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28 March 2023

Journeo plc

("Journeo, "Company" or "the Group")

Final results for the year ended 31 December 2022 and Investor Presentation

Journeo plc (AIM: JNEO), the information systems and transport technical services group, is pleased to announce its final results for the year ended 31 December 2022.

Financial headlines

- Revenue increased 35% to £21.1m (2021: £15.6m)
- Gross profit increased 29% to £7.8m (2021: £6.0m)
- Underlying profit before tax doubled to £1.2m (2021: £0.6m)
- Profit before tax £0.9m (2021: £0.4m)
- Profit before tax excluding share-based payments was £1.0m (2021: £0.5m)
- Cash and cash equivalents at 31 December 2022 £0.5m (2021: £1.1m)
- Diluted earnings per share was 9.80 pence (2021: 4.46 pence)

Operational headlines

- Strong growth in SaaS subscriptions to the Journeo Portal, increasing connections by 150% over the period to 10,000 connected vehicles (2021: 4,000).
- Continued investment in Research and Development as a core component of the Company strategy.
- Extensive work with our supply chain to ensure availability of key components.
- Large-scale adoption of Journeo technologies including the Group's largest ever three-year £9m framework agreement with First Bus UK and largest software-led sale following a two-year £1.2m agreement with Scotrail.
- Expansion of our Airport capabilities following the £0.7m award at Dublin Airport for passenger transfer solutions and £0.9m order for high-precision airside telematics at Heathrow Airport.
- Further progress in our Environmental, Social and Governance (ESG) reporting
- Retained all ISO 9001, 14001, 27001 and 45001 accreditations and Cyber Security and ICO certification.

Post year end

- Acquisition of Infotec for £8.7m following oversubscribed placing and retail offer

Russ Singleton, CEO of Journeo plc, said: "I am very pleased with our performance in 2022 which saw sustained improvement in order intake, revenues and profits. This performance was delivered in a continuing challenging market environment coupled with pressure on our global supply chain. It is a reflection of our unwavering focus to execute on our strategy, which is proving effective. The recent acquisition of Infotec, complements our existing business and strategy well, and the enlarged group strengthens our position further with a healthy order book and growing sales pipeline based on our intellectual property and expert knowledge."

Investor Presentation

The Company is pleased to announce that Russ Singleton, Chief Executive Officer and Nick Lowe, Chief Financial Officer, will provide a live presentation relating to the Final Results via the Investor Meet Company platform on 5 April 2023 at 12:00pm BST.

The presentation is open to all existing and potential shareholders. Questions can be submitted pre-event via your Investor Meet Company dashboard up until 9am the day before the meeting or at any time during the live presentation.

Investors can sign up to Investor Meet Company for free and add to meet Journeo via:

<https://www.investormeetcompany.com/journeo-plc/register-investor>

Investors who already follow Journeo on the Investor Meet Company platform will automatically be invited.

A digital copy of this announcement will be available on the Group's website: www.journeo.com.

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Notes to editors:

Journeo plc is a leading Intelligent Transport Systems provider, delivering solutions in towns, cities, airports and the public transport networks that connect them. The Company works extensively with local and combined authorities, Network Rail and many of the largest multinational transport operators, supporting them as systems converge towards a more efficient and sustainable future.

The business currently has three operating companies:

- Journeo Fleet Systems Ltd: CCTV video surveillance to improve passenger & driver safety, telematics for vehicle and driver performance monitoring, real-time communications for remote condition monitoring and automatic passenger counting.
- Journeo Passenger Systems Ltd: design, manufacture, installation, and management of hardware and software for electronic public transport information systems, in and around towns, cities, ferry terminals and airports which includes smart-ticketing and wayfinding.
- Infotec Ltd: design, advanced manufacture, installation and software management of information displays hardware for rail applications in stations, on-platform and on-vehicle.

In the last 4 years, the Company has invested over £5 million in research and development, enabling it to design and supply powerful innovative solutions for customers' complex requirements and the demands of modern public transport. With an Internet of Things ("IoT") approach and open standards, together with field-proven and reliable engineering, Journeo is able to offer flexible, scalable products and services that can integrate with existing technology while preparing for future advancements.

Chairman's Statement

I am pleased to report that the Company continues to make excellent progress both in terms of financial performance and the development of its solutions. Completing the acquisition of Infotec Group Ltd in January 2023 also marked a significant move forward for the Group.

Infotec is a business that we have tracked with interest for several years, and we are delighted to welcome their customers alongside the management and wider teams of Infotec as they join the Journeo Group of companies. Infotec's expertise in the rail market will support the Company as we execute our strategy to further diversify our customer base and increase the potential markets that we can reach with Journeo's core technologies.

The transport market's recovery from the pandemic is ongoing. The UK Government's drive to improve public transport services through a range of funding streams continues and is a core tenet of their strategy to lead the UK to a Net Carbon Zero future, where mass transport and active travel options are the de facto choice for journeys over personal-use and privately owned vehicles. The continued development of our solutions supports this goal, providing operators with powerful new tools to help manage their fleets, local authorities the means to supply the travelling public with essential information and now, with the addition of Infotec, railway operating companies the ability to distribute on-platform information.

Trading results

Group results for the year ended 31 December 2022 show underlying profit increased 83% to £1,158k (2021: £634k).

Overall sales increased by 35% to £21.1m (2021: £15.6m) and gross profit increased by 30% to £7.8m (2021: £6.0m).

Fleet sales increased by 34% to £12.5m (2021: £9.3m) as bus operators increased investment. Gross profit increased to £3.7m (2021: £2.9m) with margins decreasing to 30% (2021: 31%) as hardware with a future software benefit was installed.

Passenger sales increased by 37% to £8.6m (2021: £6.3m). Margins decreased to 47% (2021: 49%) due to a higher proportion of new system installations, and gross profit increased to £4.1m (2021: £3.1m).

Underlying administrative expenses increased to £6.7m (2021: £5.6m) as expenditure returned to pre-COVID-19 levels, further investment was made, and inflationary cost increases were felt.

Profit before tax was £0.9m (2021: £0.4m).

Diluted earnings per share (EPS) was 9.80p (2021: 4.46p).

Cash and cash equivalents closed the year at £0.5m (2021: £1.1m).

Markets

To achieve the 2050 Carbon Net Zero goal of the UK Government, mass adoption of public transport and active travel is needed. To reduce the pollution caused by personal-use vehicles, a migration to new technologies is required; to ease congestion, only encouraging people out of their cars and on to buses, trains and trams or to select options such as walking and cycling, will achieve this.

Conditions in the transport market remain challenging. Changes in people's work patterns to include a greater level of working from home and 'hybrid' working have reduced the vitally important commuter spend that operators rely on to achieve economic viability. This, coupled with the safety concerns surrounding personal space, made the COVID-19

achieve economic viability. This, coupled with the safety concerns surrounding personal space, made the COVID-19 pandemic almost the perfect storm for public transport.

However, there are signs of recovery. Bus travel, the most popular form of public transport, may still remain some 27% behind pre-COVID levels of usage, but Department for Transport (DfT) statistics for 2021/2022 show a 55% increase in bus passenger journeys across the year, indicating that public confidence in mass transit is returning.

Public concern over the cost-of-living crisis is also playing a part. With energy and fuel costs soaring, selecting the more cost-efficient and environmentally friendly option of taking the bus or catching a train should be seen as a win-win situation for all parties. The UK Government's introduction of the £2 fare cap (January to March 2023) supports this and is an initiative that Journeo is fully behind.

Operators' investments in new vehicles, which has maintained historic lows in recent years, is also starting to revitalise as bus operators seek to replace ageing fleets with electric and hydrogen fuel cell buses, supported by the Zero Emission Bus Regional Areas (ZEBRA) funding scheme from the UK Government. Whilst we are yet to see a return to the previous norm of 5-7% of vehicle fleets renewal per year, the signs are encouraging.

One of the biggest challenges for operators throughout the year was the shortage of qualified bus drivers. During the COVID-19 pandemic, many drivers were enticed away from the industry and elected to move to work in adjacent markets and achieved substantively higher levels of pay, such as haulage. As the recovery began, operators were left in the stark position where services needed to be cut, as they simply could not put the vehicles on the road.

Our Content Management Software (CMS) known as EPIX, has for many years been able to alert passengers to cancellations, curtailments and delays but is reliant on upstream systems having the capability to produce the data. A combination of opening our system usually reserved for local authorities, to operators and improvements in systems earlier in the data chain, is improving the level of information to passengers, but further work remains to give passengers the confidence that they can rely on public transport.

Local authorities and Transport Executives are working continuously to promote public transport and substantive backing from the UK Government, first through the Transforming Cities Fund and more recently through the Bus Service Improvement Plans (BSIPs) submitted in late 2021, is beginning to be realised. BSIP awards totalling £1.2bn for local authorities and £5.7bn City Regional Sustainable Transport Scheme (CRSTS) funding allocations were made over the course of the year and parties are beginning to mobilise to deliver the projects required to improve public transport.

As Control Period 6 (CP6) ends and Control Period 7 (CP7) appears on the horizon of April 2024, there is still a lack of clarity about what changes we will see in the rail market. The future evolution of Network Rail to Great British Railways looks set to take place and be based locally to our Ashby headquarters, in nearby Derby, and we wait to see what improvements will be delivered through the Williams-Shapps Review for Rail. One thing that remains certain, however, is that inter-city travel will need to become less costly and more efficient to encourage people away from their cars, while providing passengers with the information they need to plan and adapt their journeys is crucial.

Strategy

Our strategy is proving effective and the recent acquisition of Infotec, which has historically taken a very similar approach to ours in the rail market, complements this well. We continue to have discussions with potential complementary acquisitions and expect that we will be able to complete additional suitable transactions in future.

The deep and long-lasting bonds that we build with our customers continue to enable Journeo to identify current and future anticipated requirements within our target markets. Focused Research and Development in areas where we identify tasks that can be done more cost-effectively, more efficiently or to a higher quality allows us to build Intellectual Property (IP) and deploy core Journeo technology to add value to our customers and give them the tools they need to overcome their challenges.

The Journeo Portal has proved central to this as it is a highly secure web-based SaaS application that empowers transport operators to monitor the health and performance of their systems in real time. Throughout 2022 we achieved our target of surpassing 10,000 vehicle connections, each generating monthly recurring revenue, marking a 150% increase on the connections the application had at the close of 2021. Having reached this milestone, we will, alongside continuing connection growth, be focusing our attention on extending the capabilities of the back-end infrastructure required to include systems deployed through our Passenger Transport Infrastructure Systems business within the application. There are a number of pre-qualified opportunities on the horizon that support the need for a single application to manage transport networks. Managing all customers through a single solution will additionally enable the Company to enhance and streamline services further.

COVID-19

The Group is still feeling the impact of COVID-19, most notably on our supply chain, and we continue to closely monitor the situation.

Recent developments in China, the conflict in the Ukraine and the evolution of a new variant strain of COVID-19 are areas where we are focusing our attention, but we remain confident that having navigated the challenges of the past few years, we have the infrastructure and process in place to mitigate identified risks.

Environmental, social and governance

The Group continues to leverage the expertise of external consultants to support our work on developing a clear set of strategies and targets for our environmental, social and governance activities.

Throughout 2022, the Company maintained all ISO and cyber security accreditations.

People

It brings me great pleasure to be able to both thank the continuing dedication of our existing people and welcome new team members into the Journeo Group.

The continuing commitment of our people is playing an important role in building the capabilities of the Group, which in turn is strengthening our position as an emerging market leader and supporting our customers in moving to connected systems based upon open standards.

I am eager to see this continue as the Company moves into a new and exciting era that will include a wider range of customers and the potential for an increasing amount of valuable solutions.

I would also like to take this opportunity to welcome Barnaby Kent as Non-executive Director to the Board at an exciting time in Journeo's development and look forward to the important input he will be able to make as we progress our growth strategy.

Outlook

2022 can be seen as a defining point in the development of Journeo. Over the course of the year our Fleet Systems business has grown strongly and increased adoption of our SaaS-based solutions to more than double the amount that we had at the close of 2021. This is providing the Group with quality earnings and recurring revenue.

Furthermore, we have seen our Passenger Infrastructure business grow, capitalising on Government investment through TCF and BSIPs, resulting in increased revenue throughout 2022 and a commitment to bolster our current EPIX CMS software through integration into the Journeo Portal.

Independently of the acquisition of Infotec, our Fleet Systems and Passenger Infrastructure businesses have order books of unprecedented strength and an increasing pipeline of opportunities. Adding the capabilities, revenue and pipeline of Infotec into this underpins our confidence that Journeo is moving into a period of exciting change and growth in the next few years.

Challenges, of course, remain. Pressure on global supply chains is likely to persist well into 2023 and beyond; the possibility of escalating conflict in Ukraine and escalating tensions between China and Taiwan have the potential to destabilise all businesses and Government focus on some Far East supply partners are continuing areas of attention for the Board. We remain vigilant in these areas and have confidence that we have teams who retain agility and dedication to respond to any emerging risk, creating mitigating strategies where appropriate.

Following the acquisition of Infotec, we continue to evaluate complementary and bolt-on acquisitions that can both support the Group in executing its strategy and deliver enhanced value to our shareholders.

The Board remains focused on delivering our growth plans throughout the course of 2023 and beyond, ensuring that we continue the current trajectory of the Group and deliver evermore of our advanced solutions to customers in the UK and internationally.

Mark Elliott

Non-Executive Chairman

28 March 2023

Chief Executive's Statement

Introduction and strategy update

The Company is making significant progress within the UK public transport market in its journey to be recognised as a leading provider of intelligent transport systems.

Against a backdrop of a slowly recovering transport market, Journeo has achieved dramatic growth in the number of connections to our cloud-based SaaS solution, the Journeo Portal; grown the deployment of our safety-critical digital wing mirror replacement system; continued to support local authorities and transport executives in making public transport more accessible; and, at the end of the period, made strategically important inroads into the rail market. This organic growth, which will further be supported by the acquisition of Infotec completed just outside of the year in January 2023, demonstrates the ongoing positive trajectory of Journeo.

The acquisition is an important landmark for the Company, providing us with a wider and more diverse customer base, both in the UK and overseas, in which to embed core Journeo technology. Any business that joins the Journeo family of companies are selected for their existing alignment to the main principles of our strategy. Infotec demonstrates technology leadership and domain expertise in its target markets, achieved through close customer bonding and engineering excellence.

Both domestically and internationally there is continued momentum to achieve a Carbon Net Zero future, and initiatives for mass public transportation and active travel are key to achieving this. The solutions that Journeo provide, from the promotion and awareness of public transport options, through to the safety and comfort of passengers on-board vehicles, support this goal, making them just one of the many elements required to help people choose greener, more sustainable forms of movement over the personal-use car.

We continue to concentrate our Research and Development with over £5m invested in the last four years to ensure that, our technologies and solutions support customers in prolonging the operational life of legacy equipment, deliver insightful and usable information from the systems purchased today and future-proof them for the developments of tomorrow, leveraging available open standards.

Operational review

Passenger Transport Infrastructure Systems

I am pleased to report that Passenger Systems performed in line with our expectations and delivered revenue growth of 37% across the year with revenues increasing to £8.6m (2021: £6.3m).

In March 2022, we announced a £2.1m purchase order for displays technology from City of Edinburgh Council. Whilst this formed part of spending indicated in a previously announced framework agreement (December 2019), the achievement of securing this order was by no means a foregone conclusion. Enhanced requirements from the original award required intensive work from our development teams to design new displays technology that is able to operate at lower power consumption rates and still offer the same level of functionality. I am delighted that through the ingenuity and dedication of our development teams, we were able to rise to meet this challenge, and Scotland's capital city will soon be in receipt of new optically bonded TFT displays that deliver higher contrast, lower reflection levels and increased readability, even in full sunlight, at a lower power consumption.

One important industry development over the course of 2022 has been the introduction of a new Content Management System to Passenger Information Display (CMS to PID) interface standard that defines the communication protocols between back-end software systems and displays. Whilst system-to-system communication has been defined for many years by industry-wide adoption of CEN (European Committee for Standardisation) standard interfaces, the final link in the data chain between a CMS and a display has not had the same attention and most usually relied upon proprietary standards.

The Real Time Information Group (RTIG) embarked on a project to change this. Funded by Transport for Wales (TfW), RTIG sought to introduce a standard protocol that could be used for TFT, LED and low-power displays. Journeo has played an active role in creating this standard and has participated in the Working Groups to define it, providing our deep industry knowledge to its creation. Some parts of the standard remain in draft form, but it continues to progress well.

This new standard has been welcomed by local authority customers, who so often have been locked to existing suppliers when selecting technology for deployment within their information estate. As such, adoption or future adoption of this protocol is beginning to become a standard requirement in tender specifications and in June 2022 we announced a contracts award totalling £1.7m with Nottingham City Council for solutions that will rely upon this development.

The larger of the contracts, valued at £1.4m, will see Journeo upgrade 1,600 legacy displays away from radio-based solutions to operate on 4G and 5G technology, communicating exclusively on the new protocol. The balance of £0.3m is for the delivery of a new intelligent messaging platform that will enable the authority to automate messaging from multiple sources, both human and machine-based, for delivery to displays. The second award, whilst smaller in value, has significant strategic benefits for Journeo as we look to integrate the EPIX CMS into the Journeo Portal platform.

The success of the business continued across the year, with multiple awards for a Northern Transport Partnership and purchase orders for displays technology of £0.6m in July 2022, £0.7m in early December 2022 and a further £0.5m just before the year end.

The partnership's continued investment in Journeo technology is a fundamental part of their plan to improve the level of information provided to travellers at bus stations, interchanges, travel hubs and along key transit corridors.

The development of our Passenger Transport Infrastructure Systems business is quite impressive since its formation following the acquisition of Region Services in 2015. At the outset, it was clear that there were significant barriers to entry that prevented us from accessing new customers. Contractual and technological lock-ins were also preventing the business from reaching its potential and we have worked hard to overcome or remove many of the obstacles. In addition to the new RTIG CMS to PID standard, we have created new procurement routes for our customers. We have been listed on the Crown Commercial Service's Transport Technology and Associated Services (TTAS) framework since late 2021 and were accepted

on to the Smart Applications Management (SAM) displays framework in June 2022. Whilst no monetary value is yet attached to this framework, it is expected to play a central role in the redevelopment of real-time information estate in Wales and across the United Kingdom. I am encouraged that as we apply more of our development resource to the business across the course of 2023, we have the procurement routes and technical agility to further develop the business.

Fleet Transport Operator Systems

Our Fleet Transport Operator Systems business has performed well over the course of 2022 with revenues increasing 34% to £12.5m (2021: £9.3m); in part due to the increase in investment of bus operators. However, the impact our core technology and exclusive supply agreements from our partners have had in securing orders and framework agreements cannot be underestimated.

A key aspect of our success, during the extended period of suppressed vehicle orders has been the implementation of the Journeo Camera Monitoring System, also known as our digital wing mirror system. A safety-critical solution that formed part of the Transport for London (TfL) Vision Zero specification, the solution replaces traditional wing mirrors with high-definition analogue cameras and internal monitors that improve visibility of the surrounding road conditions for the driver.

Since introduction in 2018 we have supplied and installed these solutions on over 1,000 buses and in March 2022 secured an agreement for a three-year extension to our exclusive supply agreement which includes the UK bus market and Scandinavia, where trials of the system were deployed across the course of the year. This market-leading solution continues to gain interest and in the year we achieved our first retrofit system trials, which may significantly extend the number of vehicles that can now access this safety-critical system. We continue to develop the solution with the OEMs and demonstrated prototype technology at the Euro Bus 2022 exhibition at the NEC in November 2022.

In April 2022 we were delighted to announce a three-year, £9m framework with First Bus UK. The framework also has the potential for a further two-year extension, which would take the agreement through to March 2027. Based upon our core technology and SaaS Journeo Portal product, the framework is the largest ever achieved by Journeo and enables us to provide tracking, video management and remote condition monitoring services of on-vehicle systems across the entirety of the operator's 4,500-strong fleet of vehicles.

This widescale adoption of Journeo technology is a demonstration of the close bond that we hold with our customers, which enables us to better understand their needs and adapt our technology to deliver solutions that improve operational efficiency at lower cost. Between its launch in October 2019 and the close of the year in December 2022, the Journeo Portal has grown exponentially and now has over 10,000 vehicle connections, with more expected over the course of 2023. Our Fleet Transport Operator Systems business has undoubtedly been a benefactor of our technology advancements and a ratification of the need for our continued investment in Research and Development.

In September 2022 our Airport Passenger Transfer solutions experienced further success with the £0.7m award for systems to be deployed for Aircoach at Dublin Airport, marking the first deployment of our solutions outside of the UK. The powerful operation management software supports the operator in running an efficient and timely service transporting passengers to the terminal buildings and will join London Gatwick, London Stansted, London Heathrow and Bristol airports in running on Journeo technology.

Whilst we have historically focused on solutions for bus, we have maintained a small and dynamic team to address the rail market and their work this year has been rewarded with two major awards. The first, in January 2022 was for a £0.7m award for the supply and support of high-definition Forward-Facing CCTV (FFCCTV) systems to GBRf. The systems are also connected to our SaaS platform, the Journeo Portal, demonstrating the adaptability of our core technology to adjacent markets.

The second and more significant award was achieved at the end of the year, in December 2022, where Network Rail awarded Journeo with a £1.2m contract to connect third-party systems to our Journeo Portal, on behalf of ScotRail. The two-year licensing agreement is the first major software-led contract that the Company has secured and demonstrates the confidence in the cyber-security employed to enable image-sharing between Network Rail, a Train Operating Company (TOC) and the British Transport Police (BTP). Additionally, the award also includes our new Track Incursion Monitoring (TIM) application, that will enable the parties to be alerted to foliage creep and track obstruction using the existing legacy cameras.

The developments in our rail applications are cause for optimism and, following the acquisition of Infotec in January 2023, we expect to see a growing ability within the Company to cross-sell solutions across the rail industry.

Central Services

Following the end of Work from Home instructions in January 2022, the Company adopted a primarily hybrid working model. Whilst our Sales Teams have always worked remotely, this signalled a shift in approach to the central services of Development, Finance, Marketing and Project Management. This decision has been welcomed by our team members, enabling both the interaction with colleagues needed to create the spark for innovation alongside the quiet focus time required to deliver it. The only areas that do not adopt this model are areas of the business where we feel office or site attendance is essential; such as in production and customer support.

We continue to work closely with our supply chain partners and monitor the impacts of global events on our ability to source the essential components such as semiconductors, microprocessors and display panels.

Whilst our work on ESG is ongoing, and we are focusing on developing the framework to achieve Level 1 and Level 2 carbon emissions reporting, we are aware that there will be a need to develop Level 3 reporting in the future and are making necessary adjustments to monitor such a change.

In situations where specific risks are identified that may affect pricing, availability or quality of component supplies we take corrective action to try to mitigate the effects through advance purchasing of core components and source alternatives that can be substituted if required.

Throughout 2022, we maintained all ISO and Cyber accreditations which not only provides us with information security, governance and traceable quality systems, it demonstrates to our passenger infrastructure and fleet operator customers that Journeo are the right people in which to place their trust, and deliver the vital products, software and support services.

Russ Singleton

Chief Executive

28 March 2023

Consolidated statement of comprehensive income for the year ended 31 December 2022

	Notes	2022 £'000	2021 £'000
Revenue	2, 3	21,123	15,592
Cost of sales		(13,354)	(9,569)

Gross profit	3	7,769	6,023
Underlying administrative expenses		(6,730)	(5,557)
Other income		119	168
Underlying profit		1,158	634
Share-based payments		(45)	(49)
Total administrative expenses and other income		(6,656)	(5,438)
Operating profit		1,113	585
Finance expense		(207)	(176)
Profit before taxation		906	409
Taxation charge	5	(3)	(2)
Profit for the year being total comprehensive income attributable to owners of the parent		903	407
Profit per share	6		
Basic		10.33p	4.65p
Diluted		9.80p	4.46p

Consolidated statement of changes in equity for the year ended 31 December 2022

	Share capital £'000	Share premium account £'000	Retained earnings £'000	Total equity shareholders' funds £'000
Balance at 1 January 2021	6,250	1,174	(6,680)	744
Profit and total comprehensive income for the year	-	-	407	407
Share-based payments	-	-	49	49
Balance at 31 December 2021	6,250	1,174	(6,224)	1,200
Profit and total comprehensive income for the year	-	-	903	903
Share-based payments	-	-	45	45
Balance at 31 December 2022	6,250	1,174	(5,276)	2,148

Consolidated statement of financial position at 31 December 2022

	2022 £'000	2021 £'000 As restated
Assets		
Non-current assets		
Goodwill	1,345	1,345
Other intangible assets	1,300	1,166
Property, plant and equipment	504	565
Trade and other receivables	41	43
	3,190	3,119
Current assets		
Inventories	3,455	1,609
Trade and other receivables	8,130	5,047
Cash and cash equivalents	533	1,096
	12,118	7,752
Total assets	15,308	10,871
Equity and Liabilities		
Shareholders' equity		
Share capital	6,250	6,250
Share premium account	1,174	1,174
Retained earnings	(5,276)	(6,224)
Total equity	2,148	1,200
Non-current liabilities		
Deferred revenue	2,304	947
Loans and borrowings	40	604
Lease liabilities	225	261
Provisions	271	313
	2,840	2,125
Current liabilities		
Trade and other payables	5,796	3,499
Deferred revenue	1,552	2,524
Loans and borrowings	2,616	1,175
Lease liabilities	121	121
Provisions	235	227
	10,320	7,546
Total equity and liabilities	15,308	10,871

Consolidated statement of cash flows for the year ended 31 December 2022

	Notes	2022 £'000	2021 £'000
Net cash flows from operating activities	6	(587)	2
Cash flows from investing activities			
Purchases of property, plant and equipment		(58)	(165)
Purchases / generation of intangible assets		(628)	(460)
Net cash flows from investing activities		(686)	(625)
Cash flows from financing activities			

Cash flows from financing activities	891	642
Principal element of lease repayments	(170)	(148)
Repayment of loans	(15)	(22)
Net cash flows from financing activities	706	472
Net decrease in cash and cash equivalents	(567)	(151)
Cash and cash equivalents at beginning of year	1,096	1,254
Effect of foreign exchange rate changes	4	(7)
Cash and cash equivalents at end of year	533	1,096

Notes to the consolidated financial statements for the year ended 31 December 2022

1. Basis of preparation

The Group financial statements are prepared in accordance with International Financial Reporting Standards and IFRIC interpretations issued and effective (or adopted early) and endorsed by the United Kingdom at the time of preparing these financial statements and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS. The financial statements have been prepared under the historical cost convention, except financial instruments and share-based payments, which are prepared in accordance with IFRS 9 and IFRS 2 respectively. A summary of the more important Group accounting policies is set out below.

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 Sterling (£), which is the presentation currency for the consolidated financial statements. The numbers in the financial statements are rounded in £'000 for presentation purposes.

Going concern

The Group's business activities, together with factors likely to affect its future development, performance and position, are set out in the Strategic Report along with the principal risks and uncertainties.

The Group's net underlying profit for the year was £903k (2021: £634k). As at 31 December 2022 the Group had net current assets of £1,798k (2021: £206k) and net cash reserves of £533k (2021: £1,096k).

On 16 January 2023, the 2016 Loan Notes and the 2018 Loan Notes were repaid.

The Directors have prepared Group cash flow projections for the period to 30 June 2024 based on latest forecasts that show that the Group will be able to operate within the Group current funding resources with significant headroom.

As with all businesses there are particular times of the year where our working capital requirements are at their peak. The Group is well placed to manage these business risks effectively and the Board reviews the Group's performance against budgets and forecasts on a regular basis to ensure action is taken where needed. The Directors also monitor a rolling cash flow forecast, and key management review working capital movements and requirements on a daily basis.

The projections, taking account of reasonably possible changes in trading performance, indicate that the Group will operate within available facilities throughout the projection period and therefore, based on these projections, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future and for at least 12 months from the date of these financial statements. The Directors, therefore continue to adopt the going concern basis in preparing the financial statements.

2. Revenue and other income

The revenue split between good and services is:

	2022	2021
	£'000	£'000
Goods	15,621	10,615
Services	5,502	4,977
	21,123	15,592
Contract works included in goods	7,599	5,520

3. Segmental reporting

IFRS 8 requires operating segments to be determined on the basis of those segments whose operating results are regularly reviewed by the Board of Directors (the Chief Operating Decision Maker as defined by IFRS 8) to make strategic decisions.

As the Board of Directors reviews revenue, gross profit and operating loss on the same basis as set out in the consolidated statement of comprehensive income, no further reconciliation is considered to be necessary.

Revenue and gross profit

	Revenue 2022 £'000	Gross profit 2022 £'000	Revenue 2021 £'000	Gross profit 2021 £'000
Fleet Systems	12,494	3,711	9,290	2,919
Passenger Systems	8,629	4,058	6,302	3,104
Total	21,123	7,769	15,592	6,023

Major customers

In the year, one customer within the Fleet Systems segment accounted for over 16% of Group revenue and no customers within the Passenger Systems segment. In the prior year, there was one Fleet Systems customer that accounted for over 10% of revenue at 10% and no major customers within the Fleet Systems segment.

Underlying profit

	2022 £'000	2021 £'000
Fleet Systems	690	698
Passenger Systems	740	339
	1,430	1,037
Central	(272)	(403)
Underlying profit	1,158	634

Reconciling to profit / (loss) before interest and tax

	Underlying operating profit / (loss) £'000	Share-based payments £'000	Operating profit / (loss) £'000	Profit/(loss) before interest and tax £'000
2022				
Fleet Systems	690	(23)	667	667
Passenger Systems	740	(22)	718	718
	1,430	(45)	1,385	1,385
Central	(272)	-	(272)	(272)
	1,158	(45)	1,113	1,113

	Underlying operating profit / (loss) £'000	Share-based payments £'000	Operating profit / (loss) £'000	Profit / (loss) before interest and tax £'000
2021				
Fleet Systems	698	(24)	674	674
Passenger Systems	339	(25)	314	314
	1,037	(49)	988	988
Central	(403)	-	(403)	(403)
	634	(49)	585	585

Net assets attributed to each business segment represent the net external operating assets of that segment, excluding goodwill, bank balances and borrowings, which are shown as unallocated amounts, together with central assets and liabilities.

Net assets

	Assets 2022 £'000	Liabilities 2022 £'000	Net assets 2022 £'000	Assets 2021 £'000	Liabilities 2021 £'000	Net assets 2021 £'000
Fleet Systems	8,134	(3,627)	4,507	5,193	(3,216)	1,977
Passenger Systems	5,156	(6,744)	(1,588)	4,109	(5,449)	(1,340)
	13,290	(10,371)	2,919	9,302	(8,665)	637
Goodwill	1,345	-	1,345	1,345	-	1,345
Cash and borrowings	533	(2,656)	(2,123)	1,096	(1,779)	(683)
Unallocated	139	(134)	5	12	(111)	(99)
Total	15,307	(13,161)	2,146	11,755	(10,555)	1,200

Geographical segments

	Revenue 2022 £'000	Gross profit 2022 £'000	Revenue 2021 £'000	Gross profit 2021 £'000
UK	20,538	7,316	15,070	5,602
International				
- Scandinavia	458		457	
- Other EU	38		43	
- Non-EU	89		22	
Total international	585	453	522	421
Total	21,123	7,769	15,592	6,023

Assets and liabilities by location

	2022 £'000	2021 £'000
Assets		
UK	14,662	11,720
International	12	35
Total assets	14,674	11,755

Liabilities		
UK	(12,508)	(10,532)
International	(19)	(23)
Total liabilities	(12,527)	(10,555)

All non-current assets are located within the United Kingdom.

4. Taxation

(a) Analysis of charge in year:

	2022	2021
	£'000	£'000
Current tax		
UK corporation tax on the profit for the year (19%)	-	-
Swedish corporation tax on the profit for the year (22%)	3	-
Prior year under provision	-	2
Total tax charge for the year	3	2

(b) Factors affecting the total tax charge for the year

The tax assessed for the year differs from the standard rate of corporation tax in the UK at 19% (2021: 19%). The differences are explained below:

	2022	2021
	£'000	£'000
Profit before tax	905	409
Profit multiplied by standard rate of corporation tax in the UK of 19% (2021: 19%)	172	78
Effects of:		
Expenses not deductible for tax purposes	(150)	(139)
Change in unrecognised deferred tax assets	4	93
Income not taxable	(23)	(32)
Prior year under provision	-	2
Total tax charge for the year	3	2

(c) Deferred tax asset / (liability)

The unrecognised and recognised deferred tax assets / (liability) comprise the following:

	Unrecognised		Recognised	
	2022	2021	2022	2021
Group	£'000	£'000	£'000	£'000
Tax losses	724	1,116	-	-
Accelerated capital allowances	(94)	(91)	-	-
	630	1,025	-	-

The Group has £3,813,000 of unutilised tax losses (2021: £4,466,000) which may be carried forward indefinitely. On 3 March 2021, the Chancellor of the Exchequer announced that the corporation tax rate would increase to a maximum of 25% from 1 April 2023.

5. Profit per Ordinary Share

Basic earnings per share (EPS) is calculated by dividing the earnings attributable to Ordinary Shareholders by the weighted average number of Ordinary Shares in issue during the year.

For diluted earnings, the weighted average number of Ordinary Shares in issue is adjusted to assume conversion of all dilutive potential Ordinary Shares.

	2022		2021	
	Profit	Per share	Profit	Per share
Group	£'000	amount	£'000	amount
		Pence		Pence
Basic EPS				
Profit attributable to Ordinary Shareholders	903	10.33p	407	4.65p
Diluted EPS				
Profit attributable to Ordinary Shareholders	903	9.80p	407	4.46p

Details of the weighted average number of Ordinary Shares used as the denominator in calculating the earnings per Ordinary Share are given below:

	2022	2021
	'000	'000
Basic weighted average number of shares	8,741	8,741
Dilutive potential Ordinary Shares	470	370
Diluted weighted average number of shares	9,211	9,111

6. Reconciliation of operating profit to net cash inflow from operating activities

	2022	2021
	£'000	£'000
Profit for the year	903	407
Adjustments for:		
- Finance expense	207	176
- Depreciation of property, plant and equipment	224	218
- Amortisation of intangible fixed assets	494	438
- Share-based payment expense	45	49
- Foreign exchange rate	-	(15)
- (Decrease) / increase in provisions	(34)	79

Operating cash flows before movement in working capital	1,839	1,352
(Increase) / decrease in inventories	(1,846)	66
Increase in receivables	(1,564)	(840)
Increase in payables	1,166	1,334
Cash (outflow) / inflow from operations	(405)	144
Income taxes paid	(3)	(2)
Interest paid	(179)	(140)
Net cash (outflow) / inflow from operating activities	(587)	2

7. Availability of audited accounts

Copies of the 2022 audited accounts will be made available following the announcement of the date of our AGM. They will also be available on the Group's website (www.journeo.com) for the purposes of AIM Rule 26 and will be posted to shareholders shortly.

ENDS

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