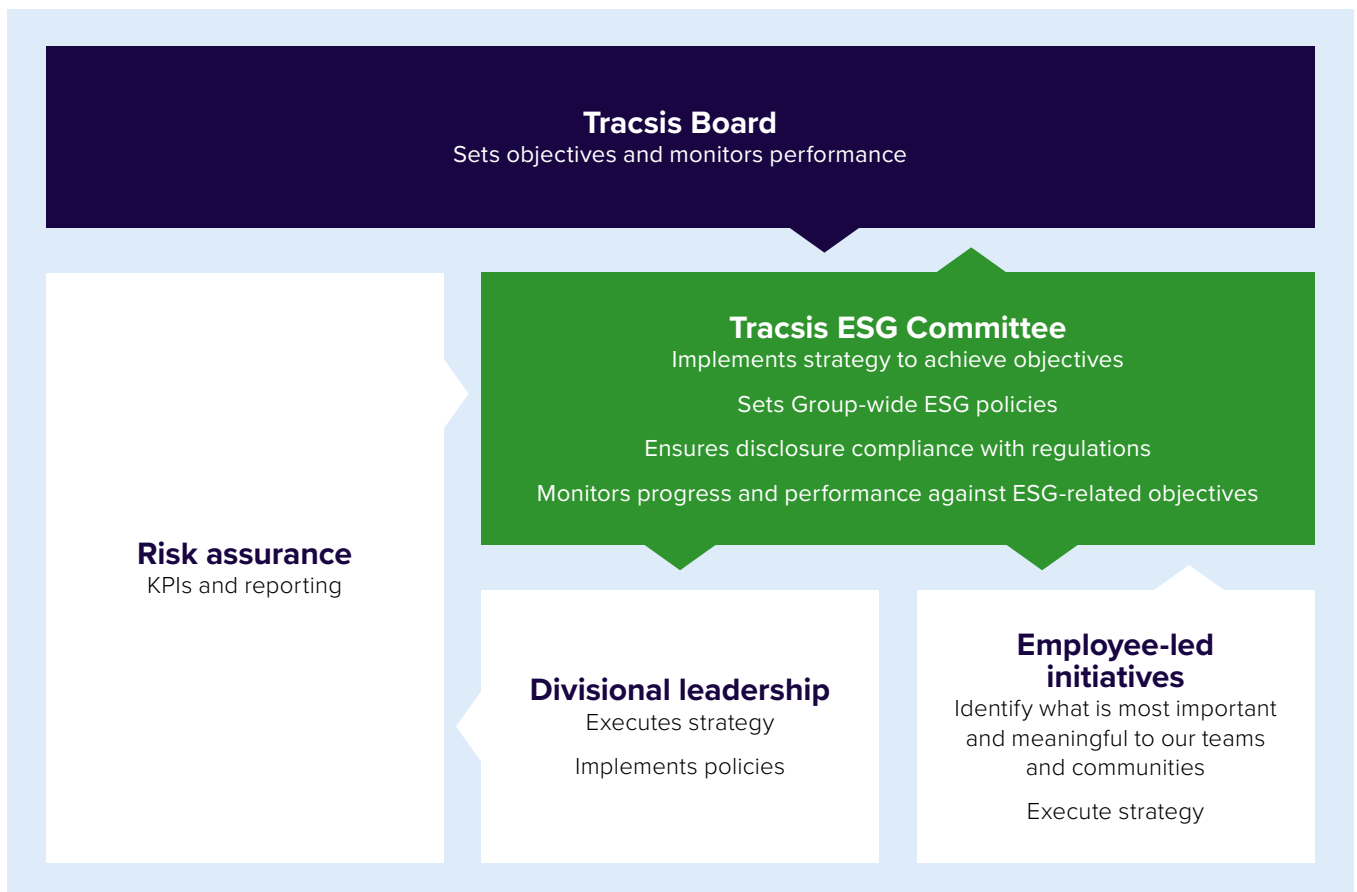
The Tracsis Board provides oversight and has overall responsibility for the Group's sustainability performance but has delegated certain functions to the ESG Committee.

## Management roles, responsibilities and accountability

The Board has established a Board-level ESG Committee responsible for setting the ESG targets for the Group and monitoring progress on their delivery. Its remit also includes developing policies, providing oversight of ESG initiatives and ensuring disclosure compliance with relevant legal and regulatory matters. The ESG Committee is chaired by

Dr James Routh, Senior Independent Director, and comprises independent Non-Executive Chair Jill Easterbrook, Non-Executive Directors Tracy Sheedy and Ross Paterson, and Andy Kelly, CFO.

The ESG Committee works with the leadership teams of our divisions and operating units to implement the Group's sustainability strategy. These activities range from Group-wide implementation of policies to initiatives delivered at a site level or by individual employees. The risk assurance team is also responsible for the measurement of performance and KPIs.



## Incentives and remuneration

Sustainability is identified as one of three key business-related objectives for the Group's CEO and CFO, details of which can be found in the Directors Remuneration Report on pages 67 to 76.

## Skill, competencies and training




The Board business recognises that it needs to retain and have access to specialist sustainability skills and competencies. To that end, the ESG Committee is supported by:

- an ISEP trained and certified Environmental Manager and recently qualified Practitioner, who is responsible for managing the Group ISO 14001 certified environmental management system; and
- a retained specialist ESG consultancy to advise on and support the Board to deliver the sustainability strategy.

## Governance of ESG *continued*

Below are the Group's ISO management systems, which have been externally certified by a UKAS-registered certification body:

### Tracsis ISO certified management systems

Type	Certification scope	Objective	Certification body 
<b>ISO 9001 QUALITY</b>	<b>Embedded and certified:</b> <ul style="list-style-type: none"> <li>• Remote event and condition monitoring</li> <li>• Data collection</li> <li>• Rail software and services for the planning and management of mass transit systems</li> </ul>	Consistently deliver products and services that meet customers' needs and regulatory requirements	 <b>ISO 9001</b> certificate no. 12654-QMA-001  <b>ISO 14001</b> certificate no. 12655-EMS-001  <b>ISO 27001</b> certificate no. 11752-ISMS-001 (UK)
<b>ISO 14001 ENVIRONMENTAL</b>	Group-wide certification covering the UK, the EU (Ireland) and North American regulatory environments	Minimise and reduce environmental impact, including waste, emissions and resource consumption	<b>ISO 27001</b> certificate no. 11752-ISMS-010 (North America)
<b>ISO 27001 INFORMATION SECURITY, CYBER SECURITY AND PRIVACY PROTECTION</b>	Certification covering the UK and North American rail business units, and the EU (Ireland) Data Analytics business  Events and Traffic Data businesses adopt best practice but are not externally certified	Effective risk-based management of the confidentiality, availability and integrity of business technical assets and data	 <b>ISO 9001: 2015</b> 00003740 (002, 003 and 004)

### Future developments

Securing the ISO 20000-1 certification next year will demonstrate our commitment to enhanced service quality and build on our existing rigour, accountability and performance in our external customer support function.

## Cyber security, customer privacy and systemic risk management

Tracsis recognises that customer data privacy, information security and resilient systems are critical to its role as a provider to national infrastructure and in building customer trust and long-term business resilience, creating a long-term competitive advantage.

The Group is committed to safeguarding the confidentiality, availability and integrity of business data and customer information, while ensuring continuity of services, and demonstrates this by continued significant investment in its control framework.

At Tracsis, the Board has overall responsibility for our data and system integrity and related issues including the oversight of customer privacy, cyber security and systemic risk management and to monitor any issues which impact the strategy, risk management and operations of the Group.

The roles of the Board (through the Audit & Risk Committee), Executive Directors (through the Senior Leadership Team), divisional management and the Company Secretariat team in governing the Group's principal risks and opportunities can be found in the Risk Management section of this report on pages 54 to 58.

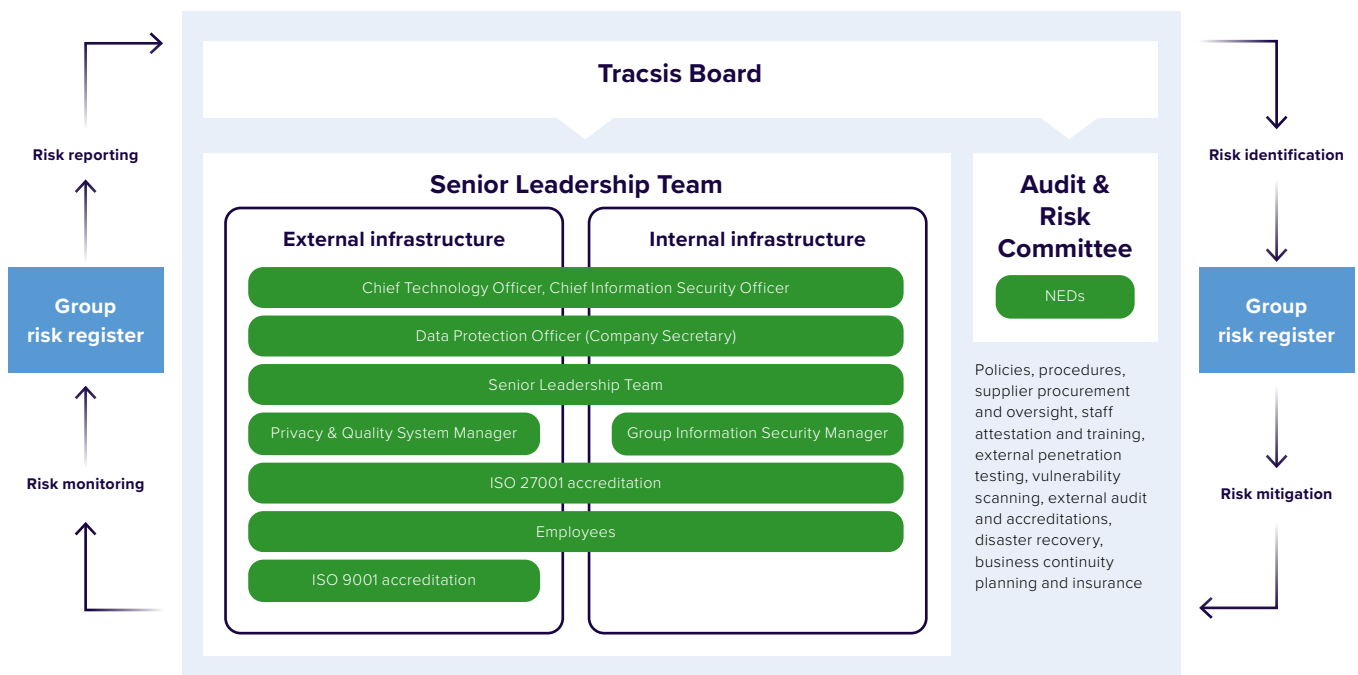
For data and system integrity, this governance framework is supplemented with the Senior Leadership Team and key senior leaders across the business, including the Chief Technology Officer, Chief Information Security Officer, Privacy and Quality System Manager and Group Information Security Manager.

At Tracsis, responsibility for maintaining data and system integrity is shared by all employees, and the control framework is threaded into the culture. Every employee receives regular updates on the evolution of information security and data privacy through the HR system and all employees are required to attest annually to the suite of associated policies.

We apply a holistic and robust risk framework spanning governance, policies, operational controls, assurance, and continuous improvement, aligned to internationally recognised standards (notably ISO 27001 and ISO 9001) and regulatory obligations (UK GDPR, NIS Regulations and US and EU equivalents).

These frameworks help to ensure that Tracsis maintains the highest standards of data and information security, and that we provide continuity of our services to customers whilst protecting their privacy.

We continue to invest to strengthen our framework as our product mix, technology and associated risks evolve. During FY25 investments have been focused on the significant strengthening of controls required to meet the updated ISO 27001 standards, and include enhanced focus on threat intelligence, cloud security and AI-driven detection.





## **Governance of ESG** *continued*

### **Cyber security, customer privacy and systemic risk management** *continued*

#### **Systemic risk management**

The Group employs comprehensive business continuity and crisis response functions. Cyber security risks are acknowledged as material to business continuity, with controls including architecture partitioning and resilience reviews. A Group-wide IT transformation programme has been completed to unify systems, improve resilience and protect the resilience of our operations and the continuity of customer services.

Resilience is built into our technology architecture, which separates customer-facing platforms from corporate IT environments and is being progressively consolidated into a single Group-wide support service to ensure consistent standards and best practice operations. We use enterprise grade cloud-based data centre providers with robust resilience and failover mechanisms.

Business continuity plans are in place across the Group, and continue to mature, with crisis response managed in line with ISO 27001 requirements. We supplement these arrangements with independent assurance, engaging external experts to conduct CREST-accredited penetration testing and implementing remedial actions in a timely manner.

As a Registered Digital Services Provider under the UK's Network and Information Systems Regulations, our policies, processes and procedures are aligned to regulatory expectations for availability and incident management.

#### **Cyber and information security**

Our partitioned IT architecture builds in a baseline level of resilience that will help the Group better respond to, and recover from, a cyber incident.

The Group Information Security Management System ("ISMS") control framework mitigates cyber threats through identifying risk and potential threats from multiple sources, which are recorded and regularly reviewed by the Board. The Group IT Manager oversees the internal IT controls, alongside the recently appointed Chief Information Security Officer, who also works with the Chief Technology Officer to oversee cyber and information security in our external IT architecture.

Our cyber security posture is regularly reviewed by both the Board and Audit & Risk Committee, with the Board receiving regular updates from senior management on the cyber security landscape and our responses to this continuously evolving subject.

We have a wide range of policies that all employees attest to on an annual basis, including our information security and acceptable use policy. Our networks have been designed to incorporate secure configuration of all network devices with data leakage prevention in place. Our network contains ISO defined internal and external system protection, supplier and third party contract management, monitoring, and an appropriate level of network services testing within the Group, business and technology environments. Access is managed at all levels using strict principles. We monitor vulnerability through asset management, vendor advisories, threat intelligence feeds, automated tools and services, externally accredited penetration testing, and the UK National Cyber Security Centre Early Warning services. This ensures we are continuously scanning, monitoring and receiving timely notifications of potential vulnerabilities and threats.

#### **Customer privacy**

Tracsis retains trained and competent privacy professionals, with a Privacy and Quality System Manager who is legally qualified and who specialises in data protection matters. The Group Company Secretary acts as the Data Protection Officer for the Group. The business has an appropriate level of policy, process and procedures in place for each of the regulatory environments within which it operates (UK, EU and North America), including adherence to the Payment Card Industry Data Security Standard ("PCI DSS") global framework.

We maintain records of compliance, such as Article 30 compliant records of processing, where Tracsis acts as a Data Controller or Data Processor, as well as the use of Data Protection Impact Assessments ("DPIAs").

As a software business, we understand the criticality of our products and services being developed in a way that builds in privacy and information security by design. Compliance is achieved and maintained through both the Group's ISO 27001 and UK Rail division's ISO 9001 certification and the Group's design and development policy which includes controls relating to customer data use, access control, encryption, retention and disclosure.

Our privacy controls are audited through our ISO 27001 certification. Our partitioned IT architecture also provides protection to the client-facing SaaS environment, which enhances our cyber security posture.

## Ethical business policies

### Anti-bribery and corruption

We operate a zero-tolerance approach to bribery and corruption and are committed to conducting all business dealings with integrity, transparency and fairness. In line with the UK Bribery Act 2010, we maintain a Group-wide anti-bribery and corruption policy with oversight by the Board.

Employees, contractors and business partners are expected to comply fully with this policy, and breaches may result in disciplinary or legal action. Upholding these standards safeguards our reputation, supports ethical business practices and protects the long-term interests of our stakeholders.

### Whistleblowing

For employees who wish to raise concerns without fear of reprisal or victimisation, we provide a whistleblowing portal and email facility to all employees. Employees can also contact senior managers within their business, the Group Company Secretary, or the Chair of the Audit & Risk Committee, without fear of reproach.

Three such issues were reported and investigated during FY25 and to the date of this report and where appropriate, action was taken.

During the year, we issued an updated whistleblowing policy and posters to each business to ensure the policy and available reporting mechanisms were communicated and available by all levels in the organisation. We believe this heightened awareness resulted in the increase in whistleblowing reports and this is seen as a positive reflection of the awareness across the Group, and this promotion of the policy will be ongoing.

### Human rights and modern day slavery

We recognise the fundamental rights and freedoms of every individual and integrate these principles into our culture, policies and operations. We respect and uphold human rights across all aspects of our business, in line with the Human Rights Act 1998.

Tracsis maintains a zero-tolerance approach to modern slavery, human trafficking, forced or compulsory labour and child labour. We have systems and controls in place to help ensure these practices do not occur within our operations or supply chain, consistent with our obligations under the Modern Slavery Act 2015.

We expect all employees, contractors, suppliers, and partners to uphold these standards, and we monitor compliance through our supply chain management processes. This commitment is embedded in our policies, training and conditions of employment, and supports our broader goal of acting ethically, transparently and with integrity in all business relationships.

The Group's modern day slavery policy is reviewed annually by the Board and is available on our website, [www.tracsis.com](http://www.tracsis.com).



#### OUR PEOPLE

### Hannah Wilson

Head of People and Culture  
Tracsis plc

As Head of People and Culture for the Group my role is about creating a workplace where people feel valued and their work has real purpose.

I work closely with teams and leaders across the globe to shape culture, support change, and strengthen how we work together. What I enjoy most is the people: who are engaged, thoughtful and full of great ideas.

No two days are ever the same, and I'm constantly learning from the brilliant mix of experience and perspective across our teams.

“

***No two days are ever the same, and I'm constantly learning from the brilliant mix of experience and perspective across our teams.”***

# Letter from the Chair of the Audit & Risk Committee



**Ross Paterson**  
Chair of the Audit & Risk Committee

## Committee members

	Meetings attended
Ross Paterson – Chair	●●●●
James Routh	●●●●
Tracy Sheedy	●●●●
● Attended    ○ Not attended	

→ For more details about our Board members, read pages 62 and 63

## Dear Stakeholder

It is a pleasure to make my report as Chair of the Audit & Risk Committee of Tracsis and to give an account of the Committee's work during FY25.

During the year, the Committee comprised myself as Chair, Tracy Sheedy and James Routh. Jill Easterbrook (Tracsis plc Chair), the Executive Directors and Grant Thornton UK LLP attend by invitation. The Committee met four times during the year.

The primary function of the Committee is to ensure that sufficient oversight is given over the control environment, as well as discharging the responsibilities placed upon us by the QCA Code, particularly in relation to risk management.

Our central finance function in Leeds, headed by our CFO Andy Kelly, provides the Committee with high quality management information, with risk management overseen by the Group Company Secretary who co-ordinates all risk management activities on behalf of the Senior Leadership Team. This arrangement enables the Committee to discharge the substantial delegations that the Board affords the Committee.

During FY25, the Committee has undertaken the following activities:

- a detailed review of the audit findings from the FY24 audit of the financial statements;
- continued monitoring of improvements and changes to the internal controls environment;
- a root and branch review of risk management, including a review of the principal risks themselves as well as the way risk is presented, owned, mitigated and increased our maturity relating to defining and measuring risk appetite;
- approval of a new non-audit fees policy;
- assessment of going concern, primary areas of judgement considered by the Committee in relation to the preparation of its interim and final results; and
- in accordance with good practice, meeting the auditor without members of management present.

The Committee concluded that the business continues to take steps to improve the control environment and in particular has made significant progress in improving the quality of our risk management processes, since agile businesses understand that risk management plays a critical role in making them successful.

In assessing the business on a going concern basis, the Committee recommended approval of the accounts on a going concern basis, even after completion of the stress testing, as explained on page 66.

In March, the FRC's corporate reporting review team notified us that the Group's FY24 Annual Report and Accounts had been selected for review and they confirmed there were no queries to raise following this review. There were some matters which the FRC believed could be improved for the benefit of users, and these have been taken into consideration when preparing this Annual Report. The Committee notes the FRC's review does not provide assurance that the Annual Report is correct in all material respects as the FRC's role is not to verify the information provided, but to consider compliance with reporting requirements.

The Audit & Risk Committee is supported by the Senior Leadership Team which reviews risk on a regular basis. In addition, the business units have now been given a standardised template on which to score risk, and are actively encouraged to highlight new or emerging risks they have identified. This management-led approach works well in ensuring that the Committee's discussions are informed by the views of our business leaders and that we have a mechanism to enable us to identify and respond to emerging risks and opportunities that we might not otherwise had sight of.

The FY25 audit is the sixth audit that Grant Thornton has conducted and the Committee remains satisfied with its levels of independence, objectivity and professional judgement and the oversight it gives to our financial statements. For this year and in accordance with FRC rules we have a new audit partner and the Committee has been impressed with her skills and experience, as well as her engagement with the wider business.

“

***Agile businesses understand that risk management plays a critical role in making them successful and the Committee has spent significant time in developing our risk management framework.”***

The following pages explain the risk management methodology that the business has adopted, as well as its assessment of the principal risks facing the business and what steps the Group is taking to mitigate them in so far as it is able.

Looking ahead into FY26, the Committee will be ensuring that the business unit risk management system is working well and embedded into the operations of the Company. In September 2025, we ran a business continuity exercise and the Committee will be keen to ensure any learnings from that are appropriately implemented.

**Ross Paterson**

Chair of the Audit & Risk Committee  
19 November 2025



# An effective framework to capture and evaluate risk

The Group has a strategy to deliver sustainable growth, by expanding its addressable markets, supplemented by acquisition. To protect and create value, we recognise that we will take on certain business risks

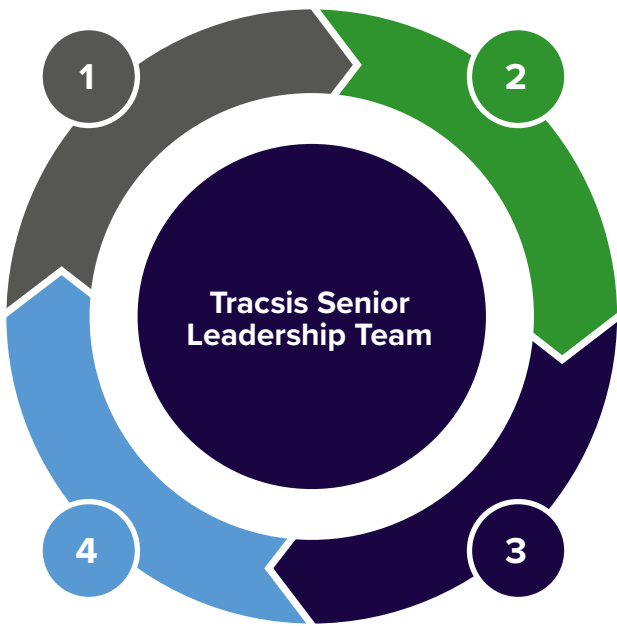
Our risk management framework ensures that the level of risk after mitigating actions is aligned with the potential business rewards.

This section outlines the principal risks facing the Group and our approach to proactively managing these.

**Our risk management framework**

When reviewing business risks, we consider the effects they could have on our business model, our culture and our long-term strategic objectives.

We consider both short and longer-term risks. The operation and governance of our risk management framework is managed by the Group Company Secretary, reporting to the Chief Financial Officer. The Senior Leadership Team assesses and prioritises these risks, and identifies and implements appropriate mitigating actions.



1. Identification	2. Assessment	3. Response	4. Monitoring and review
Risk is managed at both business unit and Group level. Business unit leaders assess risks at a local level and are responsible for identifying and implementing mitigating actions to ensure these are managed appropriately.	The Senior Leadership Team maintains the Group-wide risk register which includes the most significant risks from across the entire business. In maintaining this risk register, it considers risks identified at the operational level. The Senior Leadership Team assesses any changes to the Group's risk profile and identifies risks being managed at the Group level.	To support our strategic priorities, we have several business objectives which influence the way in which we proactively manage risks. These include being an innovator and investing in research and development; improving our processes that support resource and talent development; maintaining close relationships with our customers; and identifying acquisition opportunities.	The Board is ultimately responsible for the Group's risk management framework, ensuring that risk management processes are integrated into the Group's overall governance structure. The Audit & Risk Committee supports the Board by reviewing the appropriateness of the principal risks and evaluating the effectiveness of the Group's internal financial controls and risk management systems.

## Changes since FY24: Changes in descriptions and scope

- The “SaaS implementation and transition” risk has been re-defined to encompass the broader risk of the “Move to a product-focused business”. This is a key element of the Group’s strategy to deliver sustainable long-term growth, and involves a wider range of business activities to deliver this successfully.
- The former “Brand reputation” risk has been removed and is considered to be a consequence of other risks crystallising.
- The former “Changes in government spending” risk has been re-framed as “Changes in demand from customers”.
- “Rail industry structural changes” has been included as a component element of the broader risk of “Changes in demand from customers”.
- “Changes in macro-economic conditions” has been identified as a new risk.

## Tracsis principal risks

The Group’s principal risks are outlined below, with a more detailed narrative alongside them that includes a summary of the mitigation measures in place and the strategic objectives that are most impacted by each risk.

The Board’s assessment of the relative likelihood and impact of each risk is shown here.

### Key

- A** Move to a product-focused business (formerly SaaS implementation)
- B** Technology
- C** Cyber security
- D** Reliance on key customers or contracts
- E** Strategic execution
- F** Changes in demand from customers (formerly changes in government spending)
- G** Laws and regulations
- H** Climate change
- I** Changes in macro-economic conditions
- J** Health and safety

● Strategic

● Operational

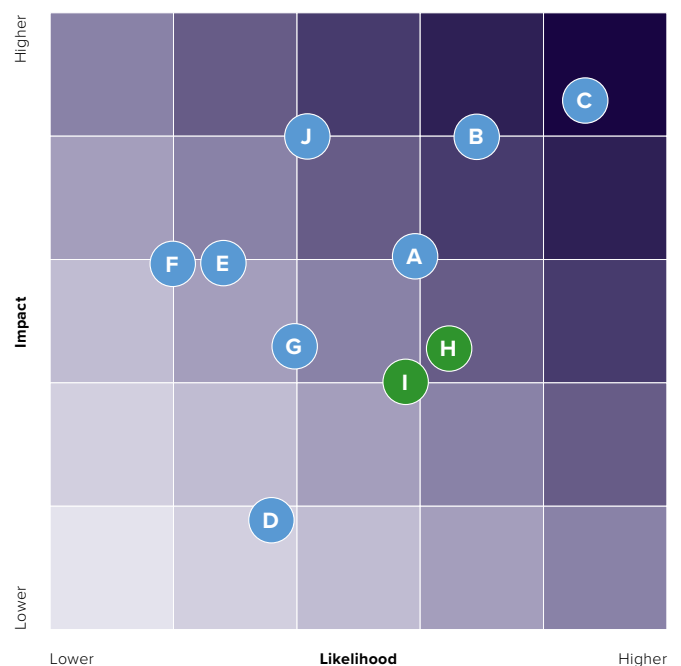
### Change versus prior year:

↑ Increased

— Stable

↓ Reduced

**N** New risk




## Changes since FY24: Changes in likelihood and impact

- Changes in macro-economic conditions. The Group operates in markets that can be sensitive to changes in government policy. This could result in some volatility in the rate of growth versus historical trend of future expectations, particularly within a reporting period.

Principal risks

A Move to a product-focused business

Strategic priorities	Change in the year
1234	 No change
<b>Description and narrative</b> <p>There is a risk that the Group's rate of growth and financial performance are adversely impacted if this transition to its target operating model is not executed consistently with expectations.</p> <p>The Group's strategic ambition is to embed a product-focused business built around scalable application software platforms.</p> <p>Realising the full benefit from this will require the Group to invest in R&amp;D to further modularise its products and to access international markets, alongside a continued transition to a truly global operating, commercial and delivery model.</p> <b>Mitigation</b> <p>We are establishing a fully consistent Group-wide approach to how we develop and deliver enterprise software solutions based on industry best practice.</p> <p>All material new product investment is supported by detailed plans which are subject to review and approval at Board level to ensure that they deliver an appropriate long-term return on this investment. Project management activities are delivered at a divisional level with best practice being shared across the Group and co-ordinated from the Group centre as appropriate.</p>	

B Technology

Strategic priorities	Change in the year
123	 No change
<b>Description and narrative</b> <p>The Group needs to ensure that its products are architected and delivered consistently with industry best practice, and that they are maintained, monitored and supported in order to comply with contractual requirements.</p> <p>The Group delivers a number of software products, including large enterprise applications, that support business-critical activities for our customers. The provision of these products to enable our customers to run their operations without disruption requires continual development, maintenance and monitoring. The Group needs to ensure that new product development is aligned with changes in the market, that new products are delivered on time and to budget, and that new products are architected and delivered in line with industry best practice.</p> <b>Mitigation</b> <p>The Group provides a range of rail technology software products that are well differentiated and offer compelling value propositions for our customers. We maintain close relationships with current and potential customers to help us understand their changing technology requirements and likely future product expectations.</p> <p>The Group continues to deploy an extensive delivery team and works with clients to establish a programme and project plan to ensure that deliverables can be achieved.</p> <p>Competitor activity, including technology development, is monitored at both business unit and Group level. The Group will continue to invest in new product development as part of its growth strategy, to maintain this differentiated position as well as to open up new markets.</p>	

## C Cyber security

### Strategic priorities

1 2 3

### Change in the year

— No change

#### Description and narrative

A cyber-attack or security breach on the Group's IT systems could disrupt business continuity, impact contracted delivery requirements and/or adversely affect the Group's reputation and its ability to win new customers.

The National Cyber Security Centre ("NCSC") and insurance underwriters point toward a sophisticated and evolving threat environment. We believe any business operating in the national infrastructure environment, or as a supplier to that environment, holds an elevated risk profile to the type of state sponsored threats vectors set out by the NSCS.

#### Mitigation

We have made significant investment in the last two years in enhancing our cyber security resilience. We believe this is a long-term competitive advantage for Tracsis as a software supplier in the national infrastructure environment.

All of our Rail Technology & Services businesses have ISO 27001 certification. The Group's outsourced IT services provider manages some elements of operational risk within the framework required by ISO 27001. The Group engages third party experts to review its resilience to cyber security breaches and implements any recommendations that arise from these reviews. During the year, we have further invested in our capabilities, by recruiting a Chief Information Security Officer.

Business continuity plans are in place, and have been recently reviewed. As a software provider to the national infrastructure environment, Tracsis is registered with the ICO as a Relevant Digital Services Provider ("RDSP") in line with UK Network and Information Systems ("NIS") regulations, resulting in further enhancements to our cyber security policies, processes and procedures.

We have partitioned our IT architecture to separate the information security configuration of our client-facing product technology from our internal business facing infrastructure. This approach builds in a baseline level of resilience that will help the Group better respond to, and recover from, a cyber incident.

We remain vigilant in this area and see the continued maintenance of a robust cyber security posture as a key success factor for the Group. We have made significant progress; however, given the constantly evolving nature of external cyber security threats we continue to assess this risk as elevated both in terms of likelihood and impact.

## D Reliance on key customers or contracts

### Strategic priorities

1 3 4

### Change in the year

— No change

#### Description and narrative

There is a risk that the Group's rate of growth is adversely impacted by customer procurement processes, funding cycles and operational requirements.

The Group has a large number of customers and a growing level of annual recurring and routinely repeating revenue. Transactions with the Group's largest customer represented 7% (FY24: 8%) of total Group revenue in the year ended 31 July 2025. The Group's growth opportunity is delivered from new contracts, some of which are large in value. There can be no guarantee as to the timing or quantum of any potential future orders from customers. Delivery timelines and therefore revenue recognition are often determined in partnership with our customers based on their operational requirements.

There is therefore some exposure for the Group's rate of growth to customer funding cycles, procurement processes and operational requirements. This could result in some volatility in the rate of growth versus historical trend or future expectations, particularly within reporting periods.

Across the Group, there are a number of key customers which contribute to large amounts of revenue. Pricing pressure from these customers could result in lower margins.

#### Mitigation

The Group manages the risk associated with customer procurement cycles by maintaining close relationships with its customers.

As the Group grows both organically and by acquisition, the exposure to and reliance on any one customer will reduce relative to total Group revenue. The Group has high levels of recurring and routinely repeating revenue in both divisions and has a strategic focus to increase this as it grows. In addition, a key component of the Group's growth strategy, as outlined on page 7 is to expand addressable markets which would also introduce further customer diversification.

Pricing for large tenders and enquiries is reviewed at Group level prior to commitment. The Group is committed to ensuring customer satisfaction and offering a compelling return on investment for its products with a clear long-term value proposition to our customers. Our ISO 9001 compliant quality management system in our Rail Technology UK business helps to underpin customer satisfaction.



**E Strategic execution**

Strategic priorities	Change in the year
<b>1 2 3 4</b>	 No change
<b>Description and narrative</b> <p>A failure to execute our strategy could adversely impact the Group's future trading performance.</p> <p>The Group has a strategy to deliver sustainable growth and long-term shareholder value as outlined on page 7. Delivering this strategy will require the Group to successfully execute a number of key activities that are not specifically captured within the other principal risks including: the recruitment, development and retention of key skills; entering new markets or geographies; enhanced integration and collaboration across the Group; the continuous improvement of our systems and processes; and M&amp;A execution and integration.</p> <p>A failure to execute on these activities in line with our expectations could adversely impact the Group's future trading performance.</p> <b>Mitigation</b> <p>The Group has executed a series of actions to transform its operating model. As part of this activity, it has continued to make targeted investment to strengthen senior leadership capabilities across its technology, commercial and governance teams. This investment better enables the Group to deliver sustainable, scalable growth.</p> <p>The Board believes that the long-term success of the Group depends on the engagement and commitment of its employees. During the year, the Group appointed a new Chief People Officer who oversees all activities related to the recruitment, development, engagement and retention of employees.</p> <p>The Group continues to deliver healthy levels of cash generation and has a strong balance sheet to support further investment in M&amp;A. Senior leadership including the Board has significant experience in delivering successful M&amp;A execution and integration. All acquisition investment cases are reviewed at Board level and are supported by third party diligence for material areas including legal and financial.</p>	

**F Changes in demand from customers**

Strategic priorities	Change in the year
<b>1 2 3 4</b>	 No change
<b>Description and narrative</b> <p>A material change in the level of demand across the Group's customer base could impact future trading prospects.</p> <p>The Group derives a significant proportion of its revenue from UK and North American rail industries. Material changes in structural landscape, for example regulatory or political, have the potential to impact the Group's financial performance.</p> <p>The risk associated with a change in demand from customers could also be caused by a number of factors, which include new or emerging technology, the use of AI to further automate processes or the emergence of competitors that could impact the Group's ability to innovate and sell its products or services to its existing customer base and therefore harm its market share and a reduction in profitability.</p> <b>Mitigation</b> <p>A large proportion of the Group's Rail Technology &amp; Services revenue derives from delivering mission-critical products and services that our customers rely on in order to run their operations, and to deliver operational improvements that lead to cost efficiencies or service improvement. The Group engages with its existing and potential customers to ensure that its offerings have a clear return on investment and value proposition, and to better understand customer investment cycles. Revenue in the Data, Analytics, Consultancy &amp; Events division is more directly impacted by government spending and funding availability. In addition, demand for events management services can be impacted by the ability of events organisers to make an appropriate return. We engage closely with customers on this side of the business to better understand future activity levels and focus on providing a high quality, value-add service to our customers.</p>	

## G Laws and regulations

### Strategic priorities

1 3 4

### Change in the year

— No change

#### Description and narrative

Deviation from legal or regulatory compliance could lead to a fine or sanction of enforcement order imposed on the business by a court or regulatory body (including but not limited to the FCA, HSE, ICO, etc.).

In addition, a failure to follow established internal processes and safe systems of working, which are based on best practice and compliant with the law, could cause a health and safety incident, resulting in death or serious injury.

Furthermore, any such failures could damage the Group's reputation and adversely affect the Group's ability to win new business.

#### Mitigation

Effective Group-level corporate governance mechanisms are exercised. Directors are briefed on AIM Rules in conjunction with the Group's nominated adviser, and regular dialogue is maintained with our broker throughout the year. Our Group-controlled risk-based environmental, information security and quality management systems are externally audited and certified to International Standards Organisation ("ISO") standards. The management systems ensure an understanding of the in-scope regulatory environment and evidence compliance.

## H Climate change

### Strategic priorities

1 3 4

### Change in the year

— No change

#### Description and narrative

There is a risk that the Group's financial performance could be adversely impacted by physical risks to people and assets that result from the effects of climate change.

The challenges presented by climate change, including the impact of gradually increasing temperatures has implications on our operations and business model, as well as those of our stakeholders.

We are committed to achieving a carbon neutral target for scope 1 and scope 2 emissions for our own operations by 2030 and achieving net zero by 2050, and we will be publishing our Net Zero Transition Plan shortly.

Achieving this may necessitate investment in new equipment and working practices which could result in an increase in the cost base. Other costs may also increase as a result of climate change, including insurance and the cost of meeting regulatory and reporting requirements.

#### Mitigation

Tracsis' products and services support our customers in delivering positive environmental outcomes and addressing their own risks around the effects of climate change.

Sustainability is at the heart of our purpose and our products, and we will continue to invest in innovation and product development to support the achievement of a zero carbon transport future. We engage closely with our customers to understand how the challenges presented by climate change may affect their operations. While the Group cannot single-handedly mitigate climate change, and residual risks in this area will therefore remain, the actions we are taking help to mitigate both regulatory action and reputational damage in relation to climate change.

The Group has established a clear sustainability strategy, supported by a robust governance model and ESG Committee and policies. An ISO 14001 compliant environmental management system has been implemented to support the delivery of our Net Zero Transition Plan that will shortly be published, as well as an internal-facing operational level carbon reduction plan to drive action towards our stated carbon reduction objectives.

In certain parts of the Group achieving this will require the right technology solutions to become available, for example decarbonising our operational vehicle fleet. This will influence the timing and quantum of future investment.

**I** Changes in macro-economic conditions

Strategic priorities

1 3 4

Change in the year

N New Risk

Description and narrative

Adverse changes in macro-economic conditions or specific markets in which the Group operates, could potentially reduce or delay demand for the Group’s products and services. For example, high inflation could adversely affect profit by contributing to increases to staff and other costs.

Ongoing geopolitical risk creates macro-economic uncertainty which could affect the Group, since it operates in markets that have the capacity to be sensitive to changes in government policy and/or funding restrictions.

This sensitivity could result in some volatility in the rate of growth versus historical trend of future expectations, particularly within a reporting period.

Mitigation

The Group is focused on diversifying its revenue streams, including geographic diversification, and ensuring that it increases the quality of its revenue derived from annual recurring revenue and consumer-driven transactional revenue. This will help to mitigate the materiality of risks arising from adverse changes in the macro-economic environment.

**J** Health and safety

Strategic priorities

1 3

Change in the year

— No change

Description and narrative

There is a risk that the Group is involved (directly or indirectly) in a major operational incident resulting in significant injuries to employees, customers, contractors or others, and/or damage to property that could have a significant impact on claims against the Group, affect employee recruitment and retention, the Group’s ability to win or retain work, and/or lead to regulatory action against the Group.

The Group has a large number of employees operating at a variety of temporary and permanent locations across the UK, Ireland and North America. In the Data, Analytics, Consultancy & Events division there are some parts of the business that employ a high volume of temporary staff at various times of the year, some of which are deployed in higher risk environments, including close proximity to vehicles.

Mitigation

The Group has a dedicated health and safety team trained to IOSH and NEBOSH standards, as well as 24/7 access to external health and safety consultancy support. Structured health and safety processes, policies and procedures are in place, led by a dedicated and appropriately trained health and safety team. Dashcams and tracker devices have been installed in the vehicle fleets, whilst an external provider manages driver risk, licence and competence checks. On-site risk-based internal assurance activity is provided by a dedicated Group resource. All work activity is assessed for risk and subject to a documented safe systems of working. Group-level oversight and governance of health and safety outcomes is achieved through monthly Executive and Board-level review of health and safety incidents, trend analysis and data.

Links to strategy

1 Core market growth

2 Technology Investment

3 Extend market opportunity

4 Inorganic growth

The Strategic Report was approved for signing by the Board of Directors on 19 November 2025

**Andy Kelly**  
Director, Tracsis plc  
Nexus  
Discovery Way  
Leeds LS2 3AA  
United Kingdom

# Governance

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# A framework of rigorous governance to support our activities



**Jill Easterbrook**  
Chair

## Dear Stakeholder

On behalf of the Board, I am pleased to present Tracsis plc's Governance Report for the year ended 31 July 2025.

The Board is responsible for the effective leadership of the Group and for promoting its long-term sustainable success, generating value for shareholders, whilst recognising the importance and value to its other stakeholders.

This report explains how the Board has discharged its responsibilities during FY25 and sets out its compliance with the 2023 Quoted Companies Alliance Code ("QCA Code").

Key activities and decisions taken by the Board can be found in the Section 172 Statement on pages 24 and 25.

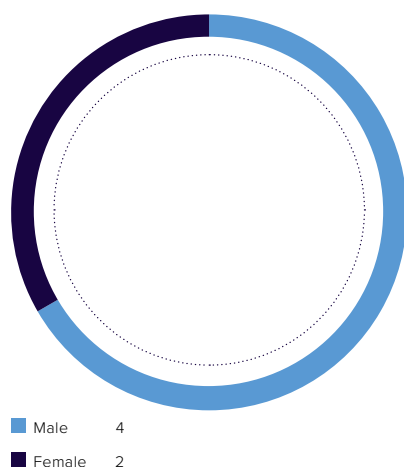
In addition, the Board and its Committees conducted a thorough internal evaluation exercise to review our performance with the conclusions of this process outlined on page 65. A further review will be conducted in FY26.

This is the first year the Board is reporting against the 2023 iteration of the QCA Code and during the year, a gap analysis was undertaken to ensure our continued compliance with the updated code. The Board was particularly pleased to note that Tracsis remained in full compliance with its requirements, as set out on pages 65 and 66.

The Board of Tracsis collectively supports the principle that good governance is not optional and is an essential component of a successful business and I look forward to reporting on our governance progress to you again next year.

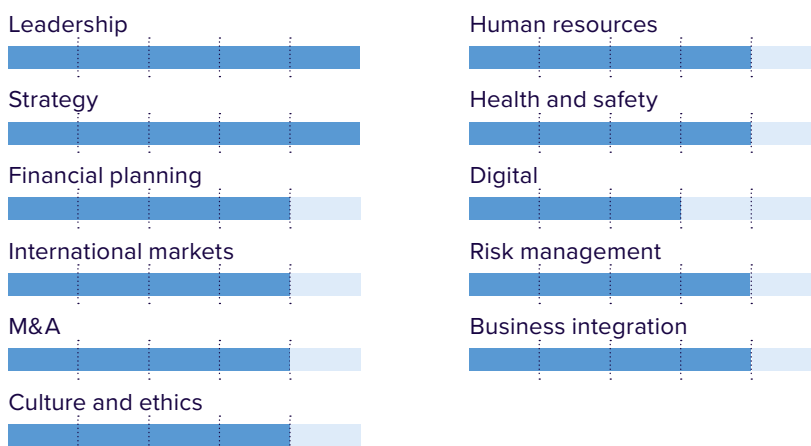
**Jill Easterbrook**  
Chair  
19 November 2025

## Board diversity by gender



## Board skills and experience

Average of Board members' self-assessment of their skill and experience (out of five) in each area:

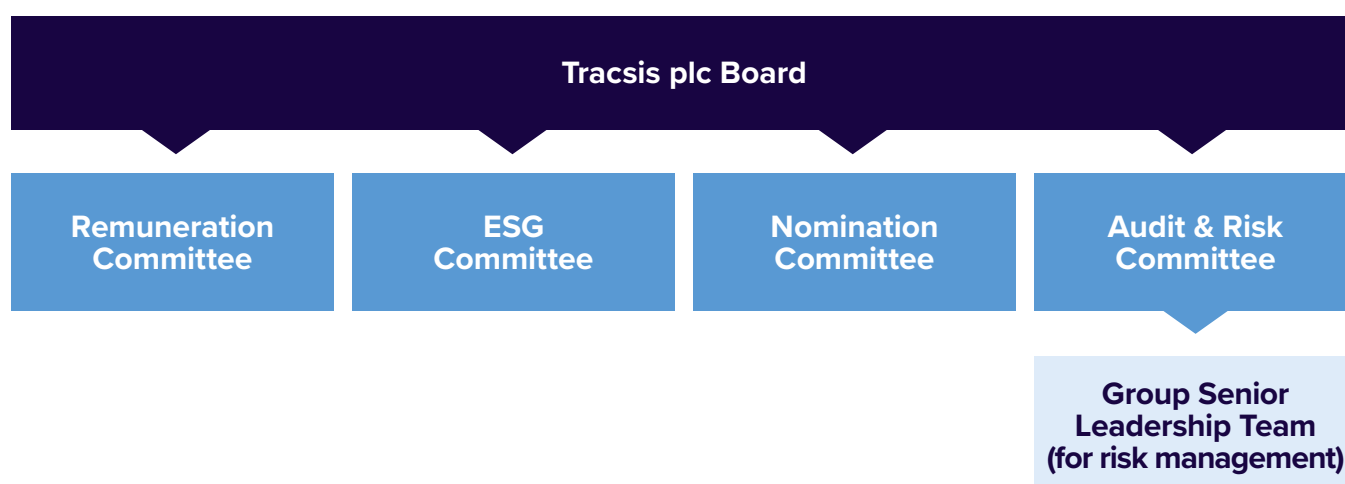


## Board attendance for the year ended 31 July 2025

	Board meetings	Audit & Risk Committee meetings	Remuneration Committee meetings	ESG Committee meetings	Nomination Committee meetings
Jill Easterbrook	10/10	—	—	2/2	3/3
James Routh	9/10	4/4	5/5	2/2	3/3
Tracy Sheedy	10/10	4/4	5/5	2/2	3/3
Ross Paterson	10/10	4/4	5/5	2/2	3/3
Chris Barnes <sup>1</sup>	10/10	—	—	—	—
Andy Kelly	10/10	—	—	2/2	—

<sup>1</sup> Chris Barnes stepped down from the Board on 31 July 2025.

## Board structure



## The Tracsis Senior Leadership Team comprises:

■ Executive ■ Rail Technology and DACE leaders ■ Function leaders

**David Frost**  
(Chief Executive Officer)  
**Andy Kelly**  
(Chief Financial Officer)

**Simon Critchley**  
(MD, Rail Technology & Services)  
**Steve Bridgeman**  
(Strategy and Implementation Director)

**Chris Warrington**  
(Director of M&A and Innovation)  
**Claire Jones**  
(Chief People Officer)

**Mark Robinson**  
(Finance Director, plc)  
**Jan Mitson**  
(Group Company Secretary and Data Protection Officer)

# Experienced leadership to drive growth transformation

The Tracsis Board of Directors has a diverse range of skills and experience that ensures that the Company's strategy continues to remain appropriate and provides the necessary level of challenge and rigour to management



**Jill Easterbrook**

N E

**Independent Non-Executive Chair**

**Chair of the Board and Nomination Committee**

**Member of ESG Committee**

**Appointed:** 5 October 2022 as Non-Executive Director; 1 September 2023 as Non-Executive Chair

**Experience:** Jill has significant leadership and management experience in international businesses. She was a member of the Executive Committee at Tesco PLC where she held a variety of senior roles, and was the Chief Executive Officer of JP Boden & Co. She also spent time as a management consultant having started her career at Marks & Spencer. Jill has previously held Non-Executive Director roles with Auto Trader Group plc and Ultimate Products plc.

**External appointments:** Ashtead Group plc, Verde Bidco Limited (Headland)



**David Frost**

**Chief Executive Officer**

**Appointed:** Joined the Company on 09 July 2025 and was appointed Chief Executive Officer on 1 August 2025

**Experience:** Prior to joining Tracsis, David was the Chief Executive Officer of Ovarro Ltd, an IoT technology leader in the monitoring and control of remote assets in national and critical infrastructure markets. Earlier in his career, David served in a senior capacity at Eaton Corporation, General Electric and Honeywell. He has a degree in Engineering.

**External appointments:** None



**Andy Kelly**

E

**Chief Financial Officer**

**Member of ESG Committee**

**Appointed:** 1 February 2021

**Experience:** Prior to joining Tracsis, Andy spent eight years at Videndum plc in a number of senior roles including Group Financial Controller and Divisional Finance Director. Before joining Videndum he held positions in finance and strategy at Anglo American plc and Carphone Warehouse plc. Andy is a Chartered Accountant, having qualified with Deloitte, and holds a first class degree in Natural Sciences from the University of Cambridge.

**External appointments:** None

## Key

- R** Remuneration Committee
- A** Audit & Risk Committee
- N** Nomination Committee
- E** ESG Committee
- Chair of Committee



**Dr James Routh** **R A N E**

**Senior Independent Non-Executive Director**

**Chair of ESG Committee**

**Member of Nomination Committee, Audit & Risk Committee and Remuneration Committee**

**Appointed:** 29 September 2021

**Experience:** James is currently Chief Executive Officer of AB Dynamics plc, having held the position since 2018. Prior to this he was Group Managing Director at FTSE 100 listed Diploma PLC for six years where he delivered a series of successful international acquisitions. His previous career involved leadership positions predominantly in the aerospace and defence industry, including senior roles at Chemring Group PLC and Cobham PLC. James holds a PhD in Engineering and is a Chartered Mechanical Engineer and Fellow of the Institution of Mechanical Engineers.

**External Appointments:** AB Dynamics plc (and certain AB Dynamics plc subsidiaries)



**Ross Paterson** **R A N E**

**Independent Non-Executive Director**

**Chair of Audit & Risk Committee**

**Member of Nomination Committee, ESG Committee and Remuneration Committee**

**Appointed:** 02 April 2024

**Experience:** Ross is a Non-Executive Director and Chair of the Audit & Risk Committee at Unite Group plc, a Non-Executive Director and Chair of the Audit Committee at Bytes Technology Group plc, and a member of the Business Policy Panel of the Institute of Chartered Accountants of Scotland. Ross has significant experience in operationally complex businesses, including over 24 years in the public transport sector. He was formerly Chief Financial Officer of Stagecoach Group plc, and a Non-Executive Director and Audit Committee Chair of Virgin Rail Group Holdings Limited.

**External Appointments:** Unite Group plc, Bytes Technology Group plc



**Tracy Sheedy** **R A N E**

**Independent Non-Executive Director**

**Chair of Remuneration Committee**

**Member of Audit & Risk Committee, ESG Committee and Nomination Committee**

**Appointed:** 1 September 2023

**Experience:** Tracy worked as Group HR Director of Croda International plc, the FTSE 100 global speciality chemicals company, for seven years until retiring in 2023. Prior to that she held Group HR Director roles with UK listed businesses Fenner plc and Scapa Group plc, and other senior HR roles with a number of multi-national manufacturing businesses. She is a Fellow of the Chartered Institute of Personnel and Development.

**External appointments:** Orbit Group, Defence Equipment & Support (non-departmental public body), National Armaments Director Group (temporary appointment)



## Corporate governance

Tracsis plc was listed on AIM on 27 November 2007. The Group recognises the importance of, and is committed to, high standards of corporate governance. Tracsis plc, as an AIM listed company, has adopted the 2023 Quoted Company Alliance Corporate Governance Code for Small and Mid-Size Quoted Companies which supports the Group's long-term success and strategy for growth. Further details of the Group's compliance with the QCA Code can be found on the Group's website, <https://www.tracsis.com/investors/corporate-governance>.

### The Board

At 31 July 2025 the Board comprised six members, four of which are independent Non-Executive Directors. Chris Barnes (Chief Executive Officer) stepped down from the Board on this date and was succeeded by David Frost, who joined the Board on 1 August 2025. You can read more about the Directors on pages 62 and 63.

The role of the Non-Executive Directors is to bring independent judgement to Board deliberations and decisions. As Non-Executive Chair, Jill Easterbrook oversees Board meetings and fields all concerns regarding the executive management of the Group and the performance of the Executive Directors. The Directors each have diverse backgrounds and a wide range of experience is available to the Group. An assessment of the Board members' skills and experience is shown in the governance dashboard on page 61.

In FY25, the Board met ten times to review the Group's performance and to review and determine strategies for future growth. The Board has delegated specific responsibilities to its Committees as set out below.

Each of the Directors is subject to either an executive services agreement or a letter of appointment as set out on page 72. At the Annual General Meeting held on 22 January 2025, shareholders approved updated Articles of Association, which require all Directors to retire and submit themselves for re-election annually. Each of the Directors intends to stand for reappointment by the shareholders at the Annual General Meeting to be held on 14 January 2026.

### Board meetings and attendance

During the year, Board meetings were held at our offices in Leeds, London and North America, with a number of ad hoc meetings held throughout the year to discuss business matters outside of the normal Board cycle.

Attendance at the Board meetings held during FY25 is set out in the governance dashboard on page 61. The Company Secretary attends all meetings in order to ensure the discussions and actions are captured accurately.

### Independence of Non-Executive Directors

The Directors consider all Non-Executive Directors to be independent.

### Board Committees

#### Nomination Committee

The Nomination Committee comprises Jill Easterbrook as Chair, Ross Paterson, James Routh and Tracy Sheedy. The Committee's primary responsibilities are to make recommendations to the Directors on all new appointments of Directors and senior management, to interview potential candidates for appointment, to take up references and to consider related matters such as succession planning in the business.

#### Remuneration Committee

The Remuneration Committee comprises Tracy Sheedy as Chair, Ross Paterson and James Routh. Jill Easterbrook is an attendee by invitation. The Committee's primary responsibilities are to review the incentive and reward packages for the Executive Directors and senior executives to ensure that they are aligned with the Group's strategic objectives and financial performance, and are appropriate to attract, retain and motivate management behaviour in support of the Company's culture and beliefs and the long-term sustainable creation of shareholder value.

#### Audit & Risk Committee

The Audit & Risk Committee comprises Ross Paterson as Chair, James Routh and Tracy Sheedy. Jill Easterbrook is an attendee by invitation. The Audit & Risk Committee's primary responsibilities are to monitor the financial affairs of the Group, to ensure that the financial performance of the Group is properly measured and reported on, and to review reports from the Group's auditor relating to the accounting and internal controls.

#### ESG Committee

The ESG Committee comprises James Routh as Chair, Tracy Sheedy, Ross Paterson, Jill Easterbrook and Andy Kelly. David Frost attends by invitation. The ESG Committee's primary responsibilities are the oversight of matters relating to environmental, social and governance activities for Tracsis. In particular, this covers environmental reporting and disclosures, oversight of measures to improve the communities in which Tracsis operates, and ensuring that Tracsis maintains appropriate governance over its ESG framework.

### Non-audit services

Tracsis has an approved policy for non-audit services, which is owned by the Audit & Risk Committee. The Committee reviews and approves the award of any such work. During the year, £6,250 was paid to Grant Thornton UK LLP in respect of non-audit work (FY24: £6,000). This non-audit work comprised the review of the half year financial statements.

### Auditor independence and conflicts of interest

The Audit & Risk Committee continues to evaluate the independence and objectivity of the external auditor and takes into consideration all United Kingdom professional and regulatory requirements. Consideration is given to all relationships between the Group and the audit firm (including in respect of the provision of non-audit services). The Audit & Risk Committee considers whether, taken as a whole, and having regard to the views, as appropriate, of the external auditor and management, those relationships appear to impair the auditor's judgement or independence. The Audit & Risk Committee feels they do not.

### Internal audit

The Audit & Risk Committee agrees that there should be no internal audit function of the Group at this time considering the size of the Group and the close involvement of senior management over the Group's accounting systems. However, the Committee will continue to keep this under review.

## Control procedures

The Board approves the annual budget each year. This process allows the Board to identify key performance targets and risks expected during the upcoming year. The Board also considers the agreed budget when reviewing trading updates and considering expenditure throughout the year. Progress against budget is monitored via monthly reporting of actual financial performance against budget plus forecasting and prior year actual results. The Group has clear authority limits derived from the list of matters reserved for decision by the Board including capital expenditure limits and associated approval procedures.

## Relations with shareholders

The Board recognises and understands that it has a fiduciary responsibility to the shareholders. The Chief Executive Officer's Review includes detailed analysis of the Group's performance and future expectations. The Group's website ([www.tracsis.com](http://www.tracsis.com)) allows shareholders access to information, including contact details and the current share price and latest market announcements. The Chief Executive is responsible for ongoing dialogue and relationships with shareholders, alongside the Chief Financial Officer and Chair. The Annual General Meeting is a platform for the Board to communicate with shareholders and the Board welcomes the attendance and participation of all shareholders.

## Board evaluation process

During the year the Board completed a detailed internal evaluation exercise. This process concluded that the Board was operating effectively and has the requisite collective skills in the areas of strategy, finance, human resources and global commercial expertise to assist with the implementation of our strategy. Areas that the Board would focus on during FY25 included developing its risk management maturity to include risk appetite and dedicating greater time to strategic rather than operational matters during Board meetings.

## Directors' skills and knowledge

Directors keep their skills and knowledge up to date through relevant training and development courses including from the Company's advisers and NOMAD. All Directors are encouraged to use their independent judgement and to constructively challenge other Directors where appropriate. A summary of their skills and experience can be found on page 61.

## QCA Code compliance

The Company has adopted the QCA Code on the basis that it is the corporate governance code most suited to its requirements, size, strategy, resources and stage of development, as it offers a flexible but rigorous outcome-oriented framework in which the Company can continue to develop its governance model to support the business. The QCA Code requires the Board to apply the principles and to publish certain related disclosures in our Annual Report, on our website, or a combination of the two. During the year, Tracsis has fully complied with the requirements of the Code.

## Principle 1: Establish a purpose, strategy and business model which promote long-term value for shareholders.

The Group's purpose, strategy and business model are described on pages 1, 7 to and 10, as well as in the Chair's Statement and Chief Executive Officer's Review.

## Principle 2 – Promote a corporate culture that is based on ethical values and behaviours.

The Board sets the tone for the organisation and during the year has approved an updated whistleblowing policy, together with an online portal for employees to raise concerns. In addition, the Board receives six-monthly updates on whistleblowing events in the Company. Similarly, the Board considered updates to its anti-bribery and corruption policy and the introduction of a non-audit fees policy as well as updates to its modern slavery and human trafficking policy which can be found on its website, [www.tracsis.com](http://www.tracsis.com).

## Principle 3 – Seek to understand and meet shareholder needs and expectations.

The Board maintains effective dialogue with its shareholders with regular meetings throughout the year, including immediately after its interim and full year results, and at different times throughout the year where requested. Topics cover performance and strategy and any other matters shareholders wish to discuss.

## Principle 4 – Take into account wider stakeholder interests, including social and environmental responsibilities, and their implications for long-term success.

The Board understands that the long-term success of the business relies upon good relations with a range of different stakeholder groups, both internal and external. Through ongoing dialogue with, and presentations by, divisional management and the Executive Directors, the Board is kept updated on matters relevant to key stakeholders and incorporates information and feedback into future decision making. In addition, the Board established an ESG Committee during the year and met twice in FY25, to ensure that the Board maintained oversight of ESG projects, initiatives and reporting as well as reviewing the ESG policy landscape and the Company's Net Zero Transition Plan that will be published shortly. You can read more about how the Board considered the views of stakeholders in our Section 172 Statement on page 24.

## Principle 5 – Embed effective risk management, internal controls and assurance activities, considering both opportunities and threats, throughout the organisation.

The Group's approach to risk management is set out on pages 52 and 53, together with the risk framework model which is used to assess and manage risk within the business. Ross Paterson, Chair of the Audit & Risk Committee, also explains where the Committee intends to focus its attention in the forthcoming year on pages 50 and 51. The Audit & Risk Committee considered at each meeting progress in maturing the control framework within Tracsis, as well as making changes to the way in which risk was identified and mitigated within the business, and ways in which risk appetite could be defined and measured. The Audit & Risk Committee additionally confirmed that the Company's auditors remained independent.

## **QCA Code compliance** *continued*

### **Principle 6 – Establish and maintain the board as a well-functioning, balanced team led by the Chair.**

As part of planned succession activity, Chris Barnes stepped down from his role of Chief Executive Officer and Board member on 31 July 2025. He was replaced by David Frost, who joined the business on 9 July 2025 and assumed the role of Chief Executive Officer and Board member on 1 August.

As at 31 July 2025, the Board comprised six Directors, four of which were independent (including the Chair). The QCA Code confirms that independence is a Board judgement; however, the Company has adopted the definition of independence from provision 10 of the UK Corporate Governance Code. All Non-Executive Directors are considered independent and come from different professional backgrounds, providing a diverse range of opinion and experience which they draw from during Board discussions. The time commitment required from our Non-Executive Directors varies, but there are at least ten Board meetings per year, together with Committee work and Board calls to cover out of cycle activities or decisions.

You can read more about the skills and experience in both the Board biographies on pages 62 and 63 and the Board skills and experience table on page 61.

### **Principle 7 – Maintain appropriate governance structures and ensure that individually and collectively the Directors have the necessary up-to-date experience, skills and capabilities.**

The Board continually reviews the governance framework of the business and in the year has established an ESG Committee and approved Matters Reserved for the Board. The Directors and their biographies can be found on pages 62 and 63, together with a self-assessment of skills on page 61. Each Director keeps their skills and experience up to date through outside learning, events, seminars and through supplementary knowledge provided by the Company. In addition, the Chair of the Audit & Risk Committee is a former Finance Director of Stagecoach Group plc and is a qualified accountant. Similarly, the Chair of the Remuneration Committee is a former HR Director of Croda International plc and has significant executive remuneration experience.

The governance structure of the business is described on page 61. Additionally, the roles of the Committees are described on our website, including membership. The Board reviews its structure periodically to ensure it is fit for purpose.

The Board receives regular updates from the Company Secretary on matters relating to the governance landscape and matters relating to their duties as a Director of the Company and the NOMAD periodically attends Board meetings to provide AIM Rules briefings and other matters of relevance to the role of the Board or as individual Directors.

No Director performs an advisory function to the Board or its Committees and independent external legal advice has not been sought by the Board during the year. Deloitte LLP acts as the external adviser to the Remuneration Committee.

### **Principle 8 – Evaluate board performance based on clear and relevant objectives, seeking continuous improvement.**

The Board last undertook a Board evaluation in Q4 2024, which was an internal evaluation of Board and Committee performance and the findings were reported back to each Committee Chair. The evaluation was supplemented by interviews conducted by the Chair with Board members and the Company Secretary.

### **Principle 9 – Establish a remuneration policy which is supportive of long-term value creation and the company's purpose, strategy and culture.**

The current Remuneration Policy of the Company was approved by shareholders at the AGM held on 22 January 2025. As the Remuneration Committee was developing the policy, the Committee consulted with Tracsis' major shareholders and feedback was taken into consideration when finalising the policy which was ultimately approved by 98% of shareholders.

### **Principle 10 – Communicate how the company is governed and is performing by maintaining a dialogue with shareholders and other key stakeholders.**

The Company maintains dialogue with its shareholders and stakeholders throughout the year and the Chair and others make themselves available if shareholders have particular matters they would like to discuss. In addition, Company performance is regularly provided to the market and other stakeholders (for example customers) who have an ongoing relationship with the Group.

## **Going concern**

The Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for at least twelve months from the signing of the financial statements and have therefore adopted the going concern basis in preparing the accounts. The Group is debt free and has substantial cash resources. At 31 July 2025 the Group had net cash and cash equivalents totalling £23.4m. The Board has prepared cash flow forecasts for the forthcoming year based upon assumptions for trading and the requirements for cash resources including contingent consideration. These forecasts take into account reasonably possible changes in trading financial performance, and indicate that it is appropriate to use the going concern basis for the preparation of the consolidated financial statements. Further to this, management prepared a severe but plausible scenario, reducing revenues from budget and including a more pessimistic view of working capital. There was still ample headroom under this scenario. A reverse stress test was also considered. The revenue and cash flow assumptions required to eliminate any headroom under the reverse stress test are considered by the Board to be highly unlikely, and particularly given trading performance to date.

## Directors' remuneration report

# A. Letter from the Chair of the Remuneration Committee



**Tracy Sheedy**  
Chair of the Remuneration Committee

## Committee members

Meetings attended

**Tracy Sheedy – Chair**

● ● ● ● ●

James Routh

● ● ● ● ●

Ross Paterson

● ● ● ● ●

● Attended ○ Not attended

→ For more details about our Board members, read pages 62 and 63

“

*The Company has made significant progress in ensuring the recruitment and retention of employees are underpinned by an attractive and proportionate benefits package.”*

## Contents

- A. Letter from the Chair of the Remuneration Committee
- B. Remuneration at a glance, which summarises the remuneration outcomes in respect of the year ended 31 July 2025
- C. Summary of the current Directors' Remuneration Policy
- D. Annual report on remuneration for FY25
- E. Other disclosures on remuneration

## Dear Stakeholder

As Chair of the Remuneration Committee, and on behalf of the Board, I am pleased to present the Directors' Remuneration Report for the year ended 31 July 2025.

As the Company is listed on the Alternative Investment Market (“AIM”), we are required to comply with AIM Rule 19 in respect of remuneration disclosures and Tracsis has adopted the Quoted Company Alliance's Corporate Governance Code for Small and Mid-Size Quoted Companies 2023 (“the QCA Code”). Consistent with last year's report we have chosen to make additional disclosures on a voluntary basis, in line with AIM best practice, to enable shareholders to better understand and consider our remuneration arrangements. In line with best practice, we will continue to put our Directors' Remuneration Report to an advisory shareholder vote at the AGM in January 2026. Our current Remuneration Policy (“the Policy”) was approved by 98% of shareholders at the AGM in January 2025 and I would like to thank our shareholders for their support and the time taken to share valuable feedback as part of the Policy review process.

This letter is intended to provide you with an account of the Committee's activities throughout the year, as well as provide some context to the accompanying Directors' Remuneration Report which follows.

## Approach to remuneration

The Committee is conscious that this year has been challenging for the business; however, it believes that the business remains well positioned, with strong fundamentals that will allow it to deliver long-term sustainable value for all of its stakeholders. Tracsis' Policy, which was approved by shareholders in January 2025, will help support and enable this delivery by providing a reward structure that drives ambitious levels of performance whilst remaining appropriate in the context of the scale of our business and growth ambitions. The philosophy of the Policy is to reward real business success while ensuring we can attract and retain the talent that will drive business growth at all levels in the organisation.



## A. Letter from Chair of Remuneration Committee *continued*

### Approach to remuneration *continued*

To this end, the Committee has had a full agenda of matters to consider, with a particular focus on ensuring that we attract talent at all levels within the organisation and understanding how remuneration and employee benefits play a key role in retaining that talent to help drive our future success.

### Review of workforce remuneration

This year, Tracsis extended its use of the Willis Towers Watson salary survey outside the UK (including Ireland) and the organisation undertook an extensive benchmarking exercise using a consistent centralised approach. This afforded us the ability to consider pay across both divisions and geographies, helping allocate salary budgets in a way that promoted pay equity and increased pay transparency to engender trust, and to ensure our compensation was competitive within our industry and geographical locations.

In terms of additional benefits, during the year Tracsis expanded private medical cover and life assurance eligibility to a wider cohort of UK-based colleagues. As reported in the FY24 Annual Report, we will be increasing our wider UK workforce employer pension contributions to 8%, effective from 1 August 2026.

The Committee strongly supports providing an attractive pay and benefits structure for its employees to help support our talent and business strategy. Our ambition of being an employer of choice is, in part, dependent upon continually reviewing the wider employment landscape and the Committee is pleased that we have made these positive changes during the year.

### Director change

On 31 July 2025, Chris Barnes stepped down as Chief Executive Officer and from the Board following six years in the role. The Board and employees have valued Chris' leadership and contribution to the business and wish him well for the future. As announced on 9 July 2025, David Frost joined the business and assumed the role of Chief Executive Officer on 1 August 2025, joining the Board as of that date. Chris remained with the business until 31 August 2025 to help ensure an orderly handover.

David brings with him extensive experience in the industrial technology sector and has a demonstrable track record of driving organic growth, executing high quality M&A and delivering advanced analytical software solutions across critical infrastructure end markets, together with extensive US experience. To provide a competitive remuneration package that reflects this expertise, David's salary has been set in line with the outgoing CEO's at £370,000; and his opportunity levels have been set in accordance with the levels under the Policy approved by shareholders at the 2025 AGM (annual bonus of 130% of base salary and a performance-based LTIP of 150% of base salary), ensuring pay outcomes remain aligned to the delivery of exceptional performance. Further details on the arrangements for David for FY26 can be found on page 68 and the details of the leaver arrangements for Chris Barnes can be found on page 70.

### Remuneration outcomes for FY25

Over many years, Tracsis has consistently delivered substantial shareholder value through organic growth that has been enhanced by the successful completion of 17 acquisitions since its IPO in 2007. FY25 has been a challenging year, but due to the strong efforts and valued contributions of our employees, the business was able to deliver financial performance in line with the revised market guidance, which was impacted by a series of challenging external headwinds, including restricted funding associated with CP7, a cyber-attack on a major transport provider and lower than expected margins in our Traffic Data and Events businesses.

The financial performance of the business in FY25 is reflected in the remuneration incentive outcomes. As the business ended the year below its initial expectations, no bonus was payable in respect of the financial targets for the year representing 80% of the total bonus payment.

Executives were eligible to receive a further 20% of their bonus based on individual objectives. The Committee reviewed the Executives' individual contributions in making progress against these stretching business objectives and determined that since Chris Barnes did not reach a threshold of 50% achievement, 0% of the maximum annual bonus was payable. Andy Kelly did reach the threshold of 50% achievement and therefore 15% of the maximum annual bonus (out of a maximum potential payout of 20% of salary) would be paid to him for the year ended 31 July 2025. Details of the targets, and the performance against the targets, are set out on page 73.

Reflecting the challenging external headwinds facing the business, LTIP awards granted to the CEO and CFO in 2022 did not meet the performance targets for relative total shareholder return ("TSR") and earnings per share ("EPS") and the awards will therefore lapse in full.

The Committee considered that these incentive outcomes are appropriate in the context of the performance of the business and the experience of shareholders and wider stakeholders.

### Implementation of remuneration for FY26

Tracsis' implementation of remuneration for FY26 is in line with the Remuneration Policy approved by shareholders on 22 January 2025 (a summary of which can be found on pages 71 and 72). Following the review of Executive Director salaries undertaken in FY24, no increases were applied in FY25 and any future awards under the bonus and LTIP will not exceed the maximum permissible under the approved Policy.

Salaries for both Executives remain in line with those of other AIM 100 businesses and our technology sector peers, providing the Committee with comfort that the salaries remain reasonable given the competitive talent market facing Tracsis and the specific skills required to deliver on our ambitious long-term strategy. The Committee continues to take a measured approach to pay and has not granted any salary increases to the Executives for FY26.

The average increases for our UK and Ireland workforce was 3.2% with a range between 1% and 16%. For the US workforce the average was 2.9% with a range between 2.5% and 4%.

The Remuneration Policy approved by shareholders at the AGM in January 2025 increased the maximum incentive opportunities for the Executive Directors. We consulted with shareholders in relation to these. In light of the business circumstances at the time, the Committee decided to defer the implementation of these increases. Certain increases will now apply for FY26 to ensure that our remuneration arrangements are at an appropriate level to attract and retain talent; however, these are below the maximum afforded under the Policy.

In line with our Policy, it is proposed that:

- the annual bonus opportunity for the Executive Directors will be 110% of salary for the CEO and 110% of salary for the CFO (100% of maximum for FY25). 80% of the potential maximum bonus will be payable against a sliding scale adjusted EBITDA target and 20% will be payable against stretching strategic and operational business objectives, which include ESG goals; and
- the 2025 LTIP awards to Executive Directors will be 130% and 120% of salary for the CEO and CFO respectively (100% of maximum for FY25) and are expected to be granted after the AGM in January 2026. Performance targets will be:

TSR ranking over performance period versus AIM 100 (excluding investment trusts)	Vesting level	Basic adjusted diluted EPS compound annual growth rate (FY28 versus FY25)	Vesting level
Less than median	0%	Less than 16%	0%
Median	25%	16%	25%
Between median and 75th percentile	On a straight-line basis between 25% and 100%	Between 16% and 25%	Between 25% and 100% on a straight-line basis
75th percentile and above	100%	25% or more	100%

## Changes to the Non-Executive Director fees

No increases were made to the fees for the Non-Executive Directors' and the Chair. For more details on Non-Executive Directors' fees paid during the year, please turn to page 74.

Executive Directors were also not awarded an increase in August 2025.

The Committee believes that Tracsis' transparent and fair remuneration approach plays a key role in attracting and motivating talented individuals to deliver substantial value to our stakeholders and allows our employees to share in our success.

### Tracy Sheedy

Chair of the Remuneration Committee

19 November 2025

## B. Remuneration at a glance

### Outcomes for FY25

Key component	Policy	Metric and result	Outgoing Chief Executive Officer	Chief Financial Officer
<b>Base salary</b>	To provide a competitive base salary to attract, motivate and retain Directors with the experience and capabilities to achieve the strategic aims.	Salaries for the CEO and CFO were increased by 15.8% and 16.8% respectively with effect from 1 August 2024 to better align the salary to comparable companies.	£370,000	£255,000
<b>Annual performance bonus</b>	To reward performance against annual targets which support the strategic direction of the Group. Maximum opportunity is capped at 100% of salary.	80% adjusted EBITDA and 20% business objectives. No payout for EBITDA and partial payout for achievement of business objectives for CFO. No payout for CEO.	—	£38,250
<b>LTIP</b>	To drive and reward the achievement of longer-term objectives and align management with shareholders.  Maximum opportunity of 100% of salary.	Awards granted in 2022 were based 50% on adjusted EPS and 50% on TSR.  TSR and EPS targets not met - nil vesting.	—	—
<b>Pension</b>	To provide an appropriate level of retirement benefit.	9% of base salary.	£33,300	£22,950
<b>Other benefits</b>	To provide a market-competitive benefits package.	Life insurance.	£1,000	£700

### Remuneration arrangements for Chris Barnes

As previously announced, Chris Barnes stood down from the Board and his role as Chief Executive Officer on 31 July 2025. He remained with the Company to support with the handover to the new Chief Executive Officer and subsequently left the business on 31 August 2025. On his termination, Chris received a payment of £197,927 in lieu of the balance of his notice period (five months) including:

- base pay;
- contractual benefits including pension cash contributions; and
- payment for unused holiday entitlement.

As Chris remained in employment for the full FY25 financial year, he remained entitled to receive a potential bonus equal to 100% of his annual salary subject to performance conditions. As previously explained, 80% of the bonus was based on adjusted EBITDA, and as these performance conditions were not met, there will be no payment in respect of this element of bonus. A further 20% of bonus was based on personal performance against stretching individual strategic objectives, and after careful consideration of the outcomes of these personal objectives, the Remuneration Committee confirmed he would not receive any bonus. In addition, Chris will not be eligible for any bonus payment in respect of service in the FY26 financial year.

LTIP awards granted in December 2023 and January 2025 will be eligible to vest at the prescribed vesting date and subject to previously published performance conditions but will be pro-rated for service up to 31 August 2025. Chris will not be eligible for any further grants of LTIP awards. Chris was also eligible to receive his LTIP award granted in December 2022; however, as noted above, the performance conditions in relation to these awards have not been met and this award will lapse.

To recognise his contribution to the ongoing success of the business in assisting with an orderly handover, and in line with market practice, Chris was given a further payment of £30,000 to provide outplacement support.

# C. Summary of the current Directors' Remuneration Policy

## Summary of Directors' Remuneration Policy

This section sets out the current Directors' Remuneration Policy ("the Policy"), last approved by shareholders with 98% of votes in favour at the 2025 AGM. In order to deliver the Group's strategy, the primary objectives of the Policy are to:

- operate a transparent, simple and effective remuneration structure which encourages the delivery of targets in accordance with our business plan and strategy;
- attract, motivate and retain individuals of the highest calibre by providing competitive and appropriate short- and long-term variable pay which is dependent upon challenging performance conditions; and
- promote the Company's culture and the long-term success of Tracsis and ensure that our Policy is aligned with the interests of, and feedback from, our shareholders.

## Key features of the Policy

- Executive pension contributions to align at 8% of salary on a phased basis to reflect the pension offered to the wider workforce by 1 August 2026.
- Maximum annual bonus opportunity increased from 100% of salary to 130% and 120% of salary for the CEO and CFO respectively. Where the shareholding guidelines have not been met, 25% of any bonus will be deferred into shares for two years. In other circumstances bonuses will be paid in cash.
- Maximum LTIP opportunity increased from 100% of salary to 150% and 130% of salary for the CEO and CFO respectively.
- Shareholding guidelines increased from 100% of salary to 150% and 130% of salary for the CEO and CFO respectively, to align with the revised LTIP opportunities.
- Malus and clawback provisions apply to both the annual bonus and LTIP; with the approach to implementation being strengthened.

## Directors' Remuneration Policy table

Component	Purpose and link to strategy	Operation	Policy maximum	Additional notes
<b>Base salary</b>	To provide a competitive base salary to attract, motivate and retain Directors with the experience and capabilities to achieve the strategic aims.	Normally reviewed annually after considering the performance, role and responsibility of each Director, market conditions and the Group's performance and the level of pay across the Group as a whole. Increases normally aligned with the wider workforce but may be higher or lower in certain circumstances.	n/a	—
<b>Benefits</b>	To provide a market-competitive benefits package.	Benefits normally include life assurance and private medical insurance. Other benefits may also be introduced.	n/a	—
<b>Pension</b>	To provide an appropriate level of retirement benefit.	Pension provision which may be paid as a pension and/or cash allowance.	CEO: 8% of salary CFO: 9% of salary	CFO pension to reduce to 8% effective 1 August 2026.
<b>Annual performance-related bonus</b>	To reward performance against annual targets which support the strategic direction of Group.	Awards are normally based on a combination of annual financial performance and individual business-related objectives. Awards are subject to malus/clawback provisions at the discretion of the Committee. 25% of bonus will normally be deferred into shares for two years where the Executives have not achieved their shareholding guidelines. In other circumstances the annual bonus will be paid in cash.	CEO: 130% of salary CFO: 120% of salary	For FY26, 80% of the maximum achievable will relate to the achievement of adjusted EBITDA* performance and the remaining 20% will relate to business-related objectives, including ESG. For FY26, both CEO and CFO will have a maximum opportunity of 110% of salary.

\* Adjusted EBITDA is the primary KPI Tracsis uses internally and externally to set targets and measure performance.

## C. Summary of current Directors' Remuneration Policy *continued*

### Directors' Remuneration Policy table *continued*

Component	Purpose and link to strategy	Operation	Policy maximum	Additional notes
<b>LTIP</b>	To drive and reward the achievement of longer-term objectives and align management with shareholders.	Conditional shares and/or nil-cost or nominal cost share options. Vesting is normally subject to the achievement of challenging performance conditions relating to adjusted diluted EPS growth and total shareholder return, normally over a period of three years. Dividend equivalents may be awarded to the extent awards vest. Awards may be subject to malus/clawback provisions at the discretion of the Committee.	CEO: 150% of salary CFO: 130% of salary	FY26 LTIP awards will be based on 50% on adjusted diluted EPS and 50% for TSR versus AIM 100 (excluding investment trusts). The FY26 maximum opportunity for the CEO will be 130% of salary and CFO will be 120% of salary.
<b>Shareholding guidelines</b>	To align management with employees and shareholders.	Executive Directors are expected to build and maintain a shareholding aligned to the current maximum opportunity over a five-year period.	CEO: 150% of salary CFO: 130% of salary	—
<b>All-employee share awards</b>	To align management with employees and shareholders.	Awards for UK employees (including Executive Directors) will be consistent with prevailing HMRC tax favoured all-employee sharesave plans, with an equivalent arrangement for participants outside the UK.	Prevailing HMRC limits (or overseas equivalent)	—
<b>Non-Executive Directors</b>	The Committee determines the Chair's fee. Fees for the Non-Executive Directors are agreed by the Chair and Chief Executive.	Fees are reviewed annually taking into account the level of responsibility and relevant experience. Fees may include a basic fee and additional fees for further responsibilities and time commitments. Travel and other reasonable expenses incurred in the course of performing their duties may be reimbursed. Benefits may be introduced if appropriate.	n/a	—

The Committee reserves the right to make changes to the Policy if it considers that these are in the best interest of the Company.

### Service contracts

The details of the Executive and Non-Executive Directors' service contracts and appointment letters are summarised below:

	Date of contract/ commencement date	Unexpired term	Notice period
<b>Executive Directors</b>			
David Frost	08/07/25	Indefinite	6 months
Andy Kelly	01/02/21	Indefinite	6 months
Chris Barnes (stepped down from the Board on 31 July 2025)	04/02/19	Indefinite	6 months
<b>Non-Executive Directors</b>			
Jill Easterbrook*	05/10/22	Indefinite	3 months
Ross Paterson	02/04/24	Indefinite	3 months
James Routh	29/09/21	Indefinite	3 months
Tracy Sheedy	01/09/23	Indefinite	3 months

\* Jill Easterbrook's service contract was amended on 1 September 2023 to reflect her appointment as Non-Executive Chair of the Group. There was no change to her notice period or unexpired term.

None of the service contracts or letters of appointments provide for any termination payments.



# D. Annual Report on Remuneration for FY25

## Single total figure of remuneration for Directors – voluntary disclosure

The remuneration of the Directors in respect of the year ended 31 July 2025 (and for the prior year) was as follows:

	Year	Basic salary £'000	Annual bonus <sup>1</sup> £'000	Benefits £'000	Pension <sup>2</sup> £'000	LTIP <sup>3</sup> £'000	Total £'000
<b>Executive Directors</b>							
Chris Barnes	<b>FY25</b>	<b>370</b>	<b>—</b>	<b>1</b>	<b>33</b>	<b>—</b>	<b>404</b>
	FY24	320	32	1	32	48	450
Andy Kelly	<b>FY25</b>	<b>255</b>	<b>38</b>	<b>1</b>	<b>23</b>	<b>—</b>	<b>317</b>
	FY24	218	26	1	22	31	308

1 Details of the annual bonus targets, performance against the targets, and bonus awards are set out below.

2 Chris Barnes elected to exchange his employer pension contributions for a cash amount for FY24 and FY25. The quantum of this is reported within pension in the table above.

3 As LTIP awards are nominal cost options, the gain is as set out above.

In addition to the above:

- The value of the 2021 LTIP award which vested in November 2024 has been re-based to the share price as at the date of vesting (600p).
- Chris Barnes held 2022 LTIP awards vesting in December 2025, based on three-year performance to 31 July 2025. The vesting percentage is zero and they will lapse in full.
- Andy Kelly held 2022 LTIP awards vesting in December 2025, based on three-year performance to 31 July 2025. The vesting percentage is zero and they will lapse in full.

## Annual bonus for the year ended 31 July 2025

The Executive Directors were eligible to receive bonuses with a maximum opportunity of 100% of salary in respect of financial (80%) and business-related (20%) objectives. Details of the performance targets and resulting bonus outcome are set out in the tables below:

Measure	Weighting (% of salary)	Threshold	Target	Stretch	Actual	Result Chris Barnes (% of salary)	Result Andy Kelly (% of salary)
Adjusted EBITDA	80%	£15.8m	£17.5m	£18.4m	£12.6m	0%	0%
Business-related objectives	20%		See table below				
<b>Total</b>	<b>100%</b>						

## Business-related objectives performance

Chris Barnes			Andy Kelly		
Strategic pillar	Weighting	Payment awarded (% of salary)	Strategic pillar	Weighting	Payment awarded (% of salary)
Drive organic growth – delivery of pipeline, innovation and increase annual recurring revenue.	33%	—	Drive organic growth – delivery of pipeline, innovation and increase annual recurring revenue.	33%	5
Enhance growth through acquisition – supplementing organic growth with value accretive acquisitions	33%	—	Enhance growth through acquisition – supplementing organic growth with value accretive acquisitions	33%	5
Sustainability – at the heart of our purpose and products	33%	—	Sustainability – at the heart of our purpose and products	33%	5
<b>Total</b>		<b>—</b>			<b>15</b>

The Committee considered the Executive Directors' performance against the objectives set and noted the progress during the year to deliver a programme of actions to transform the operating model to create a scalable platform for accelerated future growth as well as the wider stakeholder experience. In this context, the Committee determined that payouts of 0% for Chris Barnes, as less than 50% of the weighted objectives were achieved and 15% for Andy Kelly out of a maximum of 20% are appropriate.

In addition to assessing the above financial and business-related objectives, the Committee also considered the wider stakeholder experience and the performance of the individual Director when determining the extent to which annual bonuses should become payable. Based on this assessment, the Committee is satisfied that total bonus awards of 0% of salary for Chris Barnes and 15% of salary for Andy Kelly are appropriate.

## D. Annual report on remuneration for FY25 *continued*

### LTIP vesting in respect of the three years to 31 July 2025

The table below sets out details of the performance targets and the level of actual achievement against them in respect of the 2022 LTIP awards vesting in December 2025.

Performance measure	Weighting	Three-year performance period end	Threshold (25% vesting)	Maximum (100% vesting)	Actual	% vesting for this part of the award
Adjusted diluted EPS	50%	31 July 2025	43.00p	54.90p	24.8p	0%
Total shareholder return versus the FTSE AIM 100	50%	31 July 2025	Median	Upper quartile	Below median	0%

The pre-tax value of the 33,710 nominal value options held by Chris Barnes had a value of £147,987 and the pre-tax value of the 23,015 nominal value options held by Andy Kelly had a value of £101,036 based on the three-month average share price at 31 July 2025 of 439p.

### Executive Directors' share awards in the Company

Details of share awards in the Company held by the Executive Directors, all of which are structured as nominal value (0.4p) options, are as follows:

	1 August 2024	Granted	Lapsed	Exercised	31 July 2025	Date of grant	Exercisable from	Expiry date
<b>Chris Barnes</b>								
LTIP <sup>1</sup>	27,653	—	(19,647)	(8,006)	—	29/11/2021	29/11/2024	29/11/2031
LTIP <sup>2</sup>	33,710	—	—	—	33,710	06/12/2022	06/12/2025	06/12/2032
LTIP <sup>3</sup>	36,671	—	—	—	36,671	04/12/2023	04/12/2026	04/12/2033
LTIP <sup>4</sup>	—	82,774	—	—	82,774	22/01/2025	01/12/2027	01/12/2034
	<b>98,034</b>	<b>82,774</b>	<b>(19,647)</b>	<b>(8,006)</b>	<b>153,155</b>			
<b>Andy Kelly</b>								
LTIP <sup>1</sup>	17,597	—	(12,503)	(5,094)	—	29/11/2021	29/11/2024	29/11/2031
LTIP <sup>2</sup>	23,015	—	—	—	23,015	06/12/2022	06/12/2025	06/12/2032
LTIP <sup>3</sup>	25,043	—	—	—	25,043	04/12/2023	04/12/2026	04/12/2033
LTIP <sup>4</sup>	—	57,046	—	—	57,046	22/01/2025	01/12/2027	01/12/2034
<b>Total</b>	<b>61,786</b>	<b>57,046</b>	<b>(12,503)</b>	<b>(5,094)</b>	<b>105,104</b>			

- Three-year performance targets are based on: 50% EPS (Adjusted diluted EPS for FY2024 of 33.59p to 47.82p); and 50% relative TSR versus FTSE AIM 100 (median to upper quartile).
- Three-year performance targets are based on: 50% EPS (Adjusted diluted EPS for FY2025 of 43.00p to 54.90p); and 50% relative TSR versus FTSE AIM 100 (median to upper quartile).
- Three-year performance targets are based on: 50% EPS (Adjusted diluted EPS for FY2026 of 48.00p to 56.00p); and 50% relative TSR versus FTSE AIM 100 (median to upper quartile).
- Three-year performance targets are based on: 50% EPS (Adjusted diluted EPS growth for the three-year period to FY2027 of 17% p.a. to 27% p.a.); and 50% relative TSR versus FTSE AIM 100 (median to upper quartile).

### Non-Executive Director remuneration

Non-Executive Directors		Basic fee (£'000)	Annual bonus (£'000)	Benefits (£'000)	Pension (£'000)	Total (£'000)
Jill Easterbrook	<b>FY25</b>	<b>98</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>98</b>
	FY24	92	—	—	—	92
Tracy Sheedy	<b>FY25</b>	<b>57</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>57</b>
	FY24	50	—	—	—	50
Ross Paterson	<b>FY25</b>	<b>57</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>57</b>
(from 2 April 2024)	FY24	18	—	—	—	18
James Routh	<b>FY25</b>	<b>62</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>62</b>
	FY24	60	—	—	—	60
Liz Richards	<b>FY25</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>3</b>
(to 30 June 2024)	FY24	50	—	—	—	50
<b>Total</b>	<b>FY25</b>	<b>274</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>274</b>
	FY24	270	—	—	—	270

## Directors' interests in shares

The interests (both beneficial and family interests) of the Directors in office at the date of this report in the share capital of the Company were as follows:

	Interests in ordinary shares at 31 July 2025	Interests in ordinary shares at 31 July 2024	Interests in share-based incentive options at 31 July 2025	Interests in share-based incentive options at 31 July 2024
David Frost	—	—	—	—
Andy Kelly	12,996	10,324	105,104	65,655
Jill Easterbrook	—	—	—	—
Ross Paterson	4,814	—	—	—
James Routh	—	—	—	—
Tracy Sheedy	950	—	—	—

## Relative importance of spend on pay

The table below shows the Group's expenditure on shareholder distributions (including dividends and share buy-back) and total employee pay expenditure. Additional information on the number of employees, total revenue and underlying profit have been provided for context.

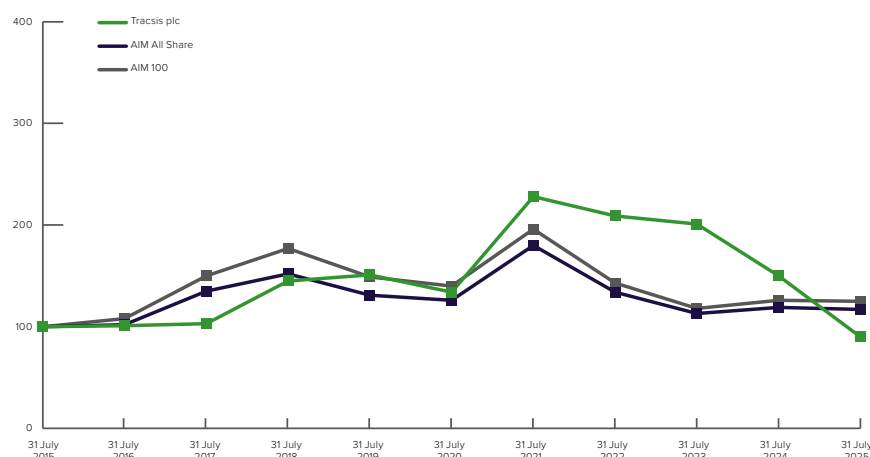
	Year ended 31 July 2025 £'000	Year ended 31 July 2024 £'000	Change %
Employee expenditure	45,856	44,420	3%
Distributions to shareholders (dividends and share buy-back)	3,744	695	441%
Average number of permanent employees	498	573	(13%)
Revenue	81,890	81,221	1%
Adjusted EBITDA	12,574	12,956	(3%)

## Share price

The market price of the Company's shares on 31 July 2025 was 380p per share. The lowest and highest market prices during the year were 300p and 710p respectively. The average share price in the three months to 31 July 2025 was 439p.

## Performance graph

The chart below shows the Company's share price (re-based) compared with the performance of the AIM 100 and AIM All Share for the ten-year period to 31 July 2025.



## E. Summary of Executive Director remuneration for FY26

Component	Measure	CEO	CFO
Base salary	No salary increases were granted for FY26 versus FY25	£370,000	£255,000
Annual performance bonus		110% of salary	110% of salary
LTIP*	Adjusted diluted EPS (50% of total opportunity)		
	TSR (50% of total opportunity)	130% of salary	120% of salary
Pension		8% of salary	9% of salary

\* Malus and clawback provision strengthened. Shareholding guidelines increased in line with new LTIP awards.

## F. Other disclosures on remuneration

### Remuneration Committee

Tracsis is committed to maximising shareholder value over time. Each year the Remuneration Committee reviews the incentive and reward packages for the Executive Directors and senior managers to ensure that they remain aligned to the Group's strategic objectives and financial performance, and are appropriate to attract, retain and motivate management behaviour in support of the Company's culture and beliefs and the long-term sustainable creation of shareholder value. The Committee has formal terms of reference, a summary of which can be found in the investor section of the Group's website. The Board (excluding the Non-Executive Directors) sets the annual base fees payable to the Non-Executive Directors and they do not receive any additional benefits, nor are they eligible to participate in any pension, bonus or share-based incentive arrangements.

During the year, the Committee comprised James Routh, Ross Paterson and myself as Chair. Jill Easterbrook (Chair of the Board) and the Executive Directors, together with other senior leaders, attend by invitation. During FY25, the Committee met five times.

### Independent advisers

The Committee is also supported by Deloitte LLP, which was appointed as the Committee's independent remuneration advisers in November 2023, to provide industry-leading advice on remuneration quantum and structure, as well as developments in governance and best practice more generally. Deloitte is a founding member of the Remuneration Consultants' Group and voluntarily operates under its Code of Conduct in relation to executive remuneration consulting in the UK.

### Tracy Sheedy

Chair of the Remuneration Committee  
19 November 2025

## Nomination Committee

# Letter from the Chair of the Nomination Committee



**Jill Easterbrook**  
Chair of the Nomination Committee

## Committee members

Meetings attended

<b>Jill Easterbrook – Chair</b>	●●●
James Routh	●●●
Tracy Sheedy	●●●
Ross Paterson	●●●

● Attended ○ Not attended

→ For more details about our Board members, read pages 62 and 63

## Dear Stakeholder

It is my pleasure to make my report as Chair of the Nomination Committee. This report is intended to give an account of the Committee and its activity during the year. The core responsibilities of the Committee are succession planning and appointments at Board level, and oversight of appointments and succession planning across the business. During the year, the Committee has continued its work on ensuring that succession planning activity across the business remains a priority, as well as managing the CEO transition effectively.

At 31 July 2025, the Committee comprised James Routh, Tracy Sheedy, Ross Paterson and myself as Chair.

## Board changes

As previously announced, David Frost was appointed as Chief Executive Officer Designate on 9 July 2025 and assumed the full Chief Executive Officer role and Board member effective 1 August 2025. Chris Barnes stepped down from his role as Chief Executive Officer and Board member on 31 July 2025 and managing this transition was a key focus for the Committee.

The Board has been impressed with David's thoughtfulness, understanding of our journey and heritage, as well as his appreciation for the work that Chris did during his six years as Chief Executive. The Committee took an active role in onboarding David and a comprehensive induction was undertaken, with David visiting our sites, including in North America and Ireland, to gain a deep understanding of the business and its employees.

## Succession planning

During the year, the Committee has continued to monitor and evaluate the succession planning activity for key non-Board roles within our business, to ensure the business can both remain robust, and easily identify existing high calibre individuals for whom it can offer excellent careers. With the assistance of the Chief People Officer, the Group has made





### CEO induction process

- Visited all operational sites (including the US) within the first four weeks.
- Received AIM Rules training from the Company's Nominated Adviser ("NOMAD").
- Detailed meetings with key members of management, highlighting history, progress and matters of strategic importance.
- Met with a number of major shareholders during September 2025.
- Met with employees to hear their views and understand the culture of the organisation.



significant progress in maturing our thinking and succession planning activities. The Committee is confident that we have a pipeline of talent through the organisation that we can develop into future leaders and to whom we can offer excellent careers.

### Looking ahead

The Committee evaluation process that it undertook this year was invaluable in helping confirm the view that we have made strong progress on succession planning, but also that this is not something that can be simply done once a year. It is a continual process of self-reflection and challenge.

As always, we continue to review the Board composition, to ensure its skills and demographic balance remain appropriate for the business.

#### Jill Easterbrook

Chair of the Nomination Committee  
19 November 2025

“

*The Committee has continued its work on ensuring that succession planning activity across the business remains a priority, as well as managing the CEO transition effectively.”*

## Directors' report

The Directors present their report and the audited financial statements for the year ended 31 July 2025.

Tracsis plc ("the Company") is a public limited company incorporated and domiciled in the United Kingdom and under the Companies Act 2006. The address of the Company's registered office is Nexus, Discovery Way, Leeds, United Kingdom, LS2 3AA.

The Company is quoted on AIM, part of the London Stock Exchange.

The Group financial statements were authorised for issue by the Board of Directors on 19 November 2025.

Further information on the activities of the business, the Group strategy and an indication of the outlook for the business are presented in the Chair's Statement, the Chief Executive Officer's Review, and the Strategy and Business Model sections of the report. The Governance Report included on pages 64 and 65 forms part of the Directors' Report.

### Financial results

Details of the Group's financial results are set out in the consolidated statement of comprehensive income, other primary statements and the notes to the consolidated financial statements on pages 90 to 125.

### Dividends

The Group remains committed to the progressive dividend policy that was adopted in 2012. The Board has recommended a final dividend of 1.4p per share (FY24: 1.3p per share). The final dividend, subject to shareholder approval at the Annual General Meeting to be held on 14 January 2026, will be paid on 12 February 2026 to shareholders on the register at the close of business on 30 January 2026. This will bring the total dividend for the year to 2.6p per share (FY24: 2.4p per share).

### Directors

The Directors who serve on the Board and on Board Committees during the year are set out on pages 62 and 63.

Under the Articles of Association of the Company, all Directors will retire at the forthcoming Annual General Meeting ("AGM"), notice of which accompanies this Report and Accounts. The Company's Articles of Association also require any person who has been appointed as a Director since the date of the Company's last AGM to retire at the next AGM following their appointment. The Board is satisfied that each of these Directors continues to be effective and to demonstrate commitment to the Company.

Information in respect of Directors' remuneration is given in the Directors' Remuneration Report on pages 67 to 76.

### Share buy-back

During the year, the Company announced a £3m share buy-back commencing 24 April 2025. As a result of this activity, the Company purchased 674,510 ordinary shares of 0.4p which were then subsequently cancelled. The buy-back concluded on 24 July 2025.

### Directors' shareholdings

Directors' beneficial interests in the shares of the Company, including family interests, at 31 July 2025 and 31 July 2024 were as follows:

	31 July 2025		31 July 2024	
	Number of shares	% of issued share capital	Number of shares	% of issued share capital
Chris Barnes	44,305	0.15	40,105	0.13
Andy Kelly	12,996	0.04	10,324	0.03
Jill Easterbrook	—	—	—	—
James Routh	—	—	—	—
Tracy Sheedy	950	0.00	—	—
Ross Paterson	4,814	0.02	4,814	0.02

None of the Directors had any interests in the share capital of subsidiaries. Further details of share options held by the Directors are set out in the Directors' Remuneration Report.

### Substantial shareholdings

At 31 October 2025, being the latest practicable date prior to the publication of this report, the Company has been advised of the following shareholdings of 3% or more in the issued share capital of Tracsis plc:

	Number of shares	% of issued shares
Rathbones	3,956,039	13.30
Charles Stanley	2,367,883	7.96
Schroder Investment Management	2,041,963	6.86
Unicorn Asset Management	1,650,000	5.55
BGF	1,260,514	4.24
Downing	1,041,230	3.50
Canaccord Wealth	935,000	3.14

### Payment of suppliers

It is the Group's policy to pay suppliers in accordance with the terms and conditions agreed in advance, providing all trading terms and conditions have been met. All payments are made in the ordinary course of business and the Group expects to pay all supplier debts as they become due.

Trade payable days for the Group at 31 July 2025 were 78 days (FY24: 71 days).

Our approach to engagement with suppliers is detailed further in the Section 172 Statement on page 24.

### Research and development

Development costs of £0.8m (FY24: £0.5m) have been capitalised in relation to product development activity in accordance with the Group's accounting policy.

### Financial instruments

Details of the Group's exposure to financial risks are set out in note 24 to the financial statements.

### Employment policy

It is the policy of the Group to operate a fair employment policy. No employee or job applicant is less favourably treated than another on the grounds of their sex, sexual orientation, age, marital status, religion, race, nationality, ethnic or national origin, colour or disability and all appointments and promotions are determined solely on merit. The Directors encourage employees to be aware of all issues affecting the Group and place considerable emphasis on employees sharing in its success through its employee share option schemes. In addition, the Group is committed to training courses, with a number of staff undertaking apprenticeships and other technical training, and is also to career development and internal promotion where possible within the Group. Further details on employee engagement are provided in the Section 172 Statement on page 24.

### Environment

The Group adheres to all environmental regulations and has, where possible, utilised environmentally sustainable policies to encourage recycling and waste reduction. Further details of the Group's environmental, social and governance strategy are provided on pages 26 to 49. The Group is classed as large under the Companies Act 2006 and therefore falls under the scope of the Streamlined Energy and Carbon Reporting ("SECR") requirements. The Group is exempt from disclosure related to SECR as no individual UK registered subsidiary is a large company and the parent company itself consumes less than 40,000 kWh of energy per year. The Group has voluntarily reported SECR disclosures for all operations on page 33.

### Future business developments

Details of these are provided in the Strategic Report, and the Chief Executive Officer's Review on pages 16 to 20.

### Significant contracts

There are a number of significant contracts in operation across the Group.

- Tracsis plc has some large contracts with Train Operating Companies from which it derives significant amounts of revenue.
- MPEC Technology Limited has a significant Framework Agreement with a major railway infrastructure provider, from which it has historically derived a significant amount of business.
- Tracsis Traffic Data Limited has a significant contract with a major worldwide engineering consultancy company from which it has historically derived a significant amount of business.
- Ontrac Limited has a large contract with a major railway infrastructure provider, from which it derives a significant amount of business.
- Tracsis Events Limited has a number of significant, multi-year contracts with a number of key clients.
- Compass Informatics Limited has a range of contracts with government bodies and private sector organisations.
- Tracsis Rail Technology & Services Limited has some significant contacts with Train Operating Companies and also industry association bodies.
- RailComm LLC has a number of large contracts with North American rail and infrastructure operators.
- Tracsis plc has a £35m revolving credit facility with HSBC.

### Auditor

A resolution to reappoint Grant Thornton UK LLP as auditor of the Company will be proposed at the Annual General Meeting.

### Provision of information to auditor

All of the current Directors have taken all steps that they ought to have taken to make themselves aware of any information needed by the Company's auditor for the purposes of their audit and to establish that the auditor is aware of that information. The Directors are not aware of any relevant audit information of which the auditor is unaware.

### Anti-bribery and corruption

The Group is committed to conducting business with honesty and integrity. We have a policy on anti-bribery and corruption measures that sets out a zero-tolerance approach to these matters, and identifies the responsibilities and behaviours expected of all Tracsis employees in this regard.

### Third party indemnity provisions

All Directors benefit from qualifying third party indemnity provisions in place during the financial year and at the date of this report.

### Events after the balance sheet date

There are no post-balance sheet events to disclose.

By order of the Board

**Jan David Mitson**  
Company Secretary  
19 November 2025

Nexus  
Discovery Way  
Leeds LS2 3AA  
United Kingdom

## Statement of Directors' responsibilities

The Directors are responsible for preparing the Annual Report and the Group and parent company financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare Group and parent company financial statements for each financial year. Under the AIM Rules of the London Stock Exchange they are required to prepare the Group financial statements in accordance with UK-adopted International Accounting Standards and they have elected to prepare the parent company financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 Reduced Disclosure Framework.

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs and profit or loss of the parent company and Group for that period. Note that where the exemption has been taken under Section 408 of the Companies Act 2006 not to publish the parent Company's profit and loss account, Section 408(3) states that the Directors must still prepare and approve the parent company's profit and loss account even though it is not published. In preparing each of the Group and parent company financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable, and prudent;
- for the Group financial statements, state whether applicable UK-adopted International Accounting Standards in conformity with the Companies Act 2006 have been followed, subject to any material departures disclosed and explained in the financial statements;
- for the parent company financial statements, state whether applicable UK 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 Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent company's transactions and disclose with reasonable accuracy at any time the financial position of the parent company and enable them to ensure that its financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the parent company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors confirm that:

- so far as each Director is aware, there is no relevant audit information of which the parent company's auditor is unaware; and
- the Directors have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the parent company's auditor is aware of that information.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

# Independent auditor's report to the members of Tracsis plc

## Opinion

### Our opinion on the financial statements is unmodified

We have audited the financial statements of Tracsis plc (the "parent company") and its subsidiaries (the "Group") for the year ended 31 July 2025, which comprise the consolidated statement of comprehensive income, the consolidated balance sheet, the consolidated statement of changes in equity, the consolidated cash flow statement, the notes to the consolidated financial statements including material accounting policy information, the Company balance sheet, the Company statement of changes in equity and notes to the Company balance sheet including material accounting policy information. The financial reporting framework that has been applied in the preparation of the group financial statements is applicable law and UK-adopted international accounting standards. The financial reporting framework that has been applied in the preparation of the parent company financial statements is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 'Reduced Disclosure Framework' (United Kingdom Generally Accepted Accounting Practice).

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the parent company's affairs as at 31 July 2025 and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with UK-adopted international accounting standards;
- the parent company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

## Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the group and the parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Conclusions relating to going concern

We are responsible for concluding on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the parent company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Group or the parent company to cease to continue as a going concern.

Our evaluation of the Directors' assessment of the Group's and the parent company's ability to continue to adopt the going concern basis of accounting included:

- assessing and challenging management's paper and underlying forecasts to 31 January 2027 and challenging the key assumptions made by management in producing these forecasts;
- challenging management's forecasts for consistency against other forecasts provided within our audit, such as impairment models;
- performing a stand back assessment of historical forecasting accuracy and challenging management on any historical forecasting inaccuracies to determine if these are indicative of management bias;
- performing a sensitivity analysis over the forecasts produced by management to determine what breaks the forecasts, and the likelihood of such a situation occurring;
- evaluating the completeness and accuracy of the disclosures made in the financial statements in respect of going concern; and
- corroborating the existence of the Group's loan facilities and related covenant requirements for the period covered by management's forecasts and tested the covenant compliance in the going concern period.

In our evaluation of the Directors' conclusions, we considered the inherent risks associated with the Group's and the parent company's business model including effects arising from macro-economic uncertainties such as the impact of US tariffs and the potential impact of the nationalisation of the railway, we assessed and challenged the reasonableness of estimates made by the Directors and the related disclosures and analysed how those risks might affect the Group's and the parent company's financial resources or ability to continue operations over the going concern period.

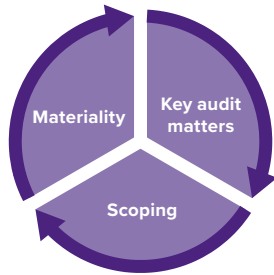
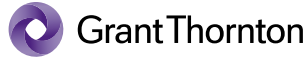
In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's and the parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.



## Our approach to the audit



### Overview of our audit approach

Overall materiality:

Group: £406,000 which represents approximately 0.5% of the Group's revenue.

Parent company: £970,000 which represents approximately 1% of the parent company's total assets. The parent company component materiality has been capped at an amount less than Group materiality for Group audit purposes.

Key audit matters were identified as:

- Valuation of goodwill and other intangible assets in the Rail Traffic North America ("RTNA") cash-generating unit ("CGU")
- Valuation of investment in and amounts owed from Tracsis Group US Holdings LLC (parent company)

Our auditor's report for the year ended 31 July 2024 included no key audit matters that have not been reported as key audit matters in our current year's report.

Scoping has been determined to ensure appropriate coverage of the significant risks as well as coverage of the key results in the financial statements, specifically:

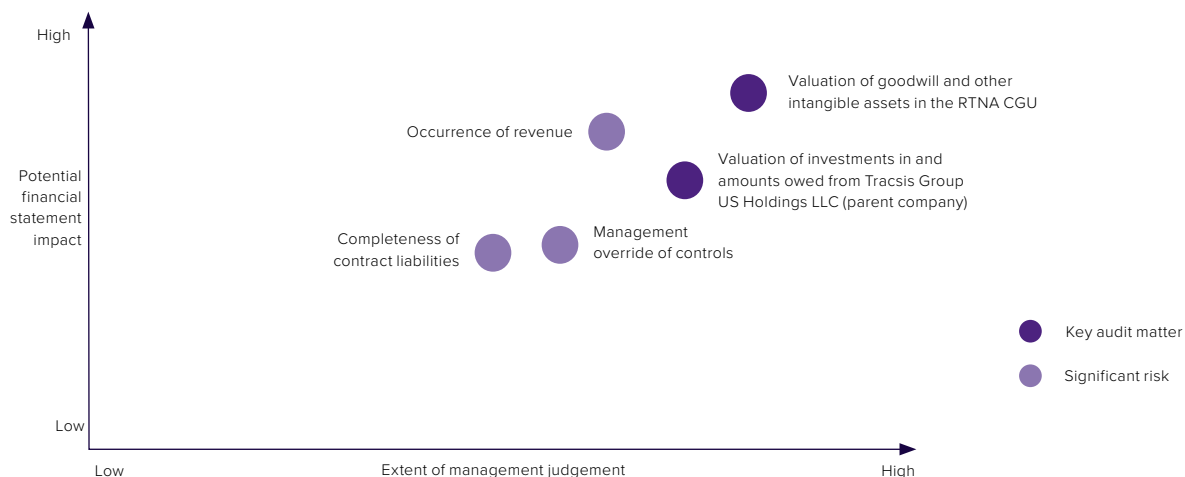
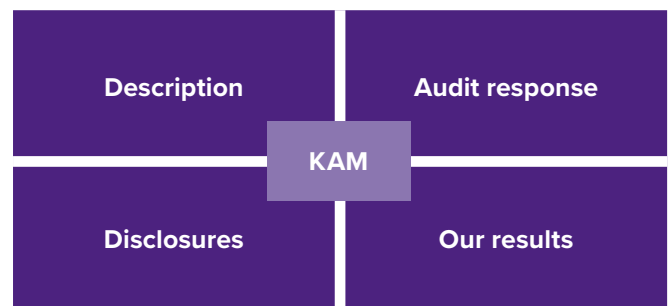
- Group revenue 92%
- Group absolute profit before tax 89%

We performed an audit of the financial information of two components using component performance materiality (full-scope audit) and an audit of one or more account balances, classes of transactions or disclosures of the component (specific-scope audit) for eight components (including the parent company). We performed analytical procedures at Group level (analytical procedures) on the financial information of all the remaining Group components and performed tests on material balances where appropriate.

### Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those that had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In the graph below, we have presented the key audit matters and significant risks relevant to the audit. This is not a complete list of all risks identified by our audit.



## Our approach to the audit *continued*

### Key audit matters *continued*

Key audit matter – Group

#### **Valuation of goodwill and other intangible assets in the Rail Traffic North America ("RTNA") cash-generating unit ("CGU")**

We identified valuation of goodwill and other intangible assets in the RTNA CGU as one of the most significant assessed risks of material misstatement due to error. The Group recorded goodwill and other intangible assets of £47.5m as at 31 July 2025 (2024: £52.6m) of which £9.0m (2024: £10.6m) is allocated to the RTNA CGU.

Goodwill is required to be assessed for impairment annually in accordance with International Accounting Standard ("IAS") 36. There is an increased risk of impairment of the goodwill and other intangibles balance for the RTNA CGU. This is because of the high level of estimation uncertainty in assessing the future performance of the CGU using operating cash flows and long term growth rates, and also in assessing the appropriate discount rate to apply in calculating the 'value in use'.

We have focused our significant risk upon the Tracsis RTNA CGU due to the expected level of sensitivity of the value-in-use calculation. This CGU generated lower project delivery revenue than forecast in FY25 and is sensitive to changes in forecasting assumptions.

How our scope addressed the matter – Group

In responding to the key audit matter, we performed the following audit procedures:

- assessed the design and implementation of relevant controls associated with the valuation of goodwill and other intangible assets;
- evaluated the Group's accounting policy for consistency with International Accounting Standards (IAS) 36 'Impairment of Assets' and considering whether the accounting policy was applied accurately and consistently;
- evaluated whether the assets and liabilities of the Group are allocated to the CGUs appropriately and challenged whether the CGUs identified are appropriate;
- utilised valuation experts to test the discount rate applied by management to forecast cash flows by independently determining a weighted average cost of capital ("WACC") range for each CGU;
- assessed the competence, capability and objectivity of management's expert through reference to their qualifications and experience;
- assessed and challenged management's impairment review, including determining whether appropriate costs and cash flows are included;
- assessed management's sensitivity analysis on the forecast cash flows, long-term growth rates and discount rates and determined their impact on the carrying value of the intangible assets;
- evaluated historical forecasting accuracy by comparing budgeted results to actual in prior years;
- discussed and challenged the appropriateness of dispatch and yard opportunities in the forecasts, specific to the RTNA model;
- corroborated pipeline contracts and conversion of these for RTNA, including quotes issued to customers; and
- assessed whether the disclosures included for headroom sensitivities are appropriate and in line with IAS 36.

#### **Relevant disclosures in the Annual Report**

- Financial statements: Note 4, Critical Accounting Estimates and Judgements. Note 13, Intangible Assets.

#### **Our results**

Based on our audit work, we did not identify material misstatement in the valuation of goodwill and other intangible assets in the RTNA CGU as at 31 July 2025.

## Our approach to the audit *continued*

### Key audit matters *continued*

Key audit matter – Parent company

How our scope addressed the matter – Parent company

#### Valuation of investment in and amounts owed from Tracsis Group US Holdings LLC

We identified the valuation of investment in and amounts owed from Tracsis Group US Holdings LLC as one of the most significant assessed risks of material misstatement due to error.

Investment in subsidiaries of £77.0m (2024 : £77.2m) and amounts owed by group undertakings of £13.5m (2024 : £14.4m) are reported in the Company balance sheet at cost less provision for impairment.

Investments and amounts owed by Group undertakings are tested for impairment if impairment indicators exist. If such indicators exist, the recoverable amount of the investment is estimated in order to determine the extent of the impairment loss, if any. Any impairment loss is recognised in the income statement. There is a high level of estimation uncertainty in assessing the future performance of the investment using operating cash flows and long-term growth rates, and also in assessing the appropriate discount rate to apply in calculating the value in use.

Management's assessment identified impairment indicators in the investment of £2.3m and intercompany amounts of £9.7m owed by Tracsis Group US Holdings LLC as a result of its trading subsidiary, Railcomm LLC, generating lower project delivery revenue than forecast in FY25.

In responding to the key audit matter, we performed the following audit procedures:

- assessed the design and implementation of relevant controls associated with management's impairment analysis;
- obtained and evaluated management's assessment of whether there are indicators of impairment in the investments held, to assess compliance with IAS 36;
- assessed and challenged management's impairment review, including determining whether appropriate costs and cash flows are included, and that these appropriately factor in the current economic climate, and corroborate medium and long-term growth assumptions to relevant evidence, such as external market data;
- Utilised valuation experts to test the discount rate applied by management to forecast cashflows by independently determining a cost of equity range for the investment in Tracsis Group US Holdings LLC;
- assessed management's medium and long-term growth rates used in the forecast including comparison to economic and industry forecasts where appropriate;
- evaluated historical forecasting accuracy by comparing budgeted results to actual in prior years;
- performed sensitivity analysis on the key assumptions, including the forecasted cash flows, the long-term growth rates and discount rates and assessed the impact on the value-in-use calculation;
- assessed and challenged management's assessment of the expected credit loss provision against amounts owed by Group undertakings; and
- assessed whether the disclosures regarding impairment and expected credit loss within the financial statements are appropriate.

#### Relevant disclosures in the Annual Report

- Note 31, Critical accounting estimates and judgements.
- Note 33, Investments, Note 34, Trade and other receivables.

#### Our results

Based on our audit work, we did not identify material misstatement in the valuation of investments and amounts owed by Group undertakings relating to Tracsis Group US Holdings LLC as at 31 July 2025.

### Our application of materiality

We apply the concept of materiality both in planning and performing the audit, and in evaluating the effect of identified misstatements on the audit and of uncorrected misstatements, if any, on the financial statements and in forming the opinion in the auditor's report.

Materiality was determined as follows:

Materiality measure	Group	Parent company
<b>Materiality for financial statements as a whole</b>	We define materiality as the magnitude of misstatement in the financial statements that, individually or in the aggregate, could reasonably be expected to influence the economic decisions of the users of these financial statements. We use materiality in determining the nature, timing and extent of our audit work.	
Materiality threshold	£406,000 (2024: £387,000), which represents approximately 0.5% of revenue.	£970,000 (2024: £1,070,000), which represents approximately 1% of the parent company's total assets.  The parent company materiality is solely for the purposes of the parent company statutory audit. A lower component materiality has been used in respect of the parent company for the Group financial statements audit.
Significant judgements made by auditor in determining materiality	In determining materiality, we made the following significant judgements: <ul style="list-style-type: none"> <li>Revenue is considered to be the most appropriate benchmark for the group due to it being a key performance indicator for the Group's stakeholders and being less volatile than earnings for the Group.</li> </ul> Materiality for the current year is higher than the level that we determined for the year ended 31 July 2024 to reflect the increase in revenue.	In determining materiality, we made the following significant judgements: <ul style="list-style-type: none"> <li>Total assets is considered to be the most appropriate benchmark for the parent company as it is primarily a holding company and the level of trade generated fluctuates year on year such that revenue and profit before tax are volatile benchmarks.</li> </ul> Materiality for the current year is lower than the level that we determined for the year ended 31 July 2024 to reflect the decrease in total assets.
<b>Performance materiality used to drive the extent of our testing</b>	We set performance materiality at an amount less than materiality for the financial statements as a whole to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality for the financial statements as a whole.	

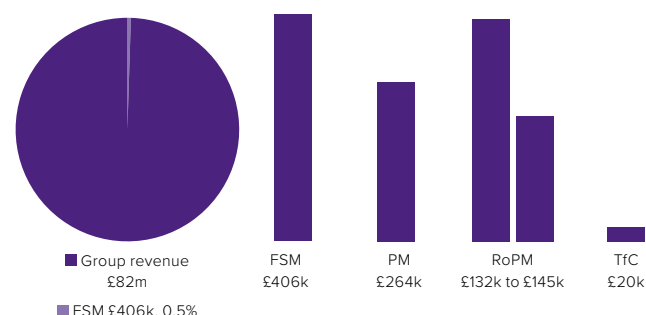
## Our approach to the audit *continued*

### Our application of materiality *continued*

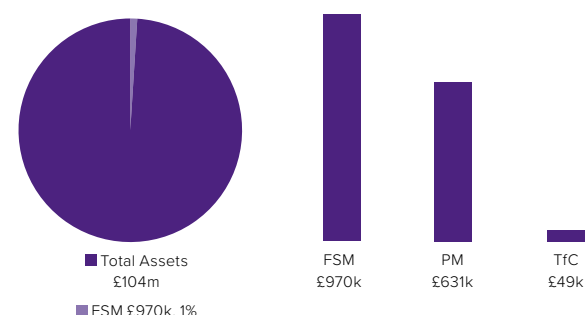
Materiality measure	Group	Parent company
Performance materiality threshold	<p>£263,900 (2024: £271,000), which is 65% (2024: 70%) of financial statement materiality.</p> <p>The range of component performance materialities used across the Group was £131,950 to £145,145.</p>	<p>£630,500 (2024: £749,000), which is 65% (2024: 70%) of financial statement materiality.</p> <p>Parent company component performance materiality has been capped at an amount less than Group performance materiality for Group audit purposes.</p>
Significant judgements made by auditor in determining performance materiality	<p>In determining performance materiality, we made the following significant judgements:</p> <ul style="list-style-type: none"> <li>The strength of the control environment based on our assessment of the design and implementation of controls.</li> <li>The nature, size and volume of misstatements identified in the previous audit.</li> </ul> <p>The reduction in performance materiality in the current year reflects an increase in the number of deficiencies and adjustments identified in the prior year.</p> <p>In determining component performance materiality, we made the following significant judgements:</p> <ul style="list-style-type: none"> <li>Extent of disaggregation of financial information across components, including the relative risk and size of a component to the Group.</li> </ul> <p>For each component in scope for our Group audit, we allocated a performance materiality that is less than our overall Group performance materiality.</p>	<p>In determining performance materiality, we made the following significant judgements:</p> <ul style="list-style-type: none"> <li>The strength of the control environment based on our assessment of the design and implementation of controls.</li> <li>The nature, size and volume of misstatements identified in the previous audit.</li> </ul> <p>The reduction in performance materiality in the current year reflects an increase in the number of deficiencies and adjustments identified in the prior year.</p>
Specific materiality	We determine specific materiality for one or more particular classes of transactions, account balances or disclosures for which misstatements of lesser amounts than materiality for the financial statements as a whole could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.	
Specific materiality	<p>We determined a lower level of specific materiality for the following areas:</p> <ul style="list-style-type: none"> <li>Directors' remuneration.</li> <li>Identified related party transactions outside of the normal course of business.</li> </ul>	<p>We determined a lower level of specific materiality for the following areas:</p> <ul style="list-style-type: none"> <li>Directors' remuneration.</li> <li>Identified related party transactions outside of the normal course of business.</li> </ul>
Communication of misstatements to the Audit & Risk Committee	We determine a threshold for reporting unadjusted differences to the Audit & Risk Committee.	
Threshold for communication	£20,300 (2024: £19,400), which represents 5% of financial statement materiality, and misstatements below that threshold that, in our view, warrant reporting on qualitative grounds.	£48,500 (2024: £53,500), which represents 5% of financial statement materiality, and misstatements below that threshold that, in our view, warrant reporting on qualitative grounds.

The graph below illustrates how performance materiality interacts with our overall materiality and the threshold for communication to the Audit & Risk Committee.

Overall materiality – Group



Overall materiality – Parent



FSM: Financial statement materiality, PM: Performance materiality, RoPM: Range of performance materiality at ten components, TfC: Threshold for communication to the Audit & Risk Committee.

## Our approach to the audit *continued*

### An overview of the scope of our audit

We performed a risk-based audit that requires an understanding of the Group's and the parent company's business and in particular matters related to:

#### Understanding the group, its components, their environments, and its system of internal control including common controls

- The Group engagement team obtained an understanding of the Group and its components, their environment, and its system of internal control, including the nature and extent of common controls and centralised activities relevant to financial reporting, and assessed the risks of material misstatement at the Group level.
- The Group engagement team performed walkthroughs on key areas of focus to identify the key controls and assess their design and implementation.

#### Identifying components at which to perform audit procedures

We have determined the components at which to perform further audit procedures, by considering the following:

- components in scope for further audit procedures due to individually including a risk of material misstatement to the Group financial statements due to the component's nature or circumstances;
- components in scope for further audit procedures due to the nature and size of assets, liabilities and transactions at the component (being of financial significance to one or more scoped items that it is required to be in scope); and
- components in scope for further audit procedures to obtain sufficient appropriate audit evidence for significant classes of transactions, account balances and disclosures, or for unpredictability.

#### Type of work to be performed on financial information of parent and other components (including how it addressed the key audit matters)

- The Group engagement team identified two components which were subject to audit of the entire financial information of the component. These procedures included a combination of tests of detail and substantive analytical procedures.
- There were eight components which were subject to specific audit procedures designed by the Group auditor. These procedures included a combination of tests of detail and substantive analytical procedures and were designed to increase coverage of the group's financial statement line items.
- The key audit matter was tested as part of our work at a group level rather than in a specific component.
- The remaining components were subject to analytical procedures performed at a Group level.

#### Performance of our audit

- The Group engagement team performed inventory counts for two components.
- The going concern assessment was tested as part of our work at both a Group and parent company level.
- The Key Audit Matter – Valuation of goodwill and other intangible assets in the RTNA CGU – relates to balances arising on consolidation and was addressed by the Group audit procedures.
- The group engagement team performed the full-scope and specific-scope audit procedures across Tracsis plc and US component in line with the scope described above. The Group engagement team visited the US subsidiary to perform the specific-scope audit work on this entity.
- The Group engagement team engaged a component auditor in the UK and Ireland to conduct audit procedures on the UK and Irish subsidiaries which were in scope for the audit.
- As part of planning procedures, an evaluation was completed over the Group's internal control environment including its IT systems and controls to inform our risk assessment. Our audit testing approach was wholly substantive.

Further audit procedures performed on components subject to specific scope and specified procedures may not have included testing of all significant account balances of such components, but further audit procedures were performed on specific accounts within that component that we, the Group auditor, considered had the potential for the greatest impact on the Group financial statements either due to risk, size or coverage.

The components within the scope of further audit procedures accounted for the following percentages of the Group's results, including the key audit matters identified:

Audit approach	No. of components	% coverage revenue	% coverage PBT (on absolute basis)
Full-scope audit	2 (2024: 2)	38% (2024: 37%)	6% (2024: 12%)
Specific scope procedures	8 (2024: 7)	54% (2024: 43%)	83% (2024: 66%)
Full-scope and specific scope procedures coverage	10 (2024: 9)	92% (2024: 80%)	89% (2024: 78%)
Analytical procedures	10 (2024: 12)	8% (2024: 20%)	11% (2024: 22%)
<b>Total</b>	<b>20 (2024: 21)</b>	<b>100%</b>	<b>100%</b>

#### Communications with component auditors

- The engagement team issued group instructions to, the component auditors in the UK and Ireland and reviewed the work performed by them during the planning, fieldwork and completion stages of the audit.

#### Changes in approach from previous period

- There has been an increase in the number of specific-scope components. This is due to changes in relative contribution of the components in scope.



### Other information

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

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

We have nothing to report in this regard.

#### **Our opinion on other matters prescribed by the Companies Act 2006 is unmodified**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

#### **Matter on which we are required to report under the Companies Act 2006**

In the light of the knowledge and understanding of the Group and the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

#### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

#### **Responsibilities of Directors**

As explained more fully in the Statement of Directors' responsibilities set out on page 81, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the parent company or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Group and the parent company and determined that the most significant are applicable law and UK-adopted International Accounting Standards (for the Group), United Kingdom Generally Accepted Accounting Practice (for the parent company) and relevant tax regulations.
- We corroborated our understanding of the legal and regulatory framework applicable to the entity by discussing relevant frameworks with Group management and component management and obtaining correspondence with relevant parties and reviewing Board minutes.

## Other information *continued*

### Auditor's responsibilities for the audit of the financial statements *continued*

- We assessed the susceptibility of the Group's and the parent company's financial statements to material misstatement, including how fraud might occur, by evaluating management's incentives and opportunities for manipulation of the financial statements. This included the evaluation of the risk of management override of controls. We determined that the principal risks were in relation to:
  - journal entries that were posted by senior finance personnel or that reclassified costs within the consolidated statement of comprehensive income to increase Adjusted EBITDA;
  - material post-close journal entries;
  - material transactions to revenue accounts from an unexpected general ledger code;
  - potential management bias in determining accounting estimates, especially in relation to their assessment of the valuation of goodwill and other intangible assets; and
  - transactions with related parties outside of the normal course of business.
- Audit procedures performed by the engagement team included:
  - evaluating the processes and controls established to address the risks related to irregularities and fraud;
  - journal entry testing, in particular those journals determined to be in respect of our principal risk documented above; and
  - challenging assumptions and judgements made by management in its significant accounting estimates.
- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it.
- The engagement partner's assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's:
  - understanding of, and practical experience with, audit engagements of a similar nature and complexity through appropriate training and participation;
  - knowledge of the industry in which the Group and the parent company operate; and
  - understanding of the legal and regulatory requirements specific to the Group and the parent company.
- We issued engagement team communications in respect of potential non-compliance with laws and regulations and fraud including the potential for fraud in revenue recognition through manipulation of deferred income.
- We requested that the component auditor inform us of any instances they identify of non-compliance with laws and regulations that might give rise to a risk of material misstatement of the Group financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### Victoria McLoughlin

Senior Statutory Auditor

for and on behalf of Grant Thornton UK LLP

Statutory Auditor, Chartered Accountants

Leeds

19 November 2025

## Consolidated statement of comprehensive income

for the year ended 31 July 2025

	Notes	2025 £000	2024 £000
<b>Revenue</b>	5.1	<b>81,890</b>	81,022
<b>Cost of sales</b>		<b>(34,508)</b>	(35,009)
<b>Gross profit</b>		<b>47,382</b>	46,013
Administrative costs		<b>(46,372)</b>	(45,046)
<b>Adjusted EBITDA*</b>	5.2, 29	<b>12,574</b>	12,759
Depreciation	12	<b>(2,488)</b>	(2,371)
Amortisation of intangible assets	13	<b>(5,926)</b>	(5,526)
Other operating (expense)/income	8.4	<b>(357)</b>	7
Share-based payment charges	7	<b>(432)</b>	(899)
<b>Operating profit before exceptional items</b>		<b>3,371</b>	3,970
Exceptional items	8.3	<b>(2,361)</b>	(3,003)
<b>Operating profit</b>	8	<b>1,010</b>	967
Net finance income	9	<b>578</b>	28
<b>Profit before tax</b>		<b>1,588</b>	995
Taxation	10	<b>(1,068)</b>	(507)
<b>Profit after tax</b>		<b>520</b>	488
<b>Other comprehensive expense</b>			
<i>Items that are or may be reclassified subsequently to profit or loss:</i>			
Foreign currency translation differences		<b>(356)</b>	(295)
<b>Total comprehensive income for the year</b>		<b>164</b>	193
Earnings per ordinary share			
Basic	11	<b>1.72p</b>	1.62p
Diluted	11	<b>1.69p</b>	1.59p

\* Earnings before net finance income, tax, depreciation, amortisation, exceptional items, other operating income and share-based payment charges – see note 29.

The accompanying notes form an integral part of these financial statements.

## Consolidated balance sheet

as at 31 July 2025

Company number: 05019106

	Notes	2025 £000	2024 £000
<b>Non-current assets</b>			
Property, plant and equipment	12	5,326	4,992
Intangible assets	13	47,503	52,610
Investments – equity	14	—	—
Deferred tax assets	21	1,869	1,376
		<b>54,698</b>	58,978
<b>Current assets</b>			
Inventories	15	1,156	1,512
Trade and other receivables	17	18,688	21,536
Current tax receivables		40	1,011
Cash and cash equivalents		23,389	19,773
		<b>43,273</b>	43,832
<b>Total assets</b>		<b>97,971</b>	102,810
<b>Non-current liabilities</b>			
Lease liabilities	16	1,851	737
Deferred tax liabilities	21	6,264	7,132
		<b>8,115</b>	7,869
<b>Current liabilities</b>			
Lease liabilities	16	792	1,123
Trade and other payables	18	22,945	25,498
Provisions	19	664	—
Contingent consideration payable	20	158	151
Current tax liabilities		290	—
		<b>24,849</b>	26,772
<b>Total liabilities</b>		<b>32,964</b>	34,641
<b>Net assets</b>		<b>65,007</b>	68,169
<b>Equity attributable to equity holders of the Company</b>			
Called up share capital	22	119	121
Share premium	23	6,535	6,535
Merger reserve	23	6,161	6,161
Retained earnings	23	52,760	55,567
Capital redemption reserve	23	3	—
Translation reserve	23	(521)	(165)
Fair value reserve	23	(50)	(50)
<b>Total equity</b>		<b>65,007</b>	68,169

The financial statements on pages 82 to 136 were approved and authorised for issue by the Board of Directors on 19 November 2025 and were signed on its behalf by:

**David Frost**  
Chief Executive Officer

**Andrew Kelly**  
Chief Financial Officer

The accompanying notes form an integral part of these financial statements.

## Consolidated statement of changes in equity

for the year ended 31 July 2025

	Share capital £000	Share premium £000	Merger reserve £000	Retained earnings £000	Capital redemption reserve £000	Translation reserve £000	Fair value reserve £000	Total £000
At 1 August 2023	120	6,535	6,161	54,875	—	130	(50)	67,771
Profit for the year	—	—	—	488	—	—	—	488
Other comprehensive expense	—	—	—	—	—	(295)	—	(295)
Total comprehensive income/ (expense)	—	—	—	488	—	(295)	—	193
<b>Transactions with owners:</b>								
Dividends (note 28)	—	—	—	(695)	—	—	—	(695)
Share-based payment credit	—	—	—	899	—	—	—	899
Exercise of share options (notes 7, 22)	1	—	—	—	—	—	—	1
At 31 July 2024	121	6,535	6,161	55,567	—	(165)	(50)	68,169
At 1 August 2024	121	6,535	6,161	55,567	—	(165)	(50)	68,169
Profit for the year	—	—	—	520	—	—	—	520
Other comprehensive expense	—	—	—	—	—	(356)	—	(356)
Total comprehensive income/ (expense)	—	—	—	520	—	(356)	—	164
<b>Transactions with owners:</b>								
Dividends (note 28)	—	—	—	(759)	—	—	—	(759)
Buy-back of ordinary shares (note 22)	(3)	—	—	(2,985)	3	—	—	(2,985)
Buy-back transaction costs	—	—	—	(15)	—	—	—	(15)
Share-based payment credit	—	—	—	432	—	—	—	432
Exercise of share options (notes 7, 22)	1	—	—	—	—	—	—	1
<b>At 31 July 2025</b>	<b>119</b>	<b>6,535</b>	<b>6,161</b>	<b>52,760</b>	<b>3</b>	<b>(521)</b>	<b>(50)</b>	<b>65,007</b>

Details of the nature of each component of equity are set out in notes 22 and 23.

The accompanying notes form an integral part of these financial statements.



## Consolidated cash flow statement

for the year ended 31 July 2025

	Notes	2025 £000	2024* £000
<b>Operating activities</b>			
Profit for the year		520	488
Net finance income	9	(578)	(28)
Depreciation	12	2,488	2,371
Amortisation of intangible assets	13	5,926	5,526
Exceptional items	8.3	2,361	3,003
Exceptional operating cash flows	8.3	(1,445)	(2,283)
Profit on disposal of property, plant and equipment	8.1	(4)	(15)
Loss on disposal of internally generated intangible assets	8.1	85	—
Other operating income	8.4	357	(7)
Income tax charge	10	1,068	507
Share-based payment charges	7	432	899
Net exchange differences		7	—
<b>Operating cash inflow before changes in working capital</b>		<b>11,217</b>	<b>10,461</b>
Movement in inventories		(13)	(48)
Movement in trade and other receivables		3,610	(2,394)
Movement in trade and other payables		(2,778)	1,962
Movement in provisions		(195)	—
<b>Cash generated from operations</b>		<b>11,841</b>	<b>9,981</b>
Interest received		581	171
Income taxes paid		(1,590)	(1,652)
<b>Net cash flow from operating activities</b>		<b>10,832</b>	<b>8,500</b>
<b>Investing activities</b>			
Purchase of property, plant and equipment		(671)	(1,487)
Proceeds from disposal of property, plant and equipment		36	241
Capitalised development costs	13	(835)	(462)
Purchase of intangible assets	13	(312)	—
Payment of deferred consideration		—	(315)
<b>Net cash flow used in investing activities</b>		<b>(1,782)</b>	<b>(2,023)</b>
<b>Financing activities</b>			
Dividends paid	28	(759)	(695)
Proceeds from exercise of share options		1	1
Payments for ordinary shares bought back	22	(2,985)	—
Share buy-back transaction costs	22	(15)	—
Debt facility transaction costs		(323)	—
Lease liability payments	16	(1,380)	(1,441)
Lease receivable receipts		—	32
<b>Net cash flow used in financing activities</b>		<b>(5,461)</b>	<b>(2,103)</b>
Net increase in cash and cash equivalents		3,589	4,374
Exchange adjustments		27	92
Cash and cash equivalents at the beginning of the year		19,773	15,307
<b>Cash and cash equivalents at the end of the year</b>		<b>23,389</b>	<b>19,773</b>

\* Net cash flow from operating activities has been represented in the comparative period to show exceptional operating cash outflows of £2,283,000 on a separate line; movement in trade and other payables has been reduced by £446,000 in respect of items that related to exceptional items accordingly.

The accompanying notes form an integral part of these financial statements.

## Notes to the consolidated financial statements

### 1 Reporting entity

Tracsis plc ("the Company") is a public company incorporated, domiciled, and registered in England in the United Kingdom. The registered number is 05019106 and the registered address is Nexus, Discovery Way, Leeds LS2 3AA. The consolidated financial statements of the Company for the year ended 31 July 2025 comprise the Company and its subsidiaries (together referred to as "the Group"). The parent company financial statements present information about the Company as a separate entity and not about its Group.

### 2 Basis of preparation

#### (a) Statement of compliance

The Group consolidated financial statements have been prepared in accordance with UK-adopted International Accounting Standards ("IFRSs"). The Company has elected to prepare its parent company financial statements in accordance with FRS 101. These parent company statements are presented after the notes to the consolidated financial statements.

#### (b) Basis of measurement

The accounts have been prepared under the historical cost convention, with the exception of the valuation of investments, contingent consideration, financial liabilities and initial valuation of assets and liabilities acquired in business combinations which are included on a fair value basis.

#### (c) Presentation currency

These consolidated financial statements are presented in Sterling. All financial information presented in Sterling has been rounded to the nearest thousand unless otherwise stated.

#### (d) Use of estimates and judgements

The preparation of financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision only affects that period, or in the period of the revision and future periods, if the revision affects both current and future periods.

Judgements made by management in the application of IFRSs that have a significant effect on the Group financial statements and estimates with a significant risk of material adjustment in future years are disclosed in note 4.

#### (e) Accounting developments

A number of new IFRSs have been endorsed by the UK Endorsement Board with effective dates such that they fall to be applied by the Group.

The following standards and amendments to UK-adopted International Accounts Standards are the only changes of relevance to these financial statements that have been applied in the year ended 31 July 2025:

- Amendments to IAS 1 "Classification of Liabilities as Current or Non-current".

These amendments had no material impact on either the Group's or Company's financial statements.

There are no other relevant standards, interpretations or amendments that required mandatory application in the current year.

### Future developments

There are a number of new standards and amendments issued by the International Accounting Standards Board ("IASB") that will be effective for financial statements after this reporting period, once endorsed by the UK Endorsement Board. The most relevant changes for the Group are:

- IFRS 18 "Presentation and Disclosure in Financial Statements", effective for periods beginning on or after 1 January 2027; and
- Amendments to IFRS 7 and IFRS 9 "Amendments to the Classification and Measurement of Financial Instruments", effective for periods beginning on or after 1 January 2026.

Based on preliminary assessments, the adoption of these standards and amendments is not expected to have a significant impact on either the Group's results or financial position. The adoption of IFRS 18 introduces new required subtotals in profit or loss, including profit or loss before financing and income taxes.

#### (f) Going concern

The Group is debt free, has substantial cash resources and has access to an uncommitted £2m overdraft facility and to a committed £35m revolving credit facility. At 31 July 2025 the Group had net cash and cash equivalents totalling £23.4m. The Board has prepared cash flow forecasts for the period through to January 2027 based upon assumptions for trading, the requirements for cash resources and expected performance against debt covenants; these forecasts consider reasonably possible changes in trading financial performance as well as potential merger and acquisition activity.

Further to this, management prepared a severe but plausible scenario, reducing revenues from budget and including a more pessimistic view of working capital. There was still ample liquidity and covenant headroom under this scenario. A reverse stress test was also considered. The revenue and cash flow assumptions required to eliminate any headroom under the reverse stress test are considered by the Board to be highly unlikely.

Based upon this analysis, the Board has concluded that the Group has adequate working capital resources and that it is appropriate to use the going concern basis for the preparation of the consolidated financial statements.

### 3 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements.

#### (a) Basis of consolidation

Subsidiaries are entities controlled by the Company. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. In assessing control, the Group takes into consideration potential voting rights. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date control ceases. The accounting policies of subsidiary companies have been changed where necessary to align them with the policies adopted by the Group. The Group entities included in these consolidated financial statements are those listed in note 27. All intra-group balance and transactions, including unrealised profits arising from intra-group transactions, are eliminated fully on consolidation.

### 3 Significant accounting policies *continued*

#### (b) Revenue recognition

The Group applies IFRS 15 “Revenue from Contracts with Customers”. IFRS 15 established a comprehensive framework for determining whether, how much and when revenue is recognised.

The Group derives revenue from software licensing and bespoke development work, post-contract customer support, sale of hardware and condition monitoring technology, consultancy and professional services, traffic data collection and capture and passenger counting, plus event planning, parking and traffic management services.

The following tables provide information about the nature and timing of the satisfaction of performance obligations in contracts with customers, and the related revenue recognition policies. Revenue is recognised when the performance obligation in the contract has been performed (either at a “point in time” or “over time” as control is transferred to the customer). Consideration received in advance of the performance obligation being satisfied by the Group is included as a contract liability on the balance sheet and is presented within current liabilities when it is expected to be settled within the normal operating cycle. An asset is recognised in accordance with IFRS 15:95 in relation to costs associated with incomplete performance obligations where the costs relate directly to the contract and can be specifically identified, the costs generate or enhance resources of the Group and the costs are expected to be recovered. Adjustments are made to allocate discounts relative to the stand-alone selling price of each performance obligation. The Group adjusts the transaction price for the time value of money where the period between the transfer of the promised service to the client, and the payment by the client exceeds one year.

The details of the significant accounting policies under IFRS 15 are set out below for each of the two operating segments within the Group.

#### Rail Technology & Services

Revenue stream	Recognition policy
<b>Software – perpetual and non-cancellable annual software licences, and support and maintenance services associated with these licences</b>	<p>The criteria under IFRS 15 have been considered to assess whether the software licences and support and maintenance are distinct performance obligations. As the support and updates do not make changes to the software that are so fundamental that the software would not be able to operate without them, they are considered distinct.</p> <p>The Group recognises the revenue from the sale of perpetual and non-cancellable annual software licences at the time that the licence is made available to the customer as it is considered that control passes at that point in time. Additionally, the Group does not undertake activities that significantly affect the licence after the point at which it was provided to the customer.</p> <p>Revenue related to ongoing support and periodic updates is recognised over the licence period as the Group is unable to predict at inception of the licence when the support and updates will be required to be provided to the customer. As such, control is considered to transfer with the passage of time.</p> <p>The allocation of the transaction price between the two performance obligations included in the contract is based on an expected cost plus margin approach as the stand-alone selling price is not observable.</p>
<b>Software as a service, and support services associated with these licences</b>	<p>Under IFRS 15 two distinct performance obligations have been identified for these contracts:</p> <ul style="list-style-type: none"> <li>• hosted software licences; and</li> <li>• maintenance and support.</li> </ul> <p>Revenue from the provision of the hosted software licence is recognised evenly over the period in which the licence is hosted by the Group. This policy reflects the continuous transfer of the service to the customer throughout the contracted licence period. For renewals of hosted licences, the revenue is recognised over the period of the contract.</p> <p>Revenue related to ongoing support and periodic updates is recognised evenly over the licence period as the Group is unable to predict at inception of the licence when the support and updates will be required to be provided to the customer.</p>
<b>Bespoke software development work</b>	<p>Bespoke development work does not create an asset with an alternative use to the Group and in those contracts where the Group does have an enforceable contractual right to payment for performance completed to date revenue is recognised over time using an input or output method as appropriate to the contract, and which provides the most accurate depiction of transfer of goods to the customer. For the Group this varies on a contract-by-contract basis. The most commonly used input method by the Group is costs incurred, and the most commonly used output method is milestones reached. In contracts where the Group does not have an enforceable contractual right to payment for performance completed to date revenue is recognised on completion of the work.</p>
<b>Hardware</b>	<p>The Group has identified one performance obligation in relation to the sale of hardware items, being delivery to the customer, which is considered the point in time that control passes and revenue is recognised.</p> <p>Hardware items are also sometimes sold to the customer alongside a licence for condition monitoring software; however, the licence is considered to be distinct from the hardware under IFRS 15 as the two can be sold and used separately from each other. The transaction price is allocated to the components of the contract based on an adjusted market assessment approach.</p> <p>Provision is made for any returns by customers and is recognised as a refund liability within other payables with any corresponding return asset recognised within other receivables. A twelve-month warranty is typically provided for remote condition monitoring hardware.</p>

## 3 Significant accounting policies *continued*

### (b) Revenue recognition *continued*

#### Data, Analytics, Consultancy & Events

Revenue stream	Recognition policy
<b>Traffic data collection and capture and passenger counting</b>	Revenue from traffic data collection and capture and passenger counting services deliverables is recognised on the provision of the contract deliverable(s) as agreed with the customer, unless there is an enforceable right to payment under the contract, in which instance revenue would be recognised over the completion of the project based on actual costs compared to expected total project costs, an input method under IFRS 15.
<b>Event planning, parking and traffic management services</b>	There is considered to be one performance obligation in the completion of event planning, parking and traffic management, which is the completion of the service, and this is satisfied upon completion of the service, being at a point in time.
<b>Consultancy services</b>	Consultancy service contracts are either contracted on a time and materials basis, or as fixed fee contracts.  Time and materials contracts are recognised over time as services are provided at the fee rate agreed with the client where there is an enforceable right to payment for performance completed to date.  Fixed fee contracts are recognised over time based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided where there is an enforceable right to payment, an output method under IFRS 15. In contracts where there is no enforceable right to payment for performance completed to date, revenue is recognised on completion of the contracted deliverables.

### (c) Property, plant and equipment

Items of property, plant and equipment are initially recognised at cost. As well as the purchase price, cost includes directly attributable costs. Items of property, plant and equipment are carried at depreciated cost.

Depreciation is provided on all items of property, plant and equipment so as to write off the carrying value of items over their expected useful economic lives. It is applied at the following rates:

Freehold buildings (excluding land): 4% on cost

Computer equipment: 33 1/3% on cost

Office fixtures and fittings: 10%–20% on cost

Motor vehicles: 20%–25% per annum reducing balance basis

### (d) Intangible assets

#### Goodwill

Goodwill arising on acquisitions comprises the excess of the fair value of the consideration for investments in subsidiary undertakings over the fair value of the net identifiable assets acquired at the date of acquisition. Adjustments are made to assess the fair value of net identifiable assets and liabilities in accordance with International Financial Reporting Standards. The costs of integrating and reorganising acquired businesses are charged to the post-acquisition income statement. Goodwill arising on acquisitions of subsidiaries is included in intangible assets.

Goodwill is not amortised but is tested annually for impairment and carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Performance is reported and appraised at the level of four groups of cash-generating units ("CGUs") as set out in note 13. Goodwill is allocated to groups of CGUs for the purpose of impairment testing. Each of those groups of CGUs represents the lowest level within the Group at which the associated level of goodwill is monitored for management purposes and is no larger than the operating segments determined in accordance with IFRS 8 "Operating Segments".

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of the group of CGUs containing the goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs of disposal. When the recoverable amount of the group of CGUs is less than the carrying amount including goodwill, an impairment loss is recognised. Any impairment is recognised immediately as an expense and is not subsequently reversed.

#### Business combinations

The Group has applied IFRS 3 "Business Combinations" in accounting for business combinations. Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group. An investor controls an investee when the investor is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

The Group measures goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus, if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Costs related to the acquisition, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

### 3 Significant accounting policies *continued*

#### (d) Intangible assets *continued*

##### Business combinations *continued*

Any contingent consideration payable is recognised at fair value at the acquisition date. If the contingent consideration is classified as equity, it is not remeasured and settlement is accounted for within equity. Subsequent changes to the fair value of the contingent consideration are recognised in operating profit or loss as such changes are primarily as a result of operating performance. Settlement of contingent consideration is included within investing activities in the statement of cash flows to the extent that it relates to the fair value of assets acquired and within operating activities to the extent that it relates to conditions and events after the acquisition date which have been recognised in profit and loss.

An intangible asset, which is an identifiable non-monetary asset without physical substance, is recognised to the extent that it is probable that the expected future economic benefits attributable to the asset will flow to the Group and that its cost can be measured reliably. The asset is deemed to be identifiable when it is separable or when it arises from contractual or other legal rights.

Intangible assets, primarily customer relationships and technology-related assets acquired as part of a business combination are capitalised separately from goodwill and are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is calculated using a straight-line method over the estimated useful life of the assets of 5 to 20 years for customer-related assets, 10 years for technology-related assets, 5 years for order book assets and 8 years for marketing-related assets. Impairment and amortisation charges are included within operating expenditure in the income statement.

#### (e) Impairment of property, plant and equipment

Where an indication of impairment is identified, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). If the recoverable amount (higher of fair value less cost to sell and value in use of an asset) is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount.

#### (f) Research and development costs

Expenditure on internally developed products is capitalised as an intangible asset if it can be demonstrated that:

- it is technically feasible to develop the product for it to be sold;
- adequate resources are available to complete the development;
- there is an intention to complete and sell the product;
- the Group is able to sell the product;
- sale of the product will generate future economic benefits; and
- expenditure on the project can be measured reliably.

Development expenditure meeting these criteria is recognised within technology-related intangibles.

Amortisation is calculated using a straight-line method over the estimated useful life of the assets of 2 to 10 years. Amortisation charges are included within operating expenditure in the income statement.

Development expenditure not satisfying the above criteria and expenditure on the research phase of internal projects are recognised in the income statement as incurred.

#### (g) Financial instruments

##### i) Recognition and initial measurement

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss ("FVTPL"), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

##### ii) Classification and subsequent measurement

###### Financial assets

###### Classification

On initial recognition, a financial asset is classified as measured at: amortised cost or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All financial assets not classified as measured at amortised cost are measured at FVTPL. This includes all derivative financial assets.

###### Subsequent measurement; gains and losses

Financial assets at FVTPL – these assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Financial assets at amortised cost – These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

###### Financial liabilities and equity

Financial instruments issued by the Group are treated as equity only to the extent that they meet the following two conditions:

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

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



### 3 Significant accounting policies *continued*

#### (g) Financial instruments *continued*

##### ii) Classification and subsequent measurement *continued*

###### Financial liabilities and equity *continued*

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

##### iii) Impairment

The Group recognises loss allowances for expected credit losses ("ECLs") on financial assets measured at amortised cost and debt investments measured at FVOCI. The Group measures loss allowances at an amount equal to lifetime ECL, except for other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition, which are measured as twelve-month ECL.

The Group applies the IFRS 9 simplified model of recognising lifetime expected credit losses for all trade receivables as these items do not have a significant financing component.

###### Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

###### Write-offs

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery.

#### (h) Taxation

The tax on the profit or loss for the year represents current and deferred tax.

The tax currently payable is based on taxable profit for the period. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted at the balance sheet date.

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying value in the financial statements. The principal temporary differences arise from amortisation on acquired intangible assets arising in business combinations, depreciation on property, plant and equipment and share options granted by the Group to employees and Directors. Deferred tax assets and liabilities are measured on an undiscounted basis at the tax rates that are expected to apply when the related asset is realised or liability is settled, based on tax rates and laws enacted or substantively enacted at the balance sheet date. Where the deferred tax asset recognised in respect of share-based payments would give rise to a credit in excess of the related accounting charge at the prevailing tax rate, the excess is recognised directly in equity. Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred tax assets and liabilities are offset only if certain criteria are met. Offset occurs where the Group has the legal right to settle current tax amounts on a net basis, and the deferred tax amounts are levied by the same tax authority on the same entity.

#### (i) Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the Company's shareholders, or in the case of interim dividends, when paid.

#### (j) Leases

For any new contracts entered into the Group considers whether a contract is, or contains, a lease. A lease is defined as "a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration".

To apply this definition the Group assesses whether the contract meets three key evaluations which are whether:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Group;
- the Group has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract; and
- the Group has the right to direct the use of the identified asset throughout the period of use.

The Group assesses whether it has the right to direct how, and for what purpose, the asset is used throughout the period of use.

##### Measurement and recognition of leases as a lessee

At lease commencement date, the Group recognises a right-of-use asset and a lease liability on the balance sheet.

The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Group, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

The Group depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Group also assesses the right-of-use asset for impairment when such indicators exist.

At the commencement date, the Group measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Group's incremental borrowing rate.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in-substance fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments.

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

The Group has elected to account for short-term leases and leases of low value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term.

### 3 Significant accounting policies *continued*

#### (k) Employee benefits

Wages, salaries, social security contributions, paid annual leave, bonuses and non-monetary benefits are accrued in the year in which the associated services are rendered by the employees of the Group. Where the Group provides long-term employee benefits, the cost is accrued to match the rendering of the services by the employees concerned.

#### (l) Share-based payments

The Group issues equity-settled share-based payments to certain employees (including Directors). Equity-settled share-based payments are measured at fair value at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, together with a corresponding increase in equity, based upon the Group's estimate of the shares that will eventually vest due to non-market-based vesting conditions.

Directors' LTIPs and senior managers' LTIPs have two conditions attached – adjusted diluted earnings per share ("EPS" – non-market condition) and total shareholder return ("TSR" – market condition). An assessment of the fair value is made when the options are granted, and in respect of TSR/market conditions no further adjustment is made regardless of whether the conditions are met or not.

In respect of share options which are not linked to TSR, which is the vast majority of share options for staff, the fair value of the option is measured using the Black-Scholes option pricing model. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service conditions are expected to be met. Service conditions are time based, with full vesting achieved over a 3.5-year period and partial vesting at the first, second and third anniversary of award.

Where an equity-settled transaction is cancelled, it is treated as if it had vested on the date of the cancellation, and any expense not yet recognised for the transaction is recognised immediately.

#### (m) Retirement benefits

Contributions to defined contribution pension schemes are charged to the income statement in the year to which they relate.

#### (n) Exceptional items

Items which are significant by virtue of their size or nature and/or which are considered non-recurring are classified as exceptional operating items. Such items, which include for example costs relating to Group reorganisation, acquisitions, changes in fair value of contingent consideration, unwind of discounting of contingent consideration, any goodwill impairments and profit/loss on disposal, are included within the appropriate consolidated income statement category but are highlighted separately. Exceptional operating items are excluded from the profit measures used by the Board to monitor underlying performance and from the Directors' and senior managers' LTIPs.

#### (o) Finance income

Finance income comprises interest income on funds invested. Interest income is recognised as it accrues in profit or loss, using the effective interest method.

#### (p) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. The Group considers all highly liquid investments with original maturity dates of three months or less to be cash equivalents.

#### (q) Operating segments

The Group has divided its results into two segments being "Rail Technology & Services" and "Data, Analytics, Consultancy & Events".

The level of disclosure of segmental and other information is determined by such assessment. Further details of the considerations made and the resulting disclosures are provided in note 5.2 to the financial statements.

#### (r) Inventories

Inventories are measured at the lower of cost and net realisable value. Provision is made for slow moving and obsolete inventories on a line-by-line basis. The cost of inventory is based on the first-in first-out principle and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of overheads based on normal operating capacity.

#### (s) Foreign currencies

The individual financial statements of each Group entity are presented in the currency of the primary economic environment in which the entity operates (its "functional currency"). For the purpose of the consolidated financial statements, the results and financial position of each Group entity are expressed in pounds Sterling, which is the functional currency of the Company and the presentation currency for the consolidated financial statements.

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency ("foreign currencies") are recorded at the rates of exchange prevailing at the dates of the transactions. At each balance sheet date, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the balance sheet date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences are recognised in profit or loss in the period in which they arise except for:

- exchange differences that relate to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on foreign currency borrowings; and
- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur, which form part of the net investment in a foreign operation, and which are recognised in the foreign currency translation reserve and recognised in profit or loss on disposal of the net investment.

#### (t) Translation of financial statements of foreign entities

The assets and liabilities of foreign operations (including goodwill and fair value adjustments arising on acquisition) are translated using exchange rates at the balance sheet date. The components of shareholders' equity are stated at historical value. An average exchange rate for the period is used to translate the results and cash flows of foreign operations.

Exchange differences arising on translating the results and net assets of foreign operations are taken to the translation reserve in equity until the disposal of the investment. The gain or loss in the income statement on the disposal of foreign operations includes the release of the translation reserve relating to the operation that is being sold.

#### (u) Investments

Investments are carried at fair value with changes in fair value recognised through other comprehensive income, accumulated in a separate reserve in equity.

Where it is deemed that the Group has a significant influence over the investment, then the investment will be accounted for as an associated undertaking under the equity method.

## 3 Significant accounting policies *continued*

### (v) Government grants

Grants that compensate the Group for expenses incurred are recognised in profit or loss as other income on a systematic basis in the periods in which the expenses are recognised, unless the conditions for receiving the grant are met after the related expenses have been recognised. In this case, the grant is recognised when it becomes receivable.

### (w) Cost of sales

Cost of sales comprise material and consumables, short-term equipment hire, hired-in services, direct people costs, direct travel costs, hosting costs for revenue-generating software, sales commission and other costs of revenue-generating activities.

### (x) Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations might be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

## 4 Critical accounting estimates and judgements

The Group's significant accounting policies are set out in note 3. The Directors consider that the key judgements and estimates made in the preparation of the consolidated financial statements are:

### Estimates

#### Recoverable amount of cash-generating units

Value in use has been estimated for each group of cash-generating units ("CGUs") as part of the annual impairment test for the Group's goodwill allocated to its groups of CGUs. The key assumptions used in the calculations and the sensitivity of value in use to these key assumptions are set out in note 13 to these financial statements. The group of CGUs most sensitive to these assumptions is Rail Technology & Services – North America.

#### Recoverable amount of deferred tax assets

The Group has recognised deferred tax assets in respect of tax losses, principally in respect of Rail Technology & Services – North America. Judgement has been applied in determining the extent to which these taxable losses will be utilised against future taxable profits, as explained in note 21 to these financial statements. The key assumptions used in the calculations are set out in note 21 to these financial statements.

### Judgements

#### Level at which goodwill is monitored

Judgement has been used to determine the level at which goodwill should be monitored. As set out in note 13 to these financial statements, goodwill has been allocated to groups of CGUs which align with how performance is reported and appraised for management purposes.

#### Revenue recognition

Judgements have been taken in the application of IFRS 15 "Revenue from Contracts with Customers". Performance obligations have been

identified based on the contracts in place with customers in the accounting period, and because certain contracts include multiple performance obligations. Consideration has subsequently been allocated to these performance obligations. A judgement has been taken by the Group as to whether the performance obligations and subsequent revenue recognition is at a point in time or over time. The criteria under IFRS 15 to recognise revenue over time are judgemental and the Group assesses on a contract-by-contract basis whether these are met. This includes considering for individual contracts whether there is an enforceable right to payment for work completed to date. There are judgements taken in allocating revenue recognised over time utilising input and output methods under IFRS 15. There are judgements taken in allocating the transaction price based on the relative stand-alone selling price of each distinct service or item within the contract, and judgements as to whether the performance obligation has been met prior to revenue being recognised.

## 5 Revenue and segmental analysis

### 5.1 Revenue

Revenue is summarised below:

	2025 £000	2024 £000
Rail Technology & Services	37,945	37,608
Data, Analytics, Consultancy & Events	43,945	43,414
Total revenue	81,890	81,022

Revenue can also be analysed as follows:

	2025 £000	2024 £000
Rail Technology & Services – United Kingdom	33,446	31,902
Rail Technology & Services – North America	4,499	5,706
Rail Technology & Services	37,945	37,608
Traffic Data & Events	32,563	30,269
Professional Services	11,382	13,145
Data, Analytics, Consultancy & Events	43,945	43,414
Total revenue	81,890	81,022

Revenue to come from contracts entered into with performance obligations not fulfilled or only partially fulfilled amounted to £27.8m as at 31 July 2025, of which £18.3m is expected to be recognised within one year, and £9.5m after one year (£20.0m as at 31 July 2024, with £14.2m to be recognised within one year and £5.8m after one year).

Analysis of revenue based on whether it is recognised over time or at a point in time is provided below:

	2025 £000	2024 £000
Recognised over time	22,980	22,122
At a point in time	14,965	15,486
Rail Technology & Services	37,945	37,608
Recognised over time	1,219	222
At a point in time	42,726	43,192
Data, Analytics, Consultancy & Events	43,945	43,414
Recognised over time	24,199	22,344
At a point in time	57,691	58,678
Total revenue	81,890	81,022

### Major customers

Transactions with the Group's largest customer represent 7% of the Group's total revenues (2024: 8%).

## 5 Revenue and segmental analysis *continued*

### 5.1 Revenue *continued*

#### Geographical split of revenue

A geographical analysis of revenue by customer location is provided below:

	2025 £000	2024 £000
United Kingdom	66,827	64,823
Ireland	9,095	9,687
Rest of Europe	513	401
North America	4,601	4,373
Rest of the World	854	1,738
Total revenue	81,890	81,022

### 5.2 Segmental analysis

The Group has divided its results into two segments being Rail Technology & Services and Data, Analytics, Consultancy & Events consistent with the disclosure in the 2024 financial statements.

The Group has a wide range of products and services for the rail industry, such as software, hosting services and remote condition monitoring, and these have been included within the Rail Technology & Services segment as they have similar customer bases (such as train operating companies and infrastructure providers). Traffic data collection, event planning and traffic management, data, analytics and consultancy offerings have similar economic characteristics and distribution methods and so have been included within the Data, Analytics, Consultancy & Events segment.

In accordance with IFRS 8 'Operating Segments', the Group has made the following considerations to arrive at the disclosure made in these financial statements. IFRS 8 requires consideration of the Chief Operating Decision Maker ("CODM") within the Group. In line with the Group's internal reporting framework and management structure, the key strategic and operating decisions are made by the Executive Directors, who review internal monthly management reports, budgets and forecast information as part of this. Accordingly, the Executive Directors are deemed to be the CODM.

Operating segments have then been identified based on the internal reporting information and management structures within the Group. From such information it has been noted that the CODM reviews the business as two operating segments, receiving internal information on that basis. The management structure and allocation of key resources, such as operational and administrative resources, are arranged on a centralised basis.

#### Reconciliations of reportable segment revenues, profit or loss, assets and liabilities and other material items

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit before income tax, as included in the internal management reports that are reviewed by the Board of Directors. Segment profit is used to measure performance. There are no material inter-segment transactions; however, when they do occur, pricing between segments is determined on an arm's length basis. Revenues disclosed below materially represent revenues to external customers. Segmental profit before tax has been further analysed to allocate amortisation and exceptional items. Segmental assets and liabilities have been further analysed to allocate intangibles and investments, contingent consideration and deferred consideration to each individual segment.

	2025			
	Rail Technology & Services £000	Data, Analytics, Consultancy & Events £000	Unallocated £000	Total £000
<b>Income statement</b>				
Total revenue for reportable segments	37,945	43,945	—	81,890
Cost of sales	(6,347)	(28,161)	—	(34,508)
Gross profit	31,598	15,784	—	47,382
Underlying administrative costs	(21,985)	(12,823)	—	(34,808)
Adjusted EBITDA for reportable segments	9,613	2,961	—	12,574
Amortisation of intangible assets	(4,683)	(1,243)	—	(5,926)
Depreciation	(927)	(1,561)	—	(2,488)
Exceptional items – net	(1,474)	(298)	(589)	(2,361)
Other operating expense	—	—	(357)	(357)
Share-based payment charges	—	—	(432)	(432)
Interest receivable – net	283	295	—	578
Consolidated profit before tax	2,812	154	(1,378)	1,588

Staff costs are split between segments as follows. Additional information on staff costs can be found in note 6.

	Rail Technology & Services £000	Data, Analytics, Consultancy & Events £000	Unallocated £000	Total £000
Total staff costs	(17,558)	(27,538)	(760)	(45,856)

## Notes to the consolidated financial statements *continued*

### 5 Revenue and segmental analysis *continued*

#### 5.2 Segmental analysis *continued*

Reconciliations of reportable segment revenues, profit or loss, assets and liabilities and other material items *continued*

	2024			
	Rail Technology & Services £000	Data, Analytics, Consultancy & Events £000	Unallocated £000	Total £000
<b>Income statement</b>				
Total revenue for reportable segments	37,608	43,414	—	81,022
Cost of sales	(6,466)	(28,543)	—	(35,009)
Gross profit	31,142	14,871	—	46,013
Underlying administrative costs	(21,319)	(11,935)	—	(33,254)
Adjusted EBITDA for reportable segments	9,823	2,936	—	12,759
Amortisation of intangible assets	(4,301)	(1,225)	—	(5,526)
Depreciation	(1,005)	(1,366)	—	(2,371)
Exceptional items – net	(1,816)	(1,187)	—	(3,003)
Other operating income	—	—	7	7
Share-based payment charges	—	—	(899)	(899)
Interest receivable – net	(31)	59	—	28
Consolidated profit before tax	2,670	(783)	(892)	995

Staff costs are split between segments as follows. Additional information on staff costs can be found in note 6.

	Rail Technology & Services £000	Data, Analytics, Consultancy & Events £000	Unallocated £000	Total £000
Total staff costs	(16,245)	(27,276)	(899)	(44,420)

	2025			
	Rail Technology & Services £000	Data, Analytics, Consultancy & Events £000	Unallocated £000	Total £000
<b>Assets</b>				
Total other assets for reportable segments	10,256	14,954	—	25,210
Intangible assets and investments	39,075	8,428	—	47,503
Deferred tax assets	—	—	1,869	1,869
Cash and cash equivalents	15,181	8,208	—	23,389
Consolidated total assets	64,512	31,590	1,869	97,971
<b>Liabilities</b>				
Total other liabilities for reportable segments	(16,542)	(10,000)	—	(26,542)
Deferred tax liabilities	—	—	(6,264)	(6,264)
Contingent consideration	—	(158)	—	(158)
Consolidated total liabilities	(16,542)	(10,158)	(6,264)	(32,964)

	2024			
	Rail Technology & Services £000	Data, Analytics, Consultancy & Events £000	Unallocated £000	Total £000
<b>Assets</b>				
Total other assets for reportable segments	13,318	15,733	—	29,051
Intangible assets and investments	43,876	8,734	—	52,610
Deferred tax assets	—	—	1,376	1,376
Cash and cash equivalents	14,446	5,327	—	19,773
Consolidated total assets	71,640	29,794	1,376	102,810
<b>Liabilities</b>				
Total other liabilities for reportable segments	(17,999)	(9,359)	—	(27,358)
Deferred tax liabilities	—	—	(7,132)	(7,132)
Contingent consideration	—	(151)	—	(151)
Consolidated total liabilities	(17,999)	(9,510)	(7,132)	(34,641)



## 5 Revenue and segmental analysis *continued*

### 5.2 Segmental analysis *continued*

Reconciliations of reportable segment revenues, profit or loss, assets and liabilities and other material items *continued*

	2025			
	UK £000	Ireland £000	North America £000	Total £000
<b>Non-current asset additions</b>				
Property, plant and equipment	1,634	1,143	—	2,777
Intangible assets – acquired	—	365	—	365
Intangible assets – internally generated	225	610	—	835
	2024			
	UK £000	Ireland £000	North America £000	Total £000
<b>Non-current asset additions</b>				
Property, plant and equipment	1,073	1,811	—	2,884
Intangible assets – acquired	—	—	—	—
Intangible assets – internally generated	185	277	—	462

Non-current asset carrying values can be split as follows:

	2025			
	UK £000	Ireland £000	North America £000	Total £000
<b>Non-current assets</b>				
Property, plant and equipment	5,138	78	110	5,326
Intangible assets	34,361	4,156	8,986	47,503
Investments – equity	—	—	—	—
	2024			
	UK £000	Ireland £000	North America £000	Total £000
<b>Non-current assets</b>				
Property, plant and equipment	4,484	201	307	4,992
Intangible assets	37,254	4,772	10,584	52,610
Investments – equity	—	—	—	—

## 6 Employees and personnel costs

	2025 £000	2024 £000
<b>Staff costs</b>		
Wages and salaries	39,055	37,797
Social security contributions	4,121	3,820
Contributions to defined contribution plans	2,248	1,904
Equity-settled share-based payment transactions	432	899
<b>Total staff costs</b>	<b>45,856</b>	44,420

The staff costs above include £826,000 in respect of termination payments.

Staff costs are presented in the consolidated statement of comprehensive income within:

	2025 £000	2024 £000
Cost of sales	18,357	18,140
Administrative expenses	27,499	26,280
<b>Total staff costs</b>	<b>45,856</b>	44,420

## 6 Employees and personnel costs *continued*

	2025	2024
<b>Staff numbers (full-time equivalents)</b>		
Average number of permanent staff	<b>498</b>	573
Average number of casual staff	<b>412</b>	466
Total number of staff	<b>910</b>	1,039

The total headcount as calculated by reference to CA06 S411(1) was 1,357 (2024: 1,812).

Headcount as calculated by reference to CA06 S411(1) is higher than staff numbers (full-time equivalents) due to the Group employing a large number of casual staff working fewer than full-time hours.

Total Directors' remuneration, including bonus, pension contributions and £228,000 termination payments, representing payment in lieu of notice, holiday and outplacement support accrued in respect of the agreed arrangements regarding Chris Barnes leaving the Group, was £1,223,000 (2024: £922,000).

The aggregate remuneration of the highest paid Director, including £228,000 termination payments, representing payment in lieu of notice, holiday and outplacement support payments accrued but paid after the balance sheet date was £632,000 (2024: £385,000).

Two Directors (2024: two) exercised 13,100 share options in the year at a gain of £70,000.

The highest paid Director exercised 8,006 share options in the year at a gain of £42,640 (2024: 35,780 shares at a gain of £331,000). Two Directors (2024: two) currently participate in the Long Term Incentive Plan. At 31 July 2025, the highest paid Director had 153,155 shares under Long Term Incentive Plan nominal value options; assuming their vesting conditions were met in full, then their pre-tax value would be £582,000 based on the share price at 31 July 2025.

Two Directors had 258,259 shares under Long Term Incentive Plan nominal value options at 31 July 2025; assuming their vesting conditions were met in full, then their pre-tax value would be £1,134,000 based on the average share price for the three months ended 31 July 2025.

One Director (2024: one) receives employer pension contributions into a personal pension scheme.

As at 31 July 2025, Directors of the Company controlled 0.21% of the voting shares of the Company (2024: 0.18%).

As at the date of this report, Directors of the Company control 0.06% of the voting shares of the Company.

The Directors' remuneration and share options, alongside further, non-statutory, unaudited information, are detailed within the Directors' Remuneration Report on pages 67 to 76.

Details of other key management personnel are disclosed in note 25.

## 7 Share-based payments

The Group has various share option schemes for its employees.

### Unapproved share options

From August 2015, the Group implemented a revised share option scheme, resulting in discounted unapproved share options being issued to staff instead of cash bonuses, provided certain predetermined performance criteria were met for both the overall Group, and the part of the business the employee directly works in. For a period all UK-based staff except for Directors were also able to exchange an element of annual salary in return for share options. These options vest on tranches over a three-and-a-half-year period. The options are settled in equity once exercised. If the options remain unexercised after a period of ten years from the date of grant, the options expire. Options are forfeited if the employee leaves the Group before the options vest. Employees are liable for settling income tax, employees' and employers' National Insurance liabilities arising from the exercise of options.

### Senior Management LTIP

From August 2023, the Group implemented a Senior Management LTIP for certain senior managers. Vesting is subject to performance conditions that are identical to the Directors' scheme as detailed in the Directors' Remuneration Report. 50% relates to EPS growth and 50% relates to total shareholder return over a period of three years, with a sliding scale in place.

## 7 Share-based payments *continued*

### Directors' scheme

Directors were not entitled to take part in the 2015 to 2024 staff schemes. Separate schemes for the Directors have been put in place with performance conditions attached to vesting. Further details of these schemes are provided in the Directors' Remuneration Report.

Details of the schemes are given below:

Grant date	Employees entitled	Number of options	Performance conditions	Exercise price p	Earliest exercise date	Expiry date
<b>Staff schemes</b>						
<i>Senior Management LTIP</i>						
04/12/2023	11	57,422	EPS and TSR	0.40	04/12/2026 <sup>3</sup>	06/12/2033
22/01/2025	13	144,221	EPS and TSR	0.40	01/12/2027 <sup>3</sup>	22/01/2035
<i>Other unapproved share option schemes</i>						
01/08/2015	3	2,971	Time served	0.40	01/08/2016 <sup>1</sup>	01/08/2025
25/09/2015	2	900	Time served	0.40	25/09/2016 <sup>1</sup>	25/09/2025
01/12/2015	1	9,729	Time served	0.40	01/12/2016 <sup>1</sup>	01/12/2025
01/08/2016	4	9,044	Time served	0.40	01/08/2017 <sup>1</sup>	01/08/2026
01/08/2017	4	16,351	Time served	0.40	01/08/2018 <sup>1</sup>	01/08/2027
01/08/2018	12	25,834	Time served	0.40	01/08/2019 <sup>1</sup>	01/08/2028
16/01/2019	2	4,036	Time served	0.40	16/01/2020 <sup>1</sup>	16/01/2029
01/05/2019	2	11,450	Time served	0.40	01/05/2023 <sup>2</sup>	01/05/2029
01/08/2019	10	23,425	Time served	0.40	01/08/2020 <sup>1</sup>	01/08/2029
01/08/2020	27	39,146	Time served	0.40	01/08/2021 <sup>1</sup>	01/02/2030
01/08/2021	34	28,088	Time served	0.40	01/08/2022 <sup>1</sup>	01/08/2031
29/07/2022	1	1,900	Time served	0.40	09/05/2025 <sup>1</sup>	28/07/2032
01/08/2022	54	45,320	Time served	0.40	01/08/2023 <sup>1</sup>	01/08/2032
03/01/2023	1	2,065	Time served	0.40	03/01/2026 <sup>1</sup>	03/01/2033
01/08/2023	121	55,828	Time served	0.40	01/08/2024 <sup>1</sup>	01/08/2033
18/12/2023	1	815	Time served	0.40	18/12/2024 <sup>1</sup>	18/12/2033
<b>Directors' schemes<sup>3</sup></b>						
06/12/2022	2	53,690	EPS and TSR	0.40	06/12/2025	06/12/2032
04/12/2023	2	46,434	EPS and TSR	0.40	04/12/2026	06/12/2033
22/1/2025	2	72,433	EPS and TSR	0.40	01/12/2027	22/01/2035
<b>Outstanding</b>		651,102				

1 Vesting dates for these options are linked to time served and were awarded based on certain performance conditions being met, and in exchange for an annual cash bonus. The full vesting is achieved over a 3.5-year period, with various forfeits/reductions if exercise takes place sooner.

2 Vesting of these options is linked to time served and also to the financial performance of Bellvedi Limited which was acquired in 2019.

3 Details of EPS and TSR are disclosed in the Directors' Remuneration Report.

The number and weighted average exercise price of share options are as follows:

	2025 Number	2025 Weighted average exercise price	2024 Number	2024 Weighted average exercise price
Outstanding at 1 August	581,314	0.4p	790,306	0.4p
Granted	286,483	0.4p	219,563	0.4p
Lapsed	(135,751)	0.4p	(60,781)	0.4p
Exercised	(80,944)	0.4p	(367,774)	0.4p
Outstanding at 31 July	651,102	0.4p	581,314	0.4p
Exercisable at 31 July	211,892	0.4p	207,976	0.4p

Share options were exercised at numerous points in the year and the average share price for the year ended 31 July 2025 was 485p (2024: 836p).

The share options outstanding at the end of the year have a weighted average remaining contractual life of 7.3 years (2024: 7.1 years).

## Notes to the consolidated financial statements *continued*

### 7 Share-based payments *continued*

#### Fair value assumptions of share-based payment charges

The estimate of the fair value of share-based awards is calculated using the Black-Scholes option pricing model and using a Monte Carlo simulation. The following assumptions were used on options granted in the year:

Options granted on	22/01/2025
Scheme	Directors' scheme, Senior Management LTIP
Share price at date of grant	430.0p
Exercise price	0.4p
Vesting period (years)	2.9
Expected volatility	30.6%
Option life (years)	10
Expected life (years)	10
Risk-free rate	4.2%
Expected dividends expressed as a dividend yield	0.2%
Fair value of options granted	309.0p

The expected volatility is based on the historical volatility of the Company's share price. An assessment of the likelihood of market conditions being achieved is made at the time that the options are granted.

#### Charge to the income statement

	2025 £000	2024 £000
Share-based payment charges	432	899

### 8 Operating profit

#### 8.1 Operating profit is stated after charging/(crediting)

	Notes	2025 £000	2024 £000
Depreciation of property, plant and equipment – owned		1,319	1,107
Depreciation of property, plant and equipment – leased (including right-of-use assets)		1,169	1,264
Total depreciation of property, plant and equipment	12	2,488	2,371
Amortisation of acquired intangible assets		5,846	5,526
Amortisation of internally generated intangible assets		80	—
Total amortisation	13	5,926	5,526
Profit on disposal of property, plant and equipment		(4)	(15)
Loss on disposal of internally generated intangible assets		85	—
Operating lease rentals: land and buildings*		55	51
Operating lease rentals: plant and machinery*		—	1
Total operating lease rentals		55	52
Research and development expenditure expensed as incurred		53	36
Grants received:			
Government grants		(20)	(84)

\* Operating lease rentals relate to items for which the recognition and measurement exemptions available in IFRS 16 for short-term and low value leases have been taken.

#### 8.2 Auditor's remuneration

	2025 £000	2024 £000
Audit of these financial statements		
– This financial year	289	312
– Direct expenses	15	9
Amounts receivable by the auditor and its associates in respect of:		
– Audit of financial statements of subsidiaries pursuant to legislation		
– This financial year	204	198
– The previous financial year	45	40
– Other services	6	6
<b>Total auditor's remuneration</b>	<b>559</b>	<b>565</b>

## 8 Operating profit *continued*

### 8.2 Auditor's remuneration *continued*

The auditor's remuneration for the audit of the previous financial year financial statements of subsidiaries was for work performed following the signature of the prior year Group financial statements.

### 8.3 Exceptional items

The Group incurred exceptional items in 2025 and 2024 which are analysed as follows:

	2025 £000	2024 £000
<i>Non-cash:</i>		
Unwind of discounting of contingent consideration	4	14
Transformation costs – footprint	—	260
Transformation costs – other	377	—
<i>Cash:</i>		
Transformation costs – headcount	1,228	1,201
Transformation costs – IT	—	650
Transformation costs – footprint	147	225
Transformation costs – other	—	653
Contract termination costs	453	—
Other exceptional costs	152	—
<b>Total exceptional items</b>	<b>2,361</b>	<b>3,003</b>
	2025 £000	2024 £000
<i>Split:</i>		
Non-cash	381	274
Cash	1,980	2,729
<b>Total</b>	<b>2,361</b>	<b>3,003</b>

#### 2025

As described in the Group's Annual Report for the year ended 31 July 2024, the Group is undertaking a series of actions to transform its operating model. These actions will establish a consistent and scalable approach to how the Group develops and delivers application software solutions based around industry best practice, as well as ensuring that its operating systems, processes and footprint are aligned with this operating model. These changes will improve the timeliness, quality and repeatability of delivery, which will enable the Group to accelerate its future growth trajectory.

The Group's accounting policy is to classify items which are significant by their size or nature and/or which are considered non-recurring as exceptional operating items. The costs associated with delivering this programme of actions have been reported as exceptional operating items consistent with this policy since they are material in size and nature, and are non-recurring.

Exceptional costs of £1,752,000 associated with delivering this programme of actions have been recognised in the income statement during the period. These costs principally relate to: headcount reductions where roles are duplicated or no longer required; costs of reducing the Group's physical and legal entity footprint; and other non-cash costs comprising a charge for provision against obsolete inventory following the decision to not pursue new contracts for certain non-software related activities in North America.

Included in the £1,752,000 transformation costs – headcount, are costs of £589,000 associated with the CEO succession. These have been reported as exceptional operating items since they are material in size and nature, and are non-recurring. This includes the executive search costs incurred by the Nomination Committee in identifying a new CEO, as well as the remuneration arrangements for Chris Barnes as outlined in the Directors' Remuneration Report on pages 67 to 76

Contract termination costs of £453,000 were incurred following the termination of a low margin Rail Technology & Services customer contract in the UK. These include associated legal fees and an estimate of the costs required to provide future customer support consistent with the agreed contract settlement.

Other compliance costs of £152,000 relate to the resolution of an isolated compliance incident at a Data, Analytics, Consultancy & Events customer site.

A further charge totalling £4,000 has been recognised which reflects the unwinding of the discount on contingent consideration. The acquisition-specific discount rate applied was 10.0%. A breakdown of the remaining fair value of contingent consideration by acquisition is included in note 20. These costs are deemed to be exceptional items due to the size and volatility of the items which can vary significantly from year to year.

Of the cash exceptional costs of £1,980,000 recognised during the year, £981,000 of the associated cash flows will fall into subsequent periods. £446,000 of exceptional cash outflows occurred during the year in respect of exceptional costs recognised in previous periods.

#### 2024

In the previous financial year, exceptional costs of £2,989,000 were recognised to transform the Group's operating model.

A further charge totalling £14,000 was recognised for the unwinding of the discount on contingent consideration.



## Notes to the consolidated financial statements *continued*

### 8 Operating profit *continued*

#### 8.4 Other operating income and expense

The Group does not qualify as an SME for research and development costs for UK corporation tax purposes and as such is governed by the large company “above the line” credit. Other operating expenses of £357,000 in the year represent the reversal of accrued receivables estimated in prior years in respect of these credits (2024: £7,000 income).

### 9 Net finance income

	2025 £000	2024 £000
Interest received on bank deposits	717	171
Interest on lease receivable	—	1
Interest on lease liabilities	(143)	(137)
Unwind of discount of deferred consideration	—	(7)
Other interest income	4	—
Total net finance income	578	28

### 10 Taxation

Recognised in the income statement:

	2025 £000	2024 £000
<b>Current tax</b>		
Current year	2,066	1,247
Adjustment in respect of prior periods	429	25
Total current tax charge	2,495	1,272
<b>Deferred tax</b>		
Origination and reversal of temporary differences	(1,400)	(884)
Adjustment in respect of prior periods	(27)	119
Total deferred tax credit	(1,427)	(765)
Total tax charge	1,068	507

Reconciliation of the effective tax rate:

	2025 £000	2025 %	2024 £000	2024 %
Profit before tax for the period	1,588		995	
Expected tax charge based on the standard rate of corporation tax in the UK of 25.0% (2024: 25.0%)	397	25.0	249	25.0
Expenses not deductible for tax purposes	373	23.5	134	13.5
Adjustments in respect of previous years	402	25.3	144	14.5
Overseas tax not at UK tax rate	(408)	(25.7)	(378)	(38.0)
Share-based payments differences	304	19.2	358	36.0
Total tax charge	1,068	67.3	507	51.0

The net deferred tax liability has been calculated at the rate that it is anticipated to unwind; for UK entities at 25% (2024: 25%) and for those overseas at a range between 12.5% to 27%, appropriate to the tax jurisdiction in which they operate.

The Group has £4,975,000 recognised and no unrecognised tax losses carried forward (2024: £3,302,000 recognised and £nil unrecognised).

## 11 Earnings per share

### Basic earnings per share

The calculation of basic earnings per share for the year ended 31 July 2025 was based on the profit attributable to ordinary shareholders of £520,000 (2024: £488,000) and a weighted average number of ordinary shares in issue of 30,284,000 (2024: 30,169,000), calculated as set out below.

### Diluted earnings per share

The calculation of diluted earnings per share for the year ended 31 July 2025 was based on the profit attributable to ordinary shareholders of £520,000 (2024: £488,000) and a weighted average number of ordinary shares in issue after adjustment for the effects of all dilutive potential ordinary shares of 30,812,000 (2024: 30,628,000) calculated as set out below.

	2025 £000	2024 £000
Profit after tax	520	488

### Weighted average number of ordinary shares

In thousands of shares	2025	2024
Issued ordinary shares at 1 August	30,326	29,958
Effect of shares issued for cash	53	211
Effect of share buy-back	(95)	—
Weighted average number of shares for the year to 31 July	30,284	30,169
For the purposes of calculating basic earnings per share	30,284	30,169
Adjustment for the effects of all dilutive potential ordinary shares	528	459
For the purposes of calculating diluted earnings per share	30,812	30,628
Basic earnings per share	1.72p	1.62p
Diluted earnings per share	1.69p	1.59p

### Adjusted EPS

In addition, adjusted profit EPS is calculated below on the grounds that it is a common metric used by the market in monitoring similar businesses. These figures are relevant to the Group, are provided to enable a comparison to similar businesses and are metrics used by equity analysts who cover the Group. Amortisation of acquired intangible assets and share-based payment charges are deemed to be non-cash at the point of recognition in nature, and exceptional items by their very nature are one-off, and therefore excluded in order to assist with the understanding of underlying trading. A reconciliation of this figure is provided below.

	2025 £000	2024 £000
Profit after tax	520	488
Amortisation of acquired intangible assets	5,846	5,526
Share-based payment charges	432	899
Exceptional items – net	2,361	3,003
Other operating expense/(income)	357	(7)
Tax impact of the above adjusting items	(1,885)	(2,213)
Adjusted profit for EPS purposes	7,631	7,696

### Weighted average number of ordinary shares

In thousands of shares	2025	2024
For the purposes of calculating basic earnings per share	30,284	30,169
Adjustment for the effects of all dilutive potential ordinary shares	528	459
For the purposes of calculating diluted earnings per share	30,812	30,628
Basic adjusted earnings per share	25.20p	25.51p
Diluted adjusted earnings per share	24.77p	25.13p

## 12 Property, plant and equipment

	Land and buildings £000	Motor vehicles £000	Computer equipment £000	Plant, machinery, fixtures and fittings £000	Total £000
<b>Cost</b>					
At 1 August 2023	5,162	2,598	3,034	3,319	14,113
Lease modifications	(70)	—	—	—	(70)
Additions	812	566	728	778	2,884
Disposals	(511)	(676)	(415)	(458)	(2,060)
Exchange adjustment	(16)	(1)	(33)	(7)	(57)
At 31 July 2024	5,377	2,487	3,314	3,632	14,810
Lease modifications	82	—	—	—	82
Additions	1,632	466	154	525	2,777
Disposals	(718)	(86)	—	(56)	(860)
Exchange adjustment	(11)	(1)	(14)	(5)	(31)
<b>At 31 July 2025</b>	<b>6,362</b>	<b>2,866</b>	<b>3,454</b>	<b>4,096</b>	<b>16,778</b>
<b>Depreciation</b>					
At 1 August 2023	3,442	1,311	2,265	2,306	9,324
Charge for the year	999	453	633	286	2,371
Disposals	(388)	(623)	(401)	(422)	(1,834)
Exchange adjustment	(4)	(2)	(30)	(7)	(43)
At 31 July 2024	4,049	1,139	2,467	2,163	9,818
Charge for the year	970	528	507	483	2,488
Disposals	(718)	(58)	—	(52)	(828)
Exchange adjustment	(7)	—	(15)	(4)	(26)
<b>At 31 July 2025</b>	<b>4,294</b>	<b>1,609</b>	<b>2,959</b>	<b>2,590</b>	<b>11,452</b>
<b>Net book value</b>					
At 1 August 2023	1,720	1,287	769	1,013	4,789
At 31 July 2024	1,328	1,348	847	1,469	4,992
<b>At 31 July 2025</b>	<b>2,068</b>	<b>1,257</b>	<b>495</b>	<b>1,506</b>	<b>5,326</b>

## 12 Property, plant and equipment *continued*

Additional information on right-of-use assets included in the total property, plant and equipment balance is provided below:

	Land and buildings £000	Plant, machinery, fixtures and fittings and vehicles £000	Total £000
<b>Cost</b>			
At 1 August 2023	4,742	2,081	6,823
Lease modifications	(114)	—	(114)
Additions	732	455	1,187
Disposals	(292)	(506)	(798)
Exchange adjustment	(1)	—	(1)
At 31 July 2024	5,067	2,030	7,097
Lease modifications	82	—	82
Additions	1,610	496	2,106
Disposals	(718)	(399)	(1,117)
Exchange adjustment	(11)	(1)	(12)
<b>At 31 July 2025</b>	<b>6,030</b>	<b>2,126</b>	<b>8,156</b>
<b>Depreciation</b>			
At 1 August 2023	3,253	1,286	4,539
Charge for the year	971	293	1,264
Disposals	(280)	(344)	(624)
Exchange adjustment	2	—	2
At 31 July 2024	3,946	1,235	5,181
Charge for the year	945	224	1,169
Disposals	(718)	(399)	(1,117)
Exchange adjustment	(7)	(1)	(8)
<b>At 31 July 2025</b>	<b>4,166</b>	<b>1,059</b>	<b>5,225</b>
<b>Net book value</b>			
At 1 August 2023	1,489	795	2,284
At 31 July 2024	1,121	795	1,916
<b>At 31 July 2025</b>	<b>1,864</b>	<b>1,067</b>	<b>2,931</b>

Lease additions during the year represent new contracts entered into in the year. Lease modifications during the year represent changes made to assumptions around the use of break clauses on land and building leases.

## Notes to the consolidated financial statements *continued*

### 13 Intangible assets

	Goodwill £000	Customer- related intangibles £000	Technology- related acquired intangibles £000	Technology- related internally generated intangibles £000	Order book-related intangibles £000	Marketing- related intangibles £000	Total £000
<b>Cost</b>							
At 1 August 2023	18,805	39,991	26,178	300	391	843	86,508
Additions	—	—	—	462	—	—	462
Exchange adjustment	(23)	(34)	(2)	(1)	(1)	(1)	(62)
At 31 July 2024	18,782	39,957	26,176	761	390	842	86,908
Additions	—	—	365	835	—	—	1,200
Disposals	—	—	—	(85)	—	—	(85)
Exchange adjustment	(133)	10	(203)	(8)	(14)	(29)	(377)
<b>At 31 July 2025</b>	<b>18,649</b>	<b>39,967</b>	<b>26,338</b>	<b>1,503</b>	<b>376</b>	<b>813</b>	<b>87,646</b>
<b>Amortisation/impairment</b>							
At 1 August 2023	623	16,959	10,980	—	107	145	28,814
Amortisation charge	—	2,835	2,504	—	80	107	5,526
Exchange adjustment	—	(24)	(14)	—	(2)	(2)	(42)
At 31 July 2024	623	19,770	13,470	—	185	250	34,298
Amortisation charge	—	2,820	2,363	80	77	586	5,926
Disposals	—	—	—	—	—	—	—
Exchange adjustment	—	14	(64)	—	(8)	(23)	(81)
<b>At 31 July 2025</b>	<b>623</b>	<b>22,604</b>	<b>15,769</b>	<b>80</b>	<b>254</b>	<b>813</b>	<b>40,143</b>
<b>Carrying amounts</b>							
At 1 August 2023	18,182	23,032	15,198	300	284	698	57,694
At 31 July 2024	18,159	20,187	12,706	761	205	592	52,610
<b>At 31 July 2025</b>	<b>18,026</b>	<b>17,363</b>	<b>10,569</b>	<b>1,423</b>	<b>122</b>	<b>—</b>	<b>47,503</b>

Technology-related, internally generated intangibles includes:

- £716,000 of assets under construction within the Data, Analytics, Consultancy & Events operating segment; and
- £272,000 of assets under construction within the Rail Technology & Services operating segment.

There have been no change to the level at which goodwill is monitored, nor has there been any re-allocation of goodwill or other intangible assets between groups of cash-generating units during the year.

The period end carrying values of internally generated intangible assets and intangible assets arising from the Group's acquisitions are analysed by group of cash-generating units in the following table:

	Goodwill		Customer-related intangibles		Technology- related acquired intangibles		Technology-related internally generated intangibles		Order book-related intangibles		Marketing-related intangibles		Total	
	2025 £000	2024 £000	2025 £000	2024 £000	2025 £000	2024 £000	2025 £000	2024 £000	2025 £000	2024 £000	2025 £000	2024 £000	2025 £000	2024 £000
Rail Technology & Services – United Kingdom <sup>1</sup>	8,914	8,914	14,722	16,212	6,138	7,788	315	378	—	—	—	—	30,089	33,292
Rail Technology & Services – North America <sup>2</sup>	4,518	4,683	361	607	3,681	4,391	304	106	122	205	—	592	8,986	10,584
Traffic Data & Events <sup>3</sup>	2,246	2,246	969	1,439	341	—	716	277	—	—	—	—	4,272	3,962
Data Analytics/ GIS <sup>4</sup>	2,348	2,316	1,311	1,929	409	527	88	—	—	—	—	—	4,156	4,772
	18,026	18,159	17,363	20,187	10,569	12,706	1,423	761	122	205	—	592	47,503	52,610

<sup>1</sup> Comprises CGUs: Rail Operations and Planning (Safety Information Systems Limited, Datasys Integration Limited and Bellvedi Limited), MPEC Technology Limited, Ontrac Technology Limited and Customer Experience (Tracsis Rail Technology and Services Limited - formerly iBlocks Limited - and Tracsis Travel Compensation Services Limited).

<sup>2</sup> Comprises CGU: Railcomm LLC.

<sup>3</sup> Comprises CGUs: Tracsis Traffic Data Limited, Tracsis Events Limited and Customer Insights (Tracsis Rail Consultancy Limited).

<sup>4</sup> Comprises CGUs: Compass Informatics Limited and The Icon Group Limited.



### 13 Intangible assets *continued*

The amortisation charge is recognised in the following line items in the income statement:

	2025 £000	2024 £000
Administrative expenses	5,926	5,526
Total amortisation charge	5,926	5,526

Customer-related intangibles and technology-related intangibles are amortised over their useful life, which is the period during which they are expected to generate revenue. Customer-related intangibles have between 1 and 14 years left to amortise. Acquired technology-related intangibles have between 1 and 7 years remaining to amortise and order book-related intangibles have 2 years remaining to amortise.

The amortisation of marketing-related intangibles was accelerated during the year following the decision to rebrand Rail Technology & Services North America operations to Tracsis from Railcomm; these intangible assets are now fully amortised.

Internally generated technology-related intangibles which are available for use have between 1 and 3 years remaining to amortise.

Technology-related intangibles relate to proprietary software that has been acquired or developed in house and which is used by the Group.

In accordance with the requirements of IAS 36 "Impairment of Assets", goodwill is allocated to groups of the Group's cash-generating units ("CGUs") which are expected to benefit from the combination. These groups of CGUs are not larger than the operating segments of the Group. Each group of CGUs is assessed for impairment annually or whenever there is a specific indicator of impairment.

As part of the annual impairment test review, the carrying value of goodwill has been assessed with reference to value in use over a projected period between three and five years together with a terminal value. This reflects the projected cash flows of the CGU based on the actual operating results, the most recent Board-approved budget and management projections.

2025	Pre-tax discount rate	Post-tax discount rate	Projected period (years)	Short-term growth rate*	Long-term annual growth rate
Rail Technology & Services – United Kingdom	19.3%	14.9%	3	7.0%	2.0%
Rail Technology & Services – North America	17.4%	13.4%	5	22.8%	2.1%
Traffic Data & Events	19.4%	14.9%	3	1.2%	2.0%
Data Analytics/GIS	13.7%	12.2%	3	13.5%	2.0%

2024	Pre-tax discount rate	Post-tax discount rate	Projected period (years)	Short-term growth rate*	Long-term annual growth rate
Rail Technology & Services – United Kingdom	18.7%	14.4%	3	9.9%	2.0%
Rail Technology & Services – North America	17.6%	13.5%	3	29.2%	2.0%
Traffic Data & Events	18.9%	14.4%	3	1.5%	2.0%
Data Analytics/GIS	14.5%	12.9%	3	6.0%	2.0%

\* The short-term revenue growth rate is the compound annual growth rate over the projected period, based from the most recent financial year.

Sensitivities of reasonably possible changes have been considered for the Rail Technology & Services - United Kingdom, Traffic Data & Events and Data Analytics / GIS groups of CGUs and resulted in the recoverable amount exceeding the carrying amount for each group as follows:

- a 1% point increase in the discount rate; and
- a 1% point reduction in the long-term growth rate.

The discount rate applied would need to increase by more than 10.0% points before the carrying amount would not exceed the recoverable amount in any of these three groups of CGUs.

The Rail Technology & Services – North America CGU group is sensitive to changes in forecasting assumptions. A key assumption within its value in use is the revenue growth opportunity. While the Directors are confident that the business can achieve strong revenue growth and that is reflected in the forecasts used to calculate the value in use of the CGU, this revenue growth is not guaranteed, and future revenue could be affected by various factors including the risks identified in our summary of the Group's principal risks.

The forecast cash flows include assumptions on new work being secured. While the Directors consider those assumptions to be reasonable, winning or losing bids for a relatively small number of pieces of new work could have a material effect on the value in use of the CGU.

Post-tax discount rates were estimated based on an external valuation expert's weighted average cost of capital calculation; these were converted to pre-tax discount rates for use in the value in use calculations.

The projected period covers the visible pipeline period and duration of assumed customer implementation contracts from the pipeline.

The short-term growth rate reflects a probability-weighted conversion of the qualified sales pipeline, with weightings applied based on the stage of each opportunity within the sales cycle.

## 13 Intangible assets *continued*

The long-term growth rate reflects the long-term inflation assumption.

A decrease in the short-term growth rate from 22.8% to a compound annual growth rate of 20.5% and maintaining a long-term growth rate of 2.1% per annum would reduce the headroom against the non-current assets to £nil. This assumes no cost mitigations over the forecast period other than the costs of sales that would be saved from the lost revenue.

In a scenario where the short-term growth rate reduced to a compound annual growth rate of 18.9%, with a long-term growth rate of 2.1% per annum and no cost mitigations over the forecast period other than the costs of sales saved, the CGU group's carrying amount would exceed its value in use by £2.3m.

The Directors consider these scenarios possible but unlikely based on the identified market opportunities for its products and services, the successful go-live of a major dispatch project during September 2024, and the opportunity to take cost mitigation actions in the event that revenues are materially lower than the base case forecast.

## 14 Investments

The Group has made investments in Vivacity Labs Limited, Citi Logik Limited and Nutshell Software Limited.

The carrying value of the investments is detailed below:

	% held at 31 July 2025	2025 £000	2024 £000
<b>Investments – equity</b>			
Citi Logik Limited	15.4%	—	—
Nutshell Software Limited	14.2%	—	—
Vivacity Labs Limited	13.5%	—	—
<b>Total investments</b>		<b>—</b>	<b>—</b>

Nutshell Software Limited is in administration.

Citi Logik Limited is in creditors' voluntary liquidation.

Assessments of the fair value of the equity investments in Citi Logik Limited, Nutshell Software Limited and Vivacity Labs Limited were completed at the end of the year. The fair value of these investments has been determined as £nil in each case.

## 15 Inventories

	2025 £000	2024 £000
Raw materials and work in progress	<b>748</b>	1,024
Finished goods	<b>408</b>	488
<b>Total inventories</b>	<b>1,156</b>	1,512

The value of inventories expensed in the period in cost of sales was £1,597,000 (2024: £1,672,000).

Provision is made for slow moving and obsolete stock on a line-by-line basis. The value of inventory provisions held is £862,000 (2024: £155,000).

The value of inventories expensed in the period as exceptional items was £377,000 (2024: £nil), relating to provision for obsolete inventory following the decision to not pursue new contracts for certain non-software related activities in North America.

## 16 Lease liabilities

	2025 £000	2024 £000
Due within one year	<b>792</b>	1,123
Due after more than one year:		
Between one and two years	<b>577</b>	453
Between two and five years	<b>767</b>	284
Between five and ten years	<b>507</b>	—
<b>Total due after more than one year</b>	<b>1,851</b>	737
<b>Total obligation</b>	<b>2,643</b>	1,860

## 16 Lease liabilities *continued*

A reconciliation of the obligation is stated below.

	2025 £000	2024 £000
At 1 August	1,860	2,090
Lease modifications	82	(114)
New contracts	1,941	1,187
Total cash outflow	(1,380)	(1,441)
Interest	143	137
Exchange adjustments	(3)	1
At 31 July	2,643	1,860

For new leases entered into in the year, the discount rate has been calculated as the incremental borrowing rate available to the Group at the date of the lease commencement. The range of incremental borrowing rates utilised to value the leases existing at the end of the year is 2.6% to 7.5% (2024: 2.6% to 7.5%).

Extension and termination options are included in a number of property leases across the Group. In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or to not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

As at 31 July 2025, potential future cash outflows of £650,000 (undiscounted) have been included in lease liabilities because it is reasonably certain that full lease terms will be used and break clauses not exercised.

Future minimum lease payments at 31 July were as follows:

	Carrying amount £000	Contractual cash flows £000	Less than one year £000	One to two years £000	Two to five years £000	Five to ten years £000
2025	2,643	3,151	928	706	932	585
2024	1,860	1,990	1,180	498	312	—

### Lease payments not recognised as a liability

The Group has elected not to recognise a lease liability for short-term leases (leases with an expected term of twelve months or less) or for leases of low value assets. Payments made under such leases are expensed on a straight-line basis.

The expense relating to payments not included in the measurement of the lease liability is as follows:

	2025 £000	2024 £000
Short-term leases	55	51
Leases of low value assets	—	1
Total	55	52

## 17 Trade and other receivables

	2025 £000	2024 £000
Trade receivables	14,667	17,158
Unbilled receivables	441	713
Other receivables and prepayments	3,580	3,656
	4,021	4,369
Lease receivable	—	9
Total trade and other receivables	18,688	21,536

Although the Group has a large number of customers, there is a concentration of risk in that the Group derives a large amount of revenue from one major customer as detailed in note 5 (2025: 7% of revenue; 2024: 8% of revenue), though there are no concerns over the creditworthiness of the customer.

Other receivables and prepayments includes £323,000 transaction costs (2024: £nil) in respect of the undrawn revolving credit facility entered into on 22 July 2025 which are deferred until draw down occurs.

Included within other receivables and prepayments is a return asset of £nil (2024: £162,000).

Other receivables and prepayments includes contract assets of £193,000 (2024: £297,000) for the costs of fulfilling customer contracts in respect of partially satisfied performance obligations. These costs relate directly to the contract, generate resources that will be used in satisfying the contract and are expected to be recovered. The asset is amortised consistently with the pattern of recognition of the revenue allocated to the specific performance obligation to which it relates.

The amount of amortisation of contract assets for the costs of fulfilling customer contracts recognised in the year was £297,000 (2024: £261,000).

## 18 Trade and other payables

	2025 £000	2024 £000
Trade payables	2,591	2,995
Other tax and social security	4,409	4,263
Contract liabilities	11,775	13,331
Accruals and other payables	4,170	4,909
Total trade and other payables	22,945	25,498

The Directors consider that the carrying amounts of trade payables approximates to their fair value.

Contract liabilities relate to consideration received in advance of the completion of the associated performance obligation.

Included within contract liabilities are balances to be settled within the next twelve months of £9,522,000 (2024: £10,124,000) and after twelve months of £2,253,000 (2024: £3,207,000) which have been presented as current as they represent the normal operating cycle for the entity in which they arise.

Revenue recognised in the reporting period that was included in the contract liability balance at beginning of the year totalled £10,676,000 (2024: £8,145,000).

Included within other tax and social security, and accruals and other payables, are £1,732,000 of payroll related liabilities (2024: £1,669,000).

Included within other payables is £nil (2024: £562,000) relating to a refund liability.

Contract liabilities have reduced by £1,556,000 principally due to the timing of invoicing multi-year licences.

## 19 Provisions

	2025			2024		
	Current £000	Non-current £000	Total £000	Current £000	Non-current £000	Total £000
Provision for contract termination	390	—	390	—	—	—
Other provisions	274	—	274	—	—	—
Total provisions	664	—	664	—	—	—

### Provision for contract termination

A provision has been made for anticipated termination costs of a Rail Technology & Services customer contract in the UK. The value of the provision reflects management's expected value of the costs; these costs are expected to be settled in the next financial year.

### Other provisions

Other provisions comprise provision for dilapidations expenses on leased properties, provisions for estimated warranty claims for products sold and provision for other compliance costs related to an incident at a Data, Analytics, Consultancy & Events customer site.

The value of dilapidation provisions reflect management's best estimates of the costs to restore leased properties to their original state and are largely expected to be settled in the next financial year.

Provision is made for management's expected value of claims in respect of products sold which are still under warranty at the end of the reporting period. These claims are expected to be settled in the next financial year.

The value of the compliance cost provision reflects management's expected value of the costs; settlement is expected in the next financial year.

Movements in each class of provision during the financial year are set out below:

	Provision for contract termination £000	Other provisions £000	Total £000
At 1 August 2024	—	—	—
Transferred from accruals and other payables	—	369	369
Charged/(credited) to profit or loss			
additional provisions recognised	390	126	516
unused amounts reversed	—	(152)	(152)
Amounts used during the year	—	(69)	(69)
<b>At 31 July 2025</b>	<b>390</b>	<b>274</b>	<b>664</b>

## 20 Contingent consideration

In 2022 the Group acquired The Icon Group Limited ("Icon"). Under the share purchase agreement, contingent consideration is payable which is based on the profitability of Icon in the three-year period after the acquisition, and on the successful renewal of certain key contracts in the four-year period after acquisition. Contingent consideration is payable in Euros up to a maximum of €1,750,000 (£1,511,000). Based on reduced activity under certain contracts and current expectations regarding the renewal of certain contracts, the fair value of the amount payable was assessed as €183,000 (£158,000) at 31 July 2025.

As detailed in note 8.3, a net exceptional charge of £4,000 was recognised, following the unwind of the discounting as at 31 July 2025. At the balance sheet date, the Directors assessed the fair value of the remaining amounts payable which were deemed to be as follows:

	2025 £000	2024 £000
The Icon Group Limited	158	151

Contingent consideration payable in respect of the Group's past acquisitions is considered to be a "Level 3 financial liability" as defined by IFRS 13. These liabilities are carried at fair value, which is based on the estimated amounts payable under the provisions of the share purchase agreements which specify the specific arrangements and calculations relating to each acquisition. This involves assumptions about future profit forecasts, which result from assumptions about revenues and costs, and the resulting liability is discounted back to the present value using an appropriate discount rate and an estimate of when it is expected to be payable. A range of outcomes is considered, and a probability/likelihood weighting is applied to each of them in order to produce a weighted assessment of the amount payable.

The Group has considered multiple scenarios in estimating the fair value of contingent consideration payable in the future. In all cases, contingent consideration payable could range from zero to the maximum amount included in the Icon share purchase agreement as detailed in this note. A 10% increase in the Icon revenue forecast would result in an increase in the fair value of contingent consideration of £nil.

The movement on contingent consideration can be summarised as follows:

	2025 £000	2024 £000
At the start of the year	151	139
Unwind of discounting	4	14
Exchange adjustment	3	(2)
At the end of the year	158	151

The ageing profile of the remaining liabilities can be summarised as follows:

	2025 £000	2024 £000
Payable in less than one year	158	151
Payable in more than one year	—	—
Total	158	151



## 21 Deferred tax

Liability/(asset)	Intangible assets £000	Accelerated capital allowances £000	Share options and other employee benefits £000	Losses £000	Other £000	Total £000
At 31 July 2023	7,843	460	(1,212)	—	(580)	6,511
Reclassification	(61)	—	(138)	(56)	255	—
(Credit)/charge to statement of comprehensive income (note 10)	(1,015)	61	772	(668)	85	(765)
Exchange adjustment	—	1	(2)	11	—	10
At 31 July 2024	6,767	522	(580)	(713)	(240)	5,756
(Credit)/charge to statement of comprehensive income (note 10)	(1,088)	154	253	(682)	(64)	(1,427)
Exchange adjustment	5	—	4	51	6	66
<b>At 31 July 2025</b>	<b>5,684</b>	<b>676</b>	<b>(323)</b>	<b>(1,344)</b>	<b>(298)</b>	<b>4,395</b>

The net deferred tax liability has been calculated at the rate that it is anticipated to unwind; for the UK entities at 25% (2024: 25%), and for those overseas at a range between 12.5% and 27%, appropriate to the tax jurisdiction in which they operate.

Deferred tax assets for losses principally relate to Rail Technology & Services operations in United States of America, where net operating losses of £4,975,000 are expected to be utilised against future taxable profits generated over a five-year period projected from the balance sheet date. These forecast future taxable profits include assumptions on new work being secured. While the Directors consider those assumptions to be reasonable, winning or losing bids for a relatively small number of pieces of new work could have a material effect on the value of taxable profits against which the net operating losses can be relieved.

This is presented on the balance sheet within non-current assets and liabilities as follows:

	2025 £000	2024 £000
Deferred tax assets	(1,869)	(1,376)
Deferred tax liabilities	6,264	7,132
Net deferred tax liability	4,395	5,756

## 22 Share capital

	2025 Number	2025 £	2024 Number	2024 £
<b>Allotted, called up and fully paid:</b>				
Ordinary shares of 0.4p each	29,732,116	118,928	30,325,682	121,303

The following share transactions have taken place during the year ended 31 July 2025:

	2025 Number	2024 Number
At the start of the year	30,325,682	29,957,908
Shares bought back and cancelled	(674,510)	—
Exercised share options (note 7)	80,944	367,774
At the end of the year	29,732,116	30,325,682

During the year, the Company purchased from the open market, and cancelled, a number of ordinary shares as part of a previously announced share buy-back programme. The purchases were made in accordance with the general authority of the Company to repurchase ordinary shares granted by shareholders at the Company's Annual General Meeting held on 22 January 2025.

The shares were acquired at an average price of £4.43 per share, with prices ranging from £3.10 to £5.07. The total cost of £3,000,000, including £15,000 of transaction costs, was deducted from ordinary shareholder equity.

During the year, a number of options were exercised from the employee schemes all with an exercise price of 0.4p; all took place at the nominal value.

## 23 Capital and reserves

Reserve	Description and purpose
<b>Share capital</b>	Amount subscribed for share capital at nominal value.
<b>Share premium</b>	Amount subscribed for share capital in excess of nominal value.
<b>Merger reserve</b>	Amounts arising from the premium of the fair value of shares issued over their nominal value, in respect of certain business combinations.
<b>Retained earnings</b>	Cumulative net profits recognised in the income statement.
<b>Capital redemption reserve</b>	Cumulative par value of all shares bought back and cancelled.
<b>Translation reserve</b>	Translation differences on retranslation of subsidiaries denominated in a foreign currency.
<b>Fair value reserve</b>	Cumulative changes in fair value of investments.

## 24 Financial risk management

The principal financial instruments comprise cash and short-term deposits, trade receivables and contingent consideration. The main purpose of these financial instruments (with the exception of contingent consideration) is to provide finance for the Group's operations. The Group has various other financial instruments, such as trade payables that arise directly from its operations. The fair values of the financial assets are approximately equal to their year-end carrying values and represent the maximum exposure to credit risk.

Financial assets	2025 £000	2024 £000
Cash and short-term deposits <sup>1</sup>	<b>23,389</b>	19,773
Trade receivables <sup>1</sup>	<b>14,667</b>	17,158
Unbilled receivables <sup>1</sup>	<b>441</b>	713
Lease receivable <sup>3</sup>	<b>—</b>	9
<b>Total financial assets</b>	<b>38,497</b>	37,653

Cash and short-term deposits at 31 July 2025 are held in bank accounts with a floating rate of interest. This is consistent with cash and short-term deposits held at 31 July 2024.

Financial liabilities	2025 £000	2024 £000
Trade and other payables <sup>1</sup>	<b>6,558</b>	7,904
Contingent consideration <sup>2</sup>	<b>158</b>	151
Lease liabilities <sup>3</sup>	<b>2,643</b>	1,860
<b>Total financial liabilities</b>	<b>9,359</b>	9,915

<sup>1</sup> Items are measured at amortised cost. There are no significant financing components and they are short term in nature.

<sup>2</sup> Items are measured at fair value with changes through the income statement.

<sup>3</sup> Measured at amortised cost. The Group considers that the fair value is materially consistent with amortised cost for those assets measured on this basis.

The Group had no derivative contracts in either the current or previous year. It is policy that no trading in financial instruments should be undertaken. The surplus cash balances have been invested in deposit accounts.

### Fair value or cash flow interest rate risk

The Group has surplus cash balances so does not currently have a borrowing requirement. Where appropriate, surplus cash is put on short-term deposit with highly creditworthy banking institutions at either fixed or floating rates.

Total finance income in the year amounted to £717,000. The Group has cash balances of £23,389,000 as at 31 July 2025 which is spread across different banks as detailed below, and each attracts a different interest rate.

Any sensitivity to interest rates would depend on the following factors: Tracsis subsidiary entity making the investment, the amount invested, the length of commitment and ability to access to the funds, and the choice of financial institution. In view of current interest rates and the current economic backdrop, the Group does not consider that it has a major exposure to interest rates and should interest rates change, this would have an immaterial impact on the amount of finance income receivable. The Board monitors the financial markets and the Group's future cash requirements to ensure that this policy is exercised in the Group's best interests.

## 24 Financial risk management *continued*

### Credit risk

The Group monitors credit risk closely and considers that its current policies of credit checks meet its objectives of managing exposure to risk. The Group has no significant concentration of credit risk. Amounts shown in the balance sheet best represent the maximum credit risk exposure in the event that other parties fail to perform their obligations under financial instruments. The Group did not incur any material bad debts in the financial year, nor has it historically, and so views the overall credit risk to be low.

As noted in note 5 and note 17 the Group derives approximately 7% of its revenue from one major customer, whose creditworthiness is strong.

The Group had a trade receivables balance of £14,667,000 as at 31 July 2025, and this related to over 300 individual customers.

The largest individual trade receivable was £1,452,000 and related to a global professional services firm in a strong financial position. Other trade receivables over £100,000 were spread across 31 individual clients and amounted to approximately £10.1m. These clients include, for example, large infrastructure providers, train operators and owning groups, numerous government departments and other bodies, engineering consultants, a global professional services firm and stadium and concert providers, all of whom are deemed to be creditworthy.

36% of the Group's revenue during the year was earned from governmental customers (2024: 37% of revenue).

On this basis the Group carried an expected credit loss provision of £81,000 as at 31 July 2025, at an expected loss rate of 0.6% (2024: £118,000 at an expected loss rate of 0.7%).

### Liquidity risk

Liquidity risk is managed on a day-to-day basis. Facilities are agreed at appropriate levels having regard to the Group's forecast operating cash flows and future capital expenditures. The Group holds its cash balances with highly rated financial institutions, and it is also spread across numerous institutions to avoid any exposure to one individual bank. As at 31 July 2025, of the Group's total cash balances of £23.4m, £23.4m was spread across six major, highly rated banking institutions with £16.6m held at the lead bank, £3.4m held at another bank, and £3.4m held with others.

The Group has access to an uncommitted £2m overdraft facility and to a committed £35m revolving credit facility, both with its principal bank. The revolving credit facility was entered into on 22 July 2025 and expires on 22 July 2028 with two uncommitted, subsequent one year extension options. Whilst the funds are available primarily to facilitate expansion of the Group, they could be used to manage liquidity risk.

The maturity of the Group's financial liabilities is set out below. The tables below include the gross cash outflows associated with the financial liabilities on an undiscounted basis.

Maturity analysis of financial liabilities at 31 July 2025:

	Trade and other payables £000	Contingent consideration £000	Lease liabilities £000	Total £000
<b>Balance sheet value at 31 July 2025</b>	<b>6,558</b>	<b>158</b>	<b>2,643</b>	<b>9,359</b>
<b>Gross undiscounted cash outflows</b>				
Due within one year	6,558	158	928	7,644
Due between one and ten years	—	—	2,223	2,223
<b>Total cash flows</b>	<b>6,558</b>	<b>158</b>	<b>3,151</b>	<b>9,867</b>

Maturity analysis of financial liabilities at 31 July 2024:

	Trade and other payables £000	Contingent consideration £000	Lease liabilities £000	Total £000
<b>Balance sheet value at 31 July 2024</b>	<b>7,904</b>	<b>151</b>	<b>1,860</b>	<b>9,915</b>
<b>Gross undiscounted cash outflows</b>				
Due within one year	7,904	151	1,180	9,235
Due between one and five years	—	—	810	810
<b>Total cash flows</b>	<b>7,904</b>	<b>151</b>	<b>1,990</b>	<b>10,045</b>

## 24 Financial risk management *continued*

### Foreign currency risk

Although the Group makes sales and purchase in currencies other than Sterling, these are largely transacted in the functional currencies of entities operating overseas.

The Group is exposed to translation risk of the Euro principally through Compass Informatics Limited which raises the vast majority of its sales invoices in Euros.

Total sales to customers in Ireland amounted to £9,095,000 in the year representing around 11% of total Group revenue.

The closing exchange rate used was approximately 1.16 EUR to GBP, with an average throughout the year of approximately 1.19 EUR to GBP.

The Group is exposed to translation risk of the US Dollar principally through Railcomm LLC which raises the vast majority of its sales invoices in US Dollars.

Total sales to customers in North America amounted to £4,601,000 in the year representing around 6% of total Group revenue.

The closing exchange rate used was approximately 1.35 USD to GBP, with an average throughout the year of approximately 1.30 USD to GBP.

Any changes to these exchange rates would increase the Group's foreign currency translation risk, though as noted above the vast majority of the Group's sales continue to be made in Sterling.

### Capital disclosures

The Group's objectives when managing capital are:

- to safeguard the Company's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders; and
- to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

The capital structure of the Group consists of cash and cash equivalents, and equity attributable to shareholders of the parent, comprising issued share capital, reserves and retained earnings as disclosed in the consolidated statement of changes in equity and notes 22 and 23.

The Group sets the amount of capital it requires in proportion to risk. The Group manages its capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets.

### Sensitivity analysis

In managing interest rates, the Group aims to reduce the impact of short-term fluctuations on the Group's earnings. Over the long term, permanent changes in interest rates would have an impact on consolidated earnings. The Directors consider that a change of 100 basis points in interest rates at any period end would not have a material impact on cash flows.

### Market risks

The Directors consider that the Group has no significant exposure to market risks with respect to its financial instruments.

## 24 Financial risk management *continued*

### Changes in liabilities from financing and non-financing activities

	Contingent consideration £000	Deferred consideration £000	Lease liabilities £000
At 1 August 2023	139	308	2,090
<b>Changes from financing cash flows</b>			
Payment of lease liabilities	—	—	(1,441)
<b>Total changes from financing cash flows</b>	—	—	(1,441)
<b>Changes from non-financing cash flows</b>			
Payment of contingent consideration	—	—	—
Payment of deferred consideration	—	(315)	—
<b>Total changes from non-financing cash flows</b>	—	(315)	—
<b>Other changes</b>			
Changes in fair value	—	—	—
Lease additions and modifications	—	—	1,073
Interest unwind on liabilities	14	7	137
Exchange adjustments	(2)	—	1
At 31 July 2024	151	—	1,860
At 1 August 2024	151	—	1,860
<b>Changes from financing cash flows</b>			
Payment of lease liabilities	—	—	(1,380)
<b>Total changes from financing cash flows</b>	—	—	(1,380)
<b>Changes from non-financing cash flows</b>			
Payment of contingent consideration	—	—	—
Payment of deferred consideration	—	—	—
<b>Total changes from non-financing cash flows</b>	—	—	—
<b>Other changes</b>			
Lease additions and modifications	—	—	2,023
Interest unwind on liabilities	4	—	143
Exchange adjustments	3	—	(3)
<b>At 31 July 2025</b>	<b>158</b>	<b>—</b>	<b>2,643</b>

## 25 Related party transactions

The following transactions took place during the year with related parties:

	Purchase of goods and services		Amounts owed to related parties	
	2025 £000	2024 £000	2025 £000	2024 £000
Ashtead Group PLC <sup>1</sup>	—	29	—	8
Headland Consulting <sup>3</sup>	58	—	—	—

	Sale of goods and services		Amounts owed by related parties	
	2025 £000	2024 £000	2025 £000	2024 £000
WSP UK Limited <sup>2</sup>	—	37	—	—
Bytes Software Services Ltd <sup>4</sup>	133	—	45	—

1 Ashtead Group PLC ("Ashtead") is a company which is connected to Jill Easterbrook who served as a Non-Executive Director of Tracsis plc and also of Ashtead during the year. Purchases from Ashtead took place at arm's length commercial rates and were not connected to Ms Easterbrook's position at Ashtead.

2 WSP UK Limited ("WSP") is a company which was connected to Chris Cole who served as Non-Executive Chairman of Tracsis plc until 1 September 2023 and also of WSP Global Inc, WSP's parent company. Sales to WSP took place at arm's length commercial rates and were not connected to Mr Cole's position at WSP. Sales and amounts owed to WSP are disclosed for the period whilst it was a related party.

3 Headland Consulting is a company which was connected to Jill Easterbrook who served as a Non-Executive Director of Tracsis plc and also of Verde Bidco, Headland Consultancy's parent company. Sales to and purchases from Headland Consulting took place at arm's length commercial rates and were not connected to Ms Easterbrook's position at Headland Consulting.

4 Bytes Technology Group is a company which was connected to Ross Paterson who served as a Non-Executive Director of Tracsis plc and also of Bytes Technology Group, Bytes Software Services Ltd's parent company. Sales to Bytes Software Services Ltd took place at arm's length commercial rates and were not connected to Mr Paterson's position at Bytes Software Services Ltd.

### Terms and conditions of transactions with related parties

The purchases from related parties are made at normal market prices. Outstanding balances that relate to trading balances are unsecured, interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables.

### Compensation of key management personnel of the Group

The Group considers the key management personnel to be its Directors and the directors of the Group's subsidiaries. Details of their compensation are set out below:

	2025 £000	2024 £000
<b>Short-term employee benefits:</b>		
Wages and salaries	2,990	3,470
<b>Post-employment benefits:</b>		
Contributions to defined contribution plans	107	277
<b>Share-based payment charges</b>	246	537
	<b>3,343</b>	<b>4,284</b>

## 26 Employee benefits

The Group makes contributions to defined contribution pension schemes for its employees. The assets of the schemes are held separately in independently administered funds. The pension cost charge for the year comprises contributions payable by the Group to the schemes and other personal pension plans and amounted to £2,052,000 (2024: £1,913,000).

There were outstanding contributions at 31 July 2025 of £219,000 (2024: £211,000).

## 27 Group entities

Note 33 lists the subsidiary undertakings which contribute to the Group results and the Group's minority investments.



## 28 Dividends

The Board intends to pursue a sustainable and progressive dividend policy, having regard to the development of the Group.

The cash cost of dividend payments made during the year is below:

	2025 £000	2024 £000
Final dividend for 2022/23	—	362
Interim dividend for 2023/24	—	333
Final dividend for 2023/24	395	—
Interim dividend for 2024/25	364	—
Total dividends paid	759	695

The dividends paid or proposed in respect of each financial year are as follows:

	2025 £000	2024 £000
Interim dividend for 2023/24 of 1.1p per share paid	—	333
Final dividend for 2023/24 of 1.3p per share paid	—	395
Interim dividend for 2024/25 of 1.2p per share paid	364	—
Final dividend for 2024/25 of 1.4p per share proposed	416	—

The total dividends paid or proposed in respect of each financial year ended 31 July were as follows:

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Total dividends paid per share	2.6p	2.4p	2.2p	2.0p	£nil	£nil	1.8p	1.6p	1.4p	1.2p

## 29 Reconciliation of alternative performance measures (“APMs”)

The Group uses APMs, which are not defined or specified under the requirements of International Financial Reporting Standards (“IFRS”). These metrics adjust for certain items which impact upon IFRS measures, to aid the user in understanding the activity taking place across the Group’s businesses. The largest components of the adjusting items, being depreciation, amortisation and share-based payments, are “non-cash” items and are separately analysed to assist with the understanding of underlying trading. Share-based payments are adjusted to reflect the underlying performance of the Group as the fair value on initial recognition is impacted by market volatility that does not correlate directly to trading performance. APMs are used by the Directors and management for performance analysis, planning, reporting and incentive purposes.

### Adjusted EBITDA

Calculated as earnings before net finance income or expense, tax, depreciation, amortisation, exceptional items, other operating income or expense and share-based payment charges. This metric is used to show the underlying trading performance of the Group from period to period in a consistent manner and is a key management incentive metric. The closest equivalent statutory measure is profit before tax. Adjusted EBITDA can be reconciled to statutory profit before tax as set out below:

	2025 £000	2024 £000
Profit before tax	1,588	995
Net finance income	(578)	(28)
Share-based payment charges	432	899
Exceptional items	2,361	3,003
Other operating expense / (income)	357	(7)
Amortisation of intangible assets	5,926	5,526
Depreciation	2,488	2,371
Adjusted EBITDA	12,574	12,759

### Adjusted basic earnings per share

Calculated as profit after tax before amortisation of acquired intangible assets, share-based payment charges, exceptional items and other operating income or expense divided by the weighted average number of ordinary shares in issue during the period. This is a common metric used by the market in monitoring similar businesses and is used by equity analysts who cover the Group to better understand the underlying performance of the Group. See note 11: Earnings per share.

## 29 Reconciliation of alternative performance measures (“APMs”) *continued*

### Free cash flow

Calculated as net cash flow from operating activities after purchase of property, plant and equipment, proceeds from disposal of property, plant and equipment, proceeds from exercise of share options, lease liability payments, lease receivable receipts, purchase of intangible assets and capitalised development costs, and before payment of contingent consideration. This measure reflects the cash generated in the period that is available to invest in accordance with the Group’s growth strategy and capital allocation policy.

Free cash flow reconciles to net cash flow from operating activities as set out below:

	2025 £000	2024 £000
Net cash flow from operating activities	10,832	8,500
Add back: exceptional operating cash flows	1,445	2,283
Purchase of property, plant and equipment	(671)	(1,487)
Proceeds from disposal of property, plant and equipment	36	241
Capitalised development costs	(835)	(462)
Purchase of intangible assets	(312)	—
Proceeds from exercise of share options	1	1
Lease liability payments	(1,380)	(1,441)
Lease receivable receipts	—	32
Free cash flow before exceptional items	9,116	7,667
Cash flows on exceptional items	(1,445)	(2,283)
Free cash flow	7,671	5,384

## 30 Subsequent events

There have been no disclosable events subsequent to the balance sheet date.

## Company balance sheet (prepared under FRS 101)

as at 31 July 2025

Company number: 05019106

	Note	2025 £000	2024 £000
<b>Non-current assets</b>			
Property, plant and equipment	32	1,763	548
Investments	33	77,038	77,223
Deferred tax assets	38	74	150
Trade and other receivables	34	13,020	10,443
		<b>91,895</b>	88,364
<b>Current assets</b>			
Cash and cash equivalents		12,600	8,729
Trade and other receivables	34	2,761	6,762
		<b>15,361</b>	15,491
<b>Total assets</b>		<b>107,256</b>	103,855
<b>Non-current liabilities</b>			
Deferred tax liabilities	38	26	25
Lease liabilities	35	1,182	—
		<b>1,208</b>	25
<b>Current liabilities</b>			
Trade and other payables	36	77,674	63,288
Lease liabilities	35	194	141
Contingent consideration	37	158	151
		<b>78,026</b>	63,580
<b>Total liabilities</b>		<b>79,234</b>	63,605
<b>Net assets</b>		<b>28,022</b>	40,250
<b>Capital and reserves</b>			
Called up share capital	39	119	121
Share premium reserve		6,535	6,535
Merger reserve		6,161	6,161
Retained earnings		15,204	27,433
Capital redemption reserve		3	—
<b>Total equity</b>	32	<b>28,022</b>	40,250

The Company's loss after taxation for the year amounted to £8,902,000, after receiving dividends from subsidiary undertakings of £501,000 (2024: loss of £9,805,000 after receiving dividends from subsidiary undertakings of £863,000).

The financial statements were approved and authorised for issue by the Board of Directors on 19 November 2025 and were signed on its behalf by:

**David Frost**  
Chief Executive Officer

**Andrew Kelly**  
Chief Financial Officer

The accompanying notes form an integral part of these financial statements.

## Company statement of changes in equity

for the year ended 31 July 2025

	Share capital £000	Share premium £000	Merger reserve £000	Translation reserve £000	Retained earnings £000	Capital redemption reserve £000	Total £000
At 1 August 2023	120	6,535	6,161	(15)	37,034	—	49,835
Loss after tax	—	—	—	—	(9,805)	—	(9,805)
Recycled to profit and loss	—	—	—	15	—	—	15
Total comprehensive expense	—	—	—	15	(9,805)	—	(9,790)
<i>Transactions with owners:</i>							
Dividends	—	—	—	—	(695)	—	(695)
Share-based payment credit	—	—	—	—	899	—	899
Exercise of share options	1	—	—	—	—	—	1
At 31 July 2024	121	6,535	6,161	—	27,433	—	40,250
At 1 August 2024	121	6,535	6,161	—	27,433	—	40,250
Loss after tax	—	—	—	—	(8,902)	—	(8,902)
Total comprehensive expense	—	—	—	—	(8,902)	—	(8,902)
<i>Transactions with owners:</i>							
Dividends	—	—	—	—	(759)	—	(759)
Buy-back of ordinary shares (note 22)	(3)	—	—	—	(2,985)	3	(2,985)
Buy-back transaction costs	—	—	—	—	(15)	—	(15)
Share-based payment credit	—	—	—	—	432	—	432
Exercise of share options	1	—	—	—	—	—	1
<b>At 31 July 2025</b>	<b>119</b>	<b>6,535</b>	<b>6,161</b>	<b>—</b>	<b>15,204</b>	<b>3</b>	<b>28,022</b>

Details of the nature of each component of equity are:

Reserve	Description and purpose
<b>Share capital</b>	Amount subscribed for share capital at nominal value.
<b>Share premium</b>	Amount subscribed for share capital in excess of nominal value.
<b>Merger reserve</b>	Amounts arising from the premium of the fair value of shares issued over their nominal value, in respect of certain business combinations.
<b>Retained earnings</b>	Cumulative net profits recognised in the income statement.
<b>Translation reserve</b>	Effect of foreign currency translation of net investment in overseas subsidiaries.
<b>Capital redemption reserve</b>	Cumulative par value of all shares bought back and cancelled.

The accompanying notes form an integral part of these financial statements.

## Notes to the Company balance sheet

### 31 Company accounting policies

Tracsis plc ("the Company") was incorporated and is domiciled in England, in the United Kingdom. Its registered office is Nexus, Discovery Way, Leeds LS2 3AA, and its registered number 05019106. The principal activity of Tracsis plc is that of a holding company and also software development and consultancy for the rail industry.

The Company's accounting reference date is 31 July.

#### Basis of preparation

The financial statements have been prepared in accordance with Financial Reporting Standard 101 "Reduced Disclosure Framework" ("FRS 101") which has been applied.

The principal accounting policies adopted in the preparation of the financial statements are set out below. The policies have been consistently applied to all the years presented, unless otherwise stated.

The financial statements have been prepared on a historical cost basis. The presentation currency used is Sterling and amounts have been presented in round thousands ("£000s").

#### Disclosure exemptions adopted

In preparing these financial statements the Company has taken advantage of all disclosure exemptions conferred by FRS 101. Therefore, these financial statements do not include:

- certain comparative information as otherwise required by IFRS;
- certain disclosures regarding the Company's capital;
- a statement of cash flows;
- the effect of future accounting standards not yet adopted;
- certain disclosures in respect of share-based payments;
- the disclosure of the remuneration of key management personnel; and
- disclosure of related party transactions with other wholly owned members of the Tracsis plc group of companies.

In addition, and in accordance with FRS 101 further disclosure exemptions have been adopted because equivalent disclosures are included in the Group's financial statements.

#### Revenue recognition

The Company derives revenue from software licensing, bespoke development work and post-contract customer support.

The following table provides information about the nature and timing of the satisfaction of performance obligations in contracts with customers, and the related revenue recognition policies. Revenue is recognised either when the performance obligation in the contract has been performed ("point in time" or "over time" as control is transferred to the customer). Consideration received in advance of the performance obligation being satisfied by the Company is included as a contract liability on the balance sheet. An asset is recognised when a performance obligation has been completed, but no consideration has yet been received. Adjustments are made to allocate discounts relative to the stand-alone selling price of each performance obligation. The Company does not adjust the transaction price for the time value of money as it does not expect to have any contracts where the period between the transfer of the promised service to the client, and the payment by the client exceeds one year.

## 31 Company accounting policies *continued*

### Revenue recognition *continued*

Revenue stream	Recognition policy
<b>Software – perpetual and non-cancellable annual software licences, and support and maintenance services associated with these licences</b>	<p>The criteria under IFRS 15 have been considered to assess whether the software licences and support and maintenance are distinct performance obligations. As the support and updates do not make changes to the software that are so fundamental that the software would not be able to operate without them, they are considered distinct.</p> <p>The Company recognises the revenue from the sale of perpetual and non-cancellable annual software licences at the time that the licence is made available to the customer as it is considered that control passes at that point in time. Additionally, the Company does not undertake activities that significantly affect the licence after the point at which it was provided to the customer.</p> <p>Revenue related to ongoing support and periodic updates is recognised over the licence period as the Company is unable to predict at inception of the licence when the support and updates will be required to be provided to the customer. As such, control is considered to transfer with the passage of time.</p> <p>The allocation of the transaction price between the two performance obligations included in the contract is based on an expected cost plus margin approach as the stand-alone selling price is not observable.</p>
<b>Software as a service, and support services associated with these licences</b>	<p>Under IFRS 15 two distinct performance obligations have been identified for these contracts:</p> <ul style="list-style-type: none"> <li>• hosted software licences; and</li> <li>• maintenance and support.</li> </ul> <p>Revenue from the provision of the hosted software licence is recognised evenly over the period in which the licence is hosted by the Company. This policy reflects the continuous transfer of the service to the customer throughout the contracted licence period. For renewals of hosted licences, the revenue is recognised over the period of the contract.</p> <p>Revenue related to ongoing support and periodic updates is recognised over the licence period as the Company is unable to predict at inception of the licence when the support and updates will be required to be provided to the customer.</p>
<b>Bespoke software development work</b>	<p>Bespoke development work does not create an asset with an alternative use to the Company and in those contracts where the Company does have an enforceable contractual right to payment for performance completed to date revenue is recognised over time using an input or output method as appropriate to the contract, and which provides the most accurate depiction of transfer of goods to the customer. For the Company this varies on a contract-by-contract basis. The most commonly used input method by the Company is costs incurred, and the most commonly used output method is milestones reached. In contracts where the Company does not have an enforceable contractual right to payment for performance completed to date revenue is recognised on completion of the work.</p>

### Property, plant and equipment

Property, plant and equipment is initially recognised at cost. As well as the purchase price, cost includes directly attributable costs.

Depreciation is provided on all items so as to write off the carrying value of items over their expected useful economic lives. It is applied at the following rates:

Freehold buildings (excluding land)	–	4% on cost
Computer equipment	–	33 1/3% on cost
Fixtures and fittings	–	10% on cost

### Investments

Fixed asset investments are stated at cost less provision for impairment where appropriate. The Directors consider annually whether a provision against the value of investments on an individual basis is required. Such provisions are charged in the income statement in the year.

Any contingent consideration payable is recognised at fair value at the acquisition date. If the contingent consideration is classified as equity, it is not remeasured and settlement is accounted for within equity. Subsequent changes to the fair value of the contingent consideration are recognised in operating profit or loss as such changes are primarily as a result of operating performance.



### 31 Company accounting policies *continued*

#### Taxation

The tax on the profit or loss for the year represents current and deferred tax.

The tax currently payable is based on taxable profit for the period. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted at the balance sheet date.

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying value in the financial statements. The principal temporary differences arise from depreciation on plant and equipment and share options granted by the Company to employees and Directors.

Deferred tax assets and liabilities are measured on an undiscounted basis at the tax rates that are expected to apply when the related asset is realised or liability is settled, based on tax rates and laws enacted or substantively enacted at the balance sheet date. Where the deferred tax asset recognised in respect of share-based payments would give rise to a credit in excess of the related accounting charge at the prevailing tax rate the excess is recognised directly in equity.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

#### Leases

For any new contracts entered into the Company considers whether a contract is or contains a lease. A lease is defined as a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration.

To apply this definition the Company assesses whether the contract meets three key evaluations which are whether:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Company;
- the Company has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract; and
- the Company has the right to direct the use of the identified asset throughout the period of use.

The Company assesses whether it has the right to direct "how and for what purpose" the asset is used throughout the period of use.

#### Measurement and recognition of leases as a lessee

At lease commencement date, the Company recognises a right-of-use asset and a lease liability on the balance sheet.

The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Company, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

The Company depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Company also assesses the right-of-use asset for impairment when such indicators exist.

At the commencement date, the Company measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Company's incremental borrowing rate.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in-substance fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments.

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

The Company has elected to account for short-term leases and leases of low value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term.

#### Share-based payments

The Company's accounting policies followed are in all material regards the same as the Group's policy in note 3(l). Where there are charges relating to subsidiary undertakings an amount equal to the IFRS 2 "Share-based Payment" charge is borne in full by the relevant subsidiary undertaking via a recharge through the intra-group current accounts.

#### Profit and loss account

The Company has not presented its own profit and loss account as permitted by Section 408 of the Companies Act 2006.

#### Critical accounting estimates and judgements

*Recoverable amount of investment in Tracsis Group US Holdings LLC.*

Value in use has been estimated for the investment in Tracsis Group US Holdings LLC following the identification of impairment indicators. The key assumptions used in the calculations, and the sensitivity of value in use to these key assumptions are set out in note 33 to these financial statements.

## 32 Property, plant and equipment

	Land and buildings* £000	Computer equipment £000	Fixtures and fittings £000	Total £000
<b>Cost</b>				
At 1 August 2024	1,394	361	55	1,810
Additions	1,475	74	—	1,549
<b>At 31 July 2025</b>	<b>2,869</b>	<b>435</b>	<b>55</b>	<b>3,359</b>
<b>Depreciation</b>				
At 1 August 2024	1,012	238	12	1,262
Charge for the year	250	70	14	334
<b>At 31 July 2025</b>	<b>1,262</b>	<b>308</b>	<b>26</b>	<b>1,596</b>
<b>Net book value</b>				
At 31 July 2024	382	123	43	548
<b>At 31 July 2025</b>	<b>1,607</b>	<b>127</b>	<b>29</b>	<b>1,763</b>

\* Includes land of £100,000 which is not depreciated.

Included in the net carrying amount of property, plant and equipment are right-of-use assets held under leases of £1,365,000 (2024: £136,000).

A reconciliation of the right-of-use assets is as follows:

	Land and buildings £000
<b>Cost</b>	
At 1 August 2024	980
Additions	1,454
<b>At 31 July 2025</b>	<b>2,434</b>
<b>Depreciation</b>	
At 1 August 2024	844
Charge for the year	225
<b>At 31 July 2025</b>	<b>1,069</b>
<b>Net book value</b>	
At 31 July 2024	136
<b>At 31 July 2025</b>	<b>1,365</b>

## 33 Investments

	Shares in, and loans to subsidiary undertakings £000
At 1 August 2024	77,223
Return of capital	(185)
<b>At 31 July 2025</b>	<b>77,038</b>

Share-based payment amounts of £181,000 have been recharged to subsidiary entities to represent the amount equal to the IFRS 2 share-based payment charge.

The carrying values of the Company's investments in subsidiary undertakings have been assessed for impairment. The carrying value of the Company's investment in Tracsis Group US Holdings LLC is the most sensitive to changes in assumptions used to determine its value in use.

Following the impairment assessment of the Company's investment in Tracsis Group US Holdings LLC at 31 July 2025; the Directors did not identify any impairment.

The key assumptions on which the value in use calculations are based relate to business performance over the projected period, long-term growth rates beyond the projected period and the discount rates applied. The key judgements are the level of revenue and margins anticipated and the proportion of operating profit converted into cash flow in each year. Forecasts are based on past experience and take into account current and future market conditions and opportunities.

	Discount rate (cost of equity)	Projected period (years)	Short-term growth rate*	Long-term growth rate
Tracsis Group US Holdings LLC	13.8%	5	22.8%	2.1%

\* The short-term revenue growth rate is the compound annual growth rate over the projected period, based from the most recent financial year.

## Notes to the Company balance sheet *continued*

### 33 Investments *continued*

A key assumption within the value in use of the Company's investment in Tracsis Group US Holdings LLC is the revenue growth opportunity. While the Directors are confident that the business can achieve strong revenue growth and that is reflected in the forecasts used to calculate the value in use of the investment, this revenue growth is not guaranteed, and future revenue could be affected by various factors including the risks identified in our summary of the Group's principal risks.

The forecast cash flows include assumptions on new work being secured. While the Directors consider those assumptions to be reasonable, winning or losing bids for a relatively small number of pieces of new work could have a material effect on the value in use of the CGU.

A decrease in the short-term growth rate from 22.8% to a compound annual growth rate of 22.2% and maintaining a long-term growth rate of 2.1% per annum would reduce the headroom against the non-current assets to £nil. This assumes no cost mitigations over the forecast period other than the costs of sales that would be saved from the lost revenue.

In a scenario where the short-term growth rate reduced to a compound annual growth rate of 20.5%, with a long-term growth rate of 2.1% per annum and no cost mitigations over the forecast period other than the costs of sales saved, the investment carrying amount would exceed its value in use by £2.3m and so would be fully impaired.

The companies in which Tracsis plc's interest is more than 10% at the year end are as follows:

Name	Address	Principal activity	Country of incorporation	% ordinary share capital owned	Holding
Tracsis Rail Consultancy Limited	(1)	Rail industry consultancy	England and Wales	Ordinary 100%	Direct
Tracsis Passenger Analytics Limited	(1)	Dormant	England and Wales	Ordinary 100%	Direct
Safety Information Systems Limited	(1)	Software and consultancy	England and Wales	Ordinary 100%	Direct
MPEC Technology Limited	(1)	Rail industry hardware and datalogging	England and Wales	Ordinary 100%	Direct
Tracsis Traffic Data Limited	(2)	Transportation data collection	England and Wales	Ordinary 100%	Direct
Datasys Integration Limited	(1)	Holding Company	England and Wales	Ordinary 100%	Direct
Tracsis Retail and Operations Limited	(1)	Rail industry software	England and Wales	Ordinary 100%	Indirect
SEP Limited	(2)	Dormant	England and Wales	Ordinary 100%	Direct
SEP Events Limited	(2)	Dormant	England and Wales	Ordinary 100%	Indirect
Ontrac Technology Limited	(1)	Holding company	England and Wales	Ordinary A & B 100%	Direct
Ontrac Limited	(1)	Rail industry software	England and Wales	Ordinary A 100%	Indirect
				Ordinary B 100%	Direct
Tracsis Travel Compensation Services Limited	(1)	Rail industry software	England and Wales	Ordinary 100%	Indirect
Tracsis Events Limited	(2)	Event planning and traffic management	England and Wales	Ordinary 100%	Direct
Compass Informatics Limited	(5)	Software development	Republic of Ireland	Ordinary 100%	Direct
Bellvedi Limited	(1)	Rail industry software	England and Wales	Ordinary 100%	Direct
Tracsis Rail Technology and Services Limited	(1)	Rail industry software	England and Wales	Ordinary 100%	Direct
Flash Forward Consulting Limited	(1)	Dormant	England and Wales	Ordinary 100%	Indirect
Compass Informatics UK Limited	(1)	Software development	England and Wales	Ordinary 100%	Indirect
Northbrook Investments Limited	(5)	Holding company	Republic of Ireland	Ordinary 100%	Direct
The Icon Group Limited	(5)	Software development	Republic of Ireland	Ordinary 100%	Indirect
Railcomm, LLC	(6)	Rail industry software and hardware	United States of America	Ordinary 100%	Indirect
Railcomm Associates, Inc	(6)	Payroll company	United States of America	Ordinary 100%	Indirect
Tracsis Group US Holdings, LLC	(6)	Holding company	United States of America	Ordinary 100%	Direct
S Dalby Consulting Limited	(1)	Holding company	England and Wales	Ordinary 100%	Direct
Sky High Data Capture Limited	(2)	Dormant	England and Wales	Ordinary 100%	Indirect
Sky High Traffic Data Limited	(2)	Dormant	England and Wales	Ordinary 100%	Indirect
The Web Factory Birmingham Limited	(2)	Dormant	England and Wales	Ordinary 100%	Indirect
Forsyth Whitehead & Associates Limited	(2)	Dormant	England and Wales	Ordinary 100%	Indirect
Sky High Technology (Scotland) Limited	(2)	Dormant	England and Wales	Ordinary 100%	Indirect
Count on Us Traffic Limited	(2)	Dormant	England and Wales	Ordinary 100%	Indirect
Burra Burra Distribution Limited	(2)	Dormant	England and Wales	Ordinary 100%	Indirect
Sky High NCS Limited	(2)	Dormant	England and Wales	Ordinary 100%	Indirect
Halifax Computer Services Limited	(2)	Dormant	England and Wales	Ordinary 100%	Indirect
Skyhightraffic Limited	(2)	Dormant	England and Wales	Ordinary 100%	Indirect
The Traffic Survey Company Limited	(2)	Dormant	England and Wales	Ordinary 100%	Indirect
The People Counting Company Limited	(2)	Dormant	England and Wales	Ordinary 100%	Indirect
Myratech.net Limited	(2)	Dormant	England and Wales	Ordinary 100%	Indirect
Footfall Verification Limited	(2)	Dormant	England and Wales	Ordinary 100%	Indirect

The following table lists the Company's minority investments:

Name	Address	Principal activity	Country of incorporation	% ordinary share capital owned	Holding
Citi Logik Limited		In liquidation	England and Wales	Ordinary 15.4%	Direct
Nutshell Software Limited	(3)	In administration	England and Wales	Ordinary 14.2%	Direct
Vivacity Labs Limited	(4)	Machine learning technology	England and Wales	Ordinary 13.5%	Direct

### 33 Investments *continued*

The registered offices of the Group's investees are as follows:

- (1) Nexus, Discovery Way, Leeds, England, LS2 3AA
- (2) High Moor Yard, High Moor Road, Boroughbridge, North Yorkshire, England, YO51 9DZ
- (3) Suite 5 2nd Floor, Bulman House, Regent Centre, Gosforth, NE3 3LS
- (4) 3 Haberdasher Street, London, United Kingdom, N1 6ED
- (5) Block 8, Blackrock Business Park, Carysfort Avenue, Blackrock, County Dublin, Ireland, A94 W209
- (6) Corporation Trust Center, 1209 Orange Street, Wilmington, New Castle County, Delaware 19801, United States of America

### 34 Trade and other receivables

	2025 £000	2024 £000
<b>Due in less than one year</b>		
Trade receivables	161	1,102
Amounts owed by Group undertakings	445	3,991
Prepayments	798	615
Other tax and social security	678	—
Corporation tax	515	499
Other debtors	164	555
<b>Total due in less than one year</b>	<b>2,761</b>	<b>6,762</b>
<b>Due in more than one year</b>		
Amounts owed by Group undertakings	13,020	10,443
<b>Total due in more than one year</b>	<b>13,020</b>	<b>10,443</b>

The carrying value of trade receivables approximates to the fair value. The expected credit loss for trade receivables is immaterial.

The amounts owed by Group undertakings to the Company have been assessed for impairment in conjunction with the assessment of investments in subsidiaries (see note 33); no additional expected credit loss provision was identified.

Amounts owed by Group undertakings due in more than one year include £6,375,000 (2024: £6,375,000 due in more than one year) in respect of two tranches of intercompany loan notes issued as part of the acquisition of Railcomm. These loan notes were rolled over from their original scheduled repayment date in March 2025 but are not expected to be cash settled within one year; interest accrues on the loan notes daily at 4.9%, and is due for payment monthly in arrears.

The remaining amounts owed by Group undertakings are interest free and repayable on demand.

Tracsis plc acts as the lead company for the Group's UK corporation tax payment on account regime. The corporation tax receivable largely represents refunds recoverable from the UK tax authority in respect of prior periods.

### 35 Lease liabilities

	2025 £000	2024 £000
Due within one year	194	141
Due after more than one year:		
Between one and two years	265	—
Between two and five years	410	—
Between five and ten years	507	—
<b>Total due after more than one year</b>	<b>1,182</b>	<b>—</b>
<b>Total obligation</b>	<b>1,376</b>	<b>141</b>

A reconciliation of the obligation is stated below.

	2025 £000	2024 £000
At 1 August	141	323
New contracts	1,421	—
Total cash outflow	(226)	(190)
Interest	40	8
<b>At 31 July</b>	<b>1,376</b>	<b>141</b>

## Notes to the Company balance sheet *continued*

### 35 Lease liabilities *continued*

Future minimum lease payments at 31 July 2025 were as follows:

	Carrying amount £000	Contractual cash flows £000	Less than one year £000	One to two years £000	Two to five years £000	Five to ten years £000
<b>2025</b>	<b>1,376</b>	<b>1,745</b>	<b>281</b>	<b>335</b>	<b>544</b>	<b>585</b>
2024	141	143	143	—	—	—

### 36 Trade and other payables

	<b>2025 £000</b>	2024 £000
Trade payables	<b>887</b>	653
Other tax and social security	<b>291</b>	238
Amounts owed to Group undertakings	<b>73,742</b>	60,355
Accruals and other payables	<b>2,754</b>	2,042
Total trade and other payables	<b>77,674</b>	63,288

The carrying value of trade payables approximates to the fair value. Amounts owed to Group undertakings are interest free and repayable on demand.

### 37 Contingent consideration

Contingent consideration relates to the acquisition of The Icon Group Limited. Further detail is provided in note 20 to the Group financial statements.

### 38 Deferred tax

The movement in the deferred tax position is summarised as follows:

	<b>2025 £000</b>	2024 £000
At start of the year	<b>125</b>	370
Charge to statement of comprehensive income during the year	<b>(77)</b>	(245)
At end of the year	<b>48</b>	125

The deferred tax asset can be split as follows:

	<b>2025 £000</b>	2024 £000
Share options	<b>32</b>	123
Other	<b>42</b>	27
Total	<b>74</b>	150

The deferred tax liability can be split as follows:

	<b>2025 £000</b>	2024 £000
Accelerated capital allowances	<b>26</b>	25
Total	<b>26</b>	25

### 39 Share capital

	<b>2025 Number</b>	<b>2025 £</b>	2024 Number	2024 £
<b>Allotted, called up and fully paid:</b>				
Ordinary shares of 0.4p each	<b>29,732,116</b>	<b>118,928</b>	30,325,682	121,303

The following share transactions have taken place during the year ended 31 July 2025:

	<b>2025 Number</b>	2024 Number
At start of the year	<b>30,325,682</b>	29,957,908
Shares bought back and cancelled	<b>(674,510)</b>	—
Exercise of share options	<b>80,944</b>	367,774
At end of the year	<b>29,732,116</b>	30,325,682

### 39 Share capital *continued*

During the year, the Company purchased from the open market, and cancelled, a number of ordinary shares as part of a previously announced share buy-back programme. The purchases were made in accordance with the general authority of the Company to repurchase ordinary shares granted by shareholders at the Company's Annual General Meeting held on 22 January 2025.

The shares were acquired at an average price of £4.43 per share, with prices ranging from £3.10 to £5.07. The total cost of £3,000,000, including £15,000 of transaction costs, was deducted from ordinary shareholder equity.

During the year, a number of options were exercised from the schemes all with an exercise price of 0.4p – all took place at the nominal value.

### 40 Related party transactions

Other than the key management personnel transactions noted below, there were no related party transactions in the year or in the previous year. The Company is exempt from disclosing other related party transactions as they are with other companies that are wholly owned within the Tracsis plc group.

#### Terms and conditions of transactions with related parties

The purchases from related parties are made at normal market prices. Outstanding balances that relate to trading balances are unsecured and interest free and settlement occurs in cash.

During the year a multilateral guarantee, to which the Company and other Group companies were party and which ensured the continuity of day-to-day banking operations, was released.

During the year the Company entered into a £35m revolving credit facility with HSBC UK Bank plc expiring in July 2028 with an option to extend until July 2030. The facility is guaranteed by the Company and by certain Group entities with security pledged in favour of the bank.

There have been no other guarantees provided or received for any related party receivables or payables.

#### Compensation of key management personnel

The Company considers its Directors to be its key management personnel. Their remuneration is as set out below.

	2025 £000	2024 £000
<b>Short-term employee benefits</b>		
Wages and salaries	1,198	898
Non-cash benefits	2	2
<b>Post-employment benefits</b>		
Contributions to defined contribution plans	23	22
<b>Share-based payment charges</b>	107	240
Total compensation of key management personnel	1,330	1,162

### 41 Employees and personnel costs

	2025 £000	2024 £000
<b>Staff costs</b>		
Wages and salaries	7,610	5,981
Social security contributions	1,006	815
Contributions to defined contribution plans	887	600
Equity-settled share-based payment transactions	252	479
Total staff costs	9,755	7,875

	2025	2024
<b>Staff numbers</b>		
Average number of permanent staff	104	93
Total number of staff	104	93

The Directors' remuneration and share options are detailed in note 6 to the Group financial statements.



## Group information

### Company Secretary and registered office

#### Jan David Mitson

Nexus  
Discovery Way  
Leeds  
LS2 3AA

The registered office of all subsidiary entities is detailed in note 33 to the financial statements.

Telephone +44 (0) 845 125 9162  
Fax +44 (0) 845 125 9163

### Registered number

05019106

### Website

[www.tracsis.com](http://www.tracsis.com)

### Auditor

#### Grant Thornton UK LLP

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Leeds  
LS1 4BN

### Principal bankers

#### HSBC Bank plc

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Leeds  
LS1 1LD

### Additional bankers

Barclays  
NatWest  
Bank of Ireland  
Allied Irish Banks  
KeyBank

### Nominated adviser and stockbroker

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Hamburg  
Germany

### Registrars

#### Neville Registrars

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### Solicitors

#### Haynes and Boone LLP

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