

Interim Report

for the six months ended 31 October 2025

Company number: 03339998

HIGHLIGHTS

Interim Results for the six months ended 31 October 2025

HCM revenue up 20% with Annualised Recurring Revenue up 30%

Strong performance in North America with D2E strategy building momentum

Newmark Security plc (AIM: NWT), a global leader in secure people-data solutions for human capital management ("HCM") systems, is pleased to announce its unaudited results for the six months ended 31 October 2025 ("H1 FY26" or the "Period").

Group Financial Highlights:

- Group revenue up 13% to £11.6 million (H1 FY25: £10.2 million)
- Strong HCM performance and recovery underway at Safetell
- Gross profit margin increased by 1.3% pts to 39.4% (H1 FY25: 38.1%)
- EBITDA of £0.9 million (H1 FY25: £0.5 million)
- Adjusted EBITDA* of £1.0 million (H1 FY25: £0.5 million)
- Operating profit of £0.1 million (H1 FY25 loss: £0.3 million)
- Significantly reduced loss after tax of £0.1 million (H1 FY25 loss: £0.4 million)
- Investment in research and development of £0.3 million (H1 FY25: £0.2 million)
- Net cash inflow from operations of £0.6 million (H1 FY25 £0.7 million) after considerable planned investment in inventory during the period
- Cash at bank as at 31 October 2025 of £0.4 million (H1 FY25: £0.3 million)

Business Highlights:

Grosvenor Technology

- Human Capital Management ("HCM") revenue up 20% to £7.9 million (H1 FY25: £6.5 million) and accounted for 68% of overall Group revenue (H1 FY25: 64%)
- HCM North America revenue increased by 32% to £6.0 million
- HCM annualised recurring revenues** ("ARR") increased by 30% year-on-year to £3.9 million as of October 2025 (October 2024: £3.0 million)
- Monthly device subscriptions for GT Connect and other GT Services up 30% to over 45,000
- First sale of new GT Tablet monthly subscription application
- First D2E revenues recorded from our Synerion agreement
- New five-year agreement with Protime NV, to continue supplying GT Connect cloud services, clock hardware and OEM access control equipment

Safetell

- Revenue up 3% to £2.5 million (H1 FY25: £2.4 million)
- Service revenues grew substantially by 43% to £1.8 million, representing 71% of H1 FY26 income for the division
- Salary costs reduced by c. 15% through restructuring of operations team as a part of the strategic review
- Expected to move from a divisional operating loss in H1 FY26 to an operating profit in H2 FY26 (before parent company recharges)

Post-Period and Outlook

- First client revenues earned from the new partnership agreement with Legion, the AI workforce software specialist, who are a Global HCM introduction partner
- Appointment of David Marks as Independent Non-Executive Director
- With the Group historically second half weighted, the Board notes that H2 FY26 has started strongly and currently expects both divisions to surpass H2 FY25 revenues and operating profits

**After adding back one-off Safetell restructuring costs of £0.1 million*

***ARR is calculated by annualising revenue recognised in a given month from all clients on deployed HCM subscription contracts*

CHAIRMAN'S STATEMENT

Operational Highlights:

Group performance

	Six months to 31 October 2025	Six months to 31 October 2024	Increase	Percentage change
Revenue	£'000	£'000	£'000	%
People and Data Management division	9,079	7,833	1,246	16%
Physical Security Solutions division	2,473	2,390	83	3%
Group revenue	11,552	10,233	1,329	13%

Group revenue increased by 13% YOY to £11.6 million (H1 FY25: £10.2 million), primarily due strong HCM growth in the People and Data Management division. The growth in the Physical Security Solutions division was driven by the continued increase in Services revenues.

Gross profit percentage increased by 1.3% pts to 39.4% (H1 FY25: 38.1%) due to improvements in Services margins from the Physical Security Solutions division. Gross profit percentages were flat year-on-year in the People and Data Management division with the growth in higher margin HCM recurring revenues being offset by revenue growth from our lower margin GT4-Lite devices.

Underlying administrative expenses (before one-off restructuring costs of £0.1 million from headcount reductions in the Physical Security Solutions Division) increased by c. 5% to £4.4 million (H1 FY25: £4.2 million) driven by both inflationary cost rises and investment in strategic growth initiatives. This investment included increases in headcount, marketing and professional fees.

Profit from operations was £0.1 million (H1 FY25: loss of £0.3 million) with profitability improvements from both divisions. Finance costs during the period were £0.14 million (H1 FY25: £0.15 million). The reduction in financing costs is from reduced use of invoice financing facilities and lower interest rates.

For H1 FY26, the Group made a loss per share of 0.77 pence (H1 FY25: loss per share of 4.60 pence).

Net cash inflows from operations decreased by £0.1 million to £0.6 million (H1 FY25 £0.7 million) as a result of considerable investment in inventory during the period to fulfil strong H2 FY26 demand and the £0.1 million of Safetell restructuring costs.

People and Data Management division – Grosvenor Technology (“Grosvenor”)

Revenue information

	Six months to 31 October 2025 £'000	Six months to 31 October 2024 £'000	Increase/ (decrease) £'000	Percentage change %
People and Data Management division				
HCM North America	5,983	4,527	1,456	32%
HCM ROW	1,879	2,003	(124)	(6%)
Total HCM	7,862	6,530	1,332	20%
Access Control	1,217	1,303	(86)	(7%)
Division total revenue	9,079	7,833	1,246	16%

Human Capital Management

HCM is our core growth driver, and this was once again illustrated by the 20% increase in revenues to £7.9 million (H1 2025: £6.5 million), whilst ARR grew 30% year-on-year to £3.9 million (October 2024: £3.0 million), which is further enhancing HCM's cash flow and profitability. GT Connect, the division's global platform, has over 45,000 monthly device subscriptions for GT Connect and other GT Services (H1 FY25: 35,000).

In North America, our largest addressable market, we achieved 32% revenue growth. The North America performance was driven by sales growth for our GT4 and GT4 lite devices, which are displacing competitors and adding to our stream of recurring revenue. As documented in recent updates, excellent progress has been made with HCM's D2E strategy and we are now integrated with Oracle, SAP and Workday. At the start of the Period, we signed an agreement with Synerion to combine our GT Clock devices with its software, targeting the D2E market, and since the Period-end we have recorded our first sale through this partnership.

Since recently launching the new GT Tablet application, the Group's workforce management solution, we are pleased to confirm that the first recurring revenues are now coming through and contributed to H1 revenues. Further interest in the GT Tablet application is building through our partnership with Paycor and we expect to onboard further new clients in the coming months. HCM also added Legion, the AI workforce software specialist, as an HCM introduction partner, which has led to rapidly winning a multi-territory contract for the supply of time clocks and GT services to a major global home furnishing retailer.

Rest of the World (“ROW”) was slightly down in the period due the phasing of orders from our largest European partner.

Access Control

As disclosed in our most recent annual report released in September 2025, the management team decided to undertake a review of Access Control's strategy considering the delays with its software partner, which have continued to hold back our ability to bring the new Janus C4 Ultra to market. These delays and the rapidly expanding D2E opportunity for HCM has led to a refocusing of investment within the Grosvenor division. This has proven to be commercially the right decision, given the D2E advancements made in recent months. Whilst sales were slower than the comparable period, we are expecting better second half performance. The strategic review is ongoing, and we will provide further updates on this in due course.

Physical Security Solutions division – Safetell

Revenue information

	Six months to 31 October 2025 £'000	Six months to 31 October 2024 £'000	Increase/ (decrease) £'000	Percentage change %
Physical Security Solutions division				
Products	711	1,155	(444)	(38%)
Service	1,762	1,135	527	43%
Division total revenue	2,473	2,390	83	3%

As previously announced, the Board has been undertaking a strategic review of Safetell in the context of the Group's future direction and focus. In recent months Safetell has achieved efficiency gains and its annualised salary costs have been reduced by c. 15%. These savings have put the division on a stronger footing, underpin margins and combined with higher H2 FY26 revenues is currently expected to result in the division returning to an operating profit before parent company recharges in FY26.

Safetell delivered 3% revenue growth, despite the contract delays that built up last year, as customers deferred their project plans with nervousness around the UK economic outlook being a contributing factor. While some of these delayed contracts were completed in the Period, which included new installations for a critical services provider, a major UK supermarket retailer and a UK engineering firm, higher service revenue was the key driver for the division, which increased by 43% on the comparable period. Revenues specifically related to door servicing increased by 57%, which was a mix of existing clients and winning new service contracts. Collectively, our servicing business is now covering more than 500 sites, further enhancing the quality, visibility and diversification of Safetell's recurring revenue streams.

Whilst the projects business traded below H1 FY25 due to the protracted delay with pending contracts, Safetell has recently secured a number of strategically important contract awards that are expected to convert to revenue in H2 FY26 and beyond. These include the supply of ballistic doors for a government customer, attack-resistant doors and screens for a prison facility, and a blast-proof wall for a government institution. As a result of these wins, our secured work-in-hand is more than twice the level recorded at this point last year, which will help to deliver a much stronger FY26 performance.

Board Structure

As announced on 15 October 2025, after listening to feedback from Thalassa Holdings Ltd, a 21.3% shareholder, the Company confirmed that it was aligned in the view that the Board should be strengthened, with the introduction of two new independent non-executive directors. On 9 December 2025, the Company announced the appointment of David Marks, a highly experienced company director in both private and listed companies, as one of its new, non-executive directors. The Board confirms that it is making good progress with a second new appointment, which will also correspond with Michel Rapoport stepping down from the Board and his role as a non-executive director.

Post-Period and Outlook

As we continue to execute our HCM strategy, we are seeing good momentum as we head through H2 FY26, whilst also paving the way for growth in FY27. We are currently in advance discussions with three new North American enterprise HCM businesses and we expect some of these partners to contribute to new hardware sales before the Company's year-end. Since the Period end we have also extended our existing North American agreement with

Synerion to cover its global market, which is helping to accelerate our D2E plans. Additionally, with GT Tablet SaaS sales now generating recurring revenues, we anticipate an increase in customers taking this solution through the second half of FY26.

While remaining vigilant as to how quickly political policy can impact business decisions (as we saw in 2025 with trade tariffs), both divisions are trading well and have a strong revenue pipeline through to the end of the year, which gives the Board confidence that the Group will achieve an improved full year profit.

Balance sheet and Financing

Cash as at 31 October 2025 was £0.4 million compared to £0.3 million at the prior year. The Group had an unused £0.2 million UK overdraft facility at the balance sheet date (H1 FY25: £0.2 million).

Net debt (including leases of £1.5 million) increased by £0.2 million to £4.0 million at 31 October 2025 compared to £3.8 million at 31 October 2024 (including leases of £1.5 million). The increase is due to higher revolving credit facility drawdowns, partly offset by CBILS loan repayments, lower UK invoice financing draw downs and increased cash balances. In December 2025, the HSBC UK invoice financing facility was increased by £0.2 million to £2.5 million to provide additional working capital funding to support future business growth. The HSBC US revolving credit facility remains at \$2 million with \$1.7 million drawn down at 31 October 2025.

Summary

The Group has delivered another successful period by executing its strategic objectives and achieving growth across both divisions.

HCM continues to be the Group's focus and growth engine, with total H1 FY26 HCM revenue increasing by 20% and annual recurring revenues up 30%. We have continued to capitalise on our partnerships and open new sales channels, integrate our products with major software houses as part of our direct-to-end-user ("D2E") strategy and displace our time-clock competitors. We expect H2 sales to be even stronger and have already laid the foundations for further growth in FY27.

Safetell's sales have returned to growth after a significant increase in service revenues, whilst a series of new project installations are scheduled for H2 FY26, which will feed into full year revenue. At the same time, a 15% reduction in annualised salary costs has put the division on stronger footing. Whilst Safetell's operating losses have been reduced, it still weighed on the Group's reported H1 profit. However, Safetell is on track to be profitable in the second half, and with its strategic review progressing further updates will be provided in due course.

Looking ahead, we are excited by the commercial opportunities that are building as we maintain our focus on HCM. Based on the current pipeline for both divisions, we are anticipating a greater revenue and profit weighting to the second half compared to last year, which would result in the Group achieving full year profit ahead of the prior year (FY25 profit after tax: £0.7 million).

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Chairman

14 January 2026

CONSOLIDATED INCOME STATEMENT
For the six months ended 31 October 2025

		Unaudited Six months ended 31 October 2025 £'000	Unaudited Six months ended 31 October 2024 £'000	Audited Year ended 30 April 2025 £'000
	Note			
Revenue		11,552	10,223	22,037
Cost of sales		(6,996)	(6,330)	(13,652)
Gross Profit		<u>4,556</u>	<u>3,893</u>	<u>9,385</u>
Administrative expenses		(4,488)	(4,170)	(8,455)
Profit/(loss) from operations		<u>68</u>	<u>(277)</u>	<u>930</u>
Finance costs		(140)	(154)	(287)
(Loss)/profit before tax		<u>(72)</u>	<u>(431)</u>	<u>643</u>
Tax credit		-	-	19
(Loss)/profit for the period/year		<u>(72)</u>	<u>(431)</u>	<u>662</u>
Attributable to:				
- Equity holders of the parent		<u>(72)</u>	<u>(431)</u>	<u>134</u>
Earnings per share				
- Basic (pence)	2	(0.77)	(4.60)	7.06
- Diluted (pence)	2	(0.77)	(4.60)	6.65

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the six months ended 31 October 2025

	Unaudited Six months ended 31 October 2025 £'000	Unaudited Six months ended 31 October 2024 £'000	Audited Year ended 30 April 2025 £'000
(Loss)/profit for the period/year	(72)	(431)	662
Foreign exchange on the retranslation of overseas operation	84	(75)	(162)
Total comprehensive income for the period/year	<u>12</u>	<u>(506)</u>	<u>500</u>
Attributable to:			
- Equity holders of the parent	<u>12</u>	<u>(506)</u>	<u>500</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 October 2025

	Unaudited 31 October 2025 £'000	Unaudited 31 October 2024 £'000	Audited 30 April 2025 £'000
ASSETS			
Non-current assets			
Property, plant and equipment	2,727	2,707	2,695
Intangible assets	4,918	5,093	4,986
Deferred tax	389	303	334
Total non-current assets	8,034	8,103	8,015
Current assets			
Inventory	3,116	2,640	2,392
Trade and other receivables	4,897	3,871	5,398
Cash and cash equivalents	386	275	344
Total current assets	8,399	6,786	8,134
Total assets	16,433	14,889	16,149
LIABILITIES			
Current liabilities			
Trade and other payables	3,243	3,053	3,349
Other short-term borrowings	3,400	2,564	2,823
Total current liabilities	6,643	5,617	6,172
Non-current liabilities			
Long term borrowings	961	1,519	1,192
Provisions	113	100	113
Total non-current liabilities	1,074	1,629	1,305
Total liabilities	7,717	7,246	7,477
TOTAL NET ASSETS	8,716	7,643	8,672
Capital and reserves attributable to equity holders of the company			
Share capital	4,689	4,687	4,687
Share premium reserve	553	553	553
Merger reserve	801	801	801
Foreign exchange difference reserve	(241)	(108)	(325)
Retained earnings	2,914	1,800	2,956
Total attributed to equity holders	8,716	7,603	8,672
Non-controlling interest	-	40	-
TOTAL EQUITY	8,716	7,643	8,672

CONSOLIDATED STATEMENT OF CASHFLOWS
For the six months ended 31 October 2025

	Unaudited	Unaudited	Audited
	Six months	Six months	Year
	ended	ended	ended
	31 October	31 October	30 April
	2025	2024	2025
	£'000	£'000	£'000
Cash flow from operating activities			
Net (loss)/profit after tax from ordinary activities	(72)	(431)	662
Adjustments for:			
Depreciation and amortisation	811	745	1,488
Finance costs	140	155	287
Gain on sale of property, plant and equipment	(7)	(3)	(2)
Share based payment	30	25	88
Corporation tax credit	-	-	(19)
Operating profit before changes in working capital and provisions	902	492	2,504
Decrease/(increase) in trade and other receivables	509	577	(854)
(Increase)/decrease in inventories	(701)	48	345
(Decrease)/increase in trade and other payables	(108)	(400)	(193)
Cash generated from operations	602	717	1,802
Corporation tax recovered	-	-	-
Cash flows from operating activities	602	717	1,802
Cash flow from investing activities			
Acquisition of property, plant and equipment	(277)	(310)	(556)
Sale of property, plant and equipment	7	2	2
Acquisition of intangible assets	(307)	(221)	(452)
	(577)	(529)	(1,006)
Cash flow from financing activities			
Bank loans received/(paid)	618	(200)	(51)
Principal paid on lease liabilities	(293)	(271)	(565)
Repayments from invoice financing	(214)	(453)	(700)
Interest paid	(106)	(112)	(213)
	5	(1,036)	(1,427)
Increase/(decrease) in cash and cash equivalents	30	(848)	(631)
Cash and cash equivalents at beginning of period/year	344	1,137	1,137
Exchange differences on cash and cash equivalents	12	(14)	(162)
Cash and cash equivalents at end of period/year	386	275	344

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital	Share premium	Merger reserve	Foreign exchange reserve	Retained earnings	Amounts attributable to owners of the parent	Non-controlling interest	Total equity
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
At 1 May 2025	4,687	553	801	(325)	2,956	8,672	-	8,672
Loss for the period	-	-	-	-	(72)	(72)	-	(72)
Other comprehensive income				84	-	84	-	84
Total comprehensive income for the period	-	-	-	84	(72)	12	-	12
<i>Transactions with owners</i>								
Share based payment	-	-	-	-	30	30	-	30
Issue of shares	2	-	-	-	-	2	-	2
Total transactions with owners	2	-	-	-	30	32	-	32
As at 31 October 2025	4,689	553	801	(241)	2,914	8,716	-	8,716
At 1 May 2024	4,687	553	801	(163)	2,206	8,084	40	8,124
Loss for the period	-	-	-	-	(431)	(431)	-	(431)
Other comprehensive income				(75)	-	(75)	-	(75)
Total comprehensive income for the period	-	-	-	(75)	(431)	(506)	-	(506)
<i>Transactions with owners</i>								
Share based payment	-	-	-	-	25	25	-	25
As at 31 October 2024	4,687	553	801	(238)	1,800	7,603	40	7,643

NOTES TO THE ACCOUNTS

1. BASIS OF ACCOUNTS

The financial information for the six months ended 31 October 2025 and 31 October 2024 does not constitute the Group's statutory financial statements for those periods within the meaning of Section 434(3) of the Companies Act 2006 and has neither been audited or reviewed pursuant to guidance issued by the Auditing Practices Board. The annual financial statements of Newmark Security plc are prepared in accordance with IFRSs as adopted by the European Union. The principal accounting policies used in preparing the interim results are those that the Group expects to apply in its financial statements for the year ending 30 April 2026 and are unchanged from those disclosed in the Group's Annual Report for the year ended 30 April 2025.

The comparative financial information for the year ended 30 April 2025 ("FY25") included within this report does not constitute the full statutory accounts for that period. The statutory Annual Report and Financial Statements for FY25 have been filed with the Registrar of Companies. The Independent Auditors' Report on that Annual Report and Financial Statement for FY25 was unqualified, did not include references to any matters to which the auditors drew attention by way of emphasis without qualifying their report and did not contain a statement under section 498(2)-498(3) of the Companies Act 2006.

After making enquiries, the directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the half-yearly condensed consolidated financial statements.

2. EARNINGS PER SHARE

The loss per share figure has been calculated based on the weighted average number of shares in issue during the period, which was 9,378,163 shares (H1 FY25: 9,374,647).

3. DIVIDENDS

No interim dividend is proposed (H1 FY25: Nil).