

26 May 2026

Calnex Solutions plc
("Calnex", the "Company" or the "Group")

Final Results

Calnex Solutions plc (AIM: CLX), a leading provider of test and measurement solutions for global telecommunications, digital infrastructure and government & defence markets, announces its Final Results for the year ended 31 March 2026 ("FY26" or the "Year").

Highlights

£000	FY26	FY25	YOY % change
	Audited	Audited	
Revenue	21,875	18,386	19%
Gross profit	16,584	13,763	20%
Gross margin %	76%	75%	
Underlying EBITDA ¹	1,756	1,151	53%
Profit before tax	1,244	720	73%
Basic EPS (pence)	0.83	0.38	118%
Diluted EPS (pence)	0.80	0.36	122%
Closing cash	9,306	10,912	(15%)

¹ Refer to note 32 for explanation of the alternative performance measures calculations. A full reconciliation between Underlying EBITDA and profit before tax is also shown in the Financial Review below.

Financial Highlights

- Revenue growth of 19% to £21.9m (FY25: £18.4m) reflecting strong operational execution and growing momentum across adjacent end markets.
- Improved profitability driven by revenue growth, disciplined cost control and sustained gross margins, with PBT increasing to £1.2m (FY25: £0.7m).
- Strong balance sheet with cash of £9.3m at year end (31 March 2025: £10.9m), providing flexibility to invest in product innovation, people and routes to market.
- Further balances received post year end due to the phasing of shipments in Q4, increasing the total cash position to £11.2m at 22 May 2026.
- Proposed final dividend of 0.68p per share. Total of 0.99p per share for FY26 (FY25: 0.95p).

Operational Highlights

- Diversification strategy gaining traction, with increased contribution from newer growth markets, reducing reliance on traditional telecoms markets. Highlights include:
 - a significant repeat order from a leading hyperscaler in H2, demonstrating scalability and relevance of Calnex's solutions in data centre environments and digital infrastructure.
 - growing momentum in government and defence, with increased opportunities within US federal programmes.
- Continued product development, including strong customer interest in our SNE network emulation product, continued development of next-generation Sentry offering for data centre assurance, and ongoing investment in 1.6Tb/s synchronisation technology.
- Strengthened routes to market, through the expansion of the Group's global partner network and a partnership with Viavi.
- Senior hires across sales, marketing and partner management strengthening our commercial operations.

Outlook

- Targeted investment in FY27 in key product launches and continued development of market and customer relationships will position the Group for further growth in FY28 as new products are commercialised.
- Strongly positioned to benefit from the continued global investment across structural growth markets of digital infrastructure, government and defence, supported by a strong balance sheet, robust product roadmap and diversified market footprint.

Tommy Cook, Chief Executive Officer and founder of Calnex, said: *“This has been a strong year for Calnex, delivering double-digit revenue growth, improved profitability and material progress against our diversification strategy, with increasing traction across a broader set of infrastructure and assurance markets. Our focus now is firmly on execution, advancing key development programmes and converting early engagement into commercial wins, supported by improved market access.*”

As this year marked our 20th year of operations, the milestone is an opportunity to reflect on how far the business has come in the last two decades; years defined by innovation, customer-focus and resilience. From this foundation we enter FY27 with confidence, supported by a robust product roadmap, strong balance sheet, and a more diversified market footprint. In a period of rapid technological and geopolitical change, the importance of high-performance network testing continues to grow, and as we move into the next decade of Calnex’s journey, we are excited by the opportunities ahead.”

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Overview of Calnex

Calnex Solutions designs, produces and markets innovative test and measurement instrumentation that enables customers to validate the performance of critical network technologies and applications. Our solutions support customers from R&D and pre-deployment through to in-service testing, providing confidence that networks and applications operate as intended in increasingly complex and performance-critical environments.

To date, Calnex has secured and delivered orders in 68 countries across the world. Customers include BT, China Mobile, NTT, Ericsson, Nokia, Intel, Qualcomm, IBM, Nvidia and Meta.

Founded in 2006, Calnex is headquartered in Linlithgow, Scotland, with additional locations in Belfast, Northern Ireland, Stevenage, England and California in the US, supported by sales teams in China and India. Calnex has a global network of partners, providing worldwide distribution and market access.

Chair's Statement

Overview

FY26 marked a year of strong progress for Calnex Solutions. The Group delivered double-digit revenue growth alongside a meaningful improvement in profitability, closing the year slightly ahead of market expectations. This performance reflects both the agility of the business and the disciplined execution of our strategy in a challenging macroeconomic environment.

Growth was driven by continued momentum in our newer end markets of government and defence, and digital infrastructure (cloud computing and data centres). This underlines the increasing relevance of Calnex's capabilities across adjacent markets and the early success of our diversification strategy.

The Board sees significant opportunity as demand for robust digital infrastructure testing continues to grow. While still at an early stage, we are encouraged by increasing engagement and adoption across data centres, cloud computing and the government and defence markets – areas well aligned to the Group's technical strengths and offering substantial long-term growth potential.

Product innovation remains central to the business, with continued investment during the year, alongside enhancements to our channel and operations capabilities, strengthening market access. In FY27, we will focus on targeted investment to support key product launches and the further development of market and customer relationships. This will position the Group to accelerate growth in FY28 as new products are commercialised and begin to make a more meaningful contribution to revenue.

Financial strength supporting continued investment

Revenue increased by 19% to £21.9m (FY25: £18.4m), and PBT increased by 73% to £1.2m (FY25: £0.7m). This performance was supported by increased orders within the government and defence markets for both our NAA and Sync products, alongside a significant repeat Sentry order with a hyperscaler, contributing to growth in H2.

Calnex maintained strong gross margins and effective cost discipline, with increased revenue volumes driving improved profitability and demonstrating the operational leverage inherent in the business model. Cash at year end was £9.3m (31 March 2025: £10.9m), with a further £1.9m of cash secured post-period end due to the timing of shipments through the final quarter.

This financial strength provides flexibility to invest in innovation, people and routes to market, while maintaining a scalable and controlled cost base.

ESG

The Board recognises the importance of strong environmental, social and governance practices in supporting sustainable long-term growth. Calnex's solutions enable more efficient and resilient digital infrastructure, while our focus on governance, ethical standards and investment in our people underpins the Group's long-term success.

During the year, the Group began to formalise its environmental reporting, voluntarily reporting Scope 1 and Scope 2 emissions for the first time – an important step in better understanding and managing our environmental impact.

Outlook

The Board is increasingly confident in the Group's long-term prospects. Diversification across products and end markets, strengthened partner channels, and enhanced commercial capability provide a solid platform for sustainable growth.

Calnex is well positioned to benefit from the major structural investment taking place across the data centre, cloud computing and government and defence markets, supported by its strong technical expertise and market-leading solutions.

Looking ahead, the Board believes the Group's balanced approach - combining financial discipline with selective investment – will continue to deliver long-term value for shareholders.

Margaret-Rice Jones has indicated her intention to retire from the Board of Calnex at the Company's Annual General Meeting in September 2026. On behalf of the Board, we thank Margaret for her contribution and wish her well.

Finally, I would like to thank our customers, partners and employees for their continued support, commitment and innovation throughout the year.

Stephen Davidson
Non-Executive Chair
22 May 2026

CEO's Statement and Operational Review

Strong progress in FY26

FY26 was a year of strong operational and strategic progress for Calnex, delivering double-digit revenue growth and improved profitability. It also marked the 20th year of business operations - a milestone that reflects the resilience, innovation and customer focus that have underpinned our development and will continue to shape our future.

Our performance demonstrates the value of long-term customer relationships, the strength of our technology, and the increasing relevance of our solutions across multiple end markets. While rooted in telecoms, Calnex has successfully expanded into adjacent markets where high-performance network infrastructure is critical, adapting our products to meet evolving customer needs. This progress reflects the agility and commitment of our team.

Looking ahead, we will continue to invest in market access, product development and our people to support the next phase of Calnex's growth.

Long-term customer relationships

Calnex serves a broad and expanding customer base across multiple sectors, with over 700 customer sites across 68 countries, spanning equipment vendors, service providers, hyperscalers, enterprises, and participants in semiconductor as well as aerospace and defence markets.

The specialised nature of our solutions and the strength of our customer relationships underpin high levels of repeat business, with 79% of orders coming from existing customers (FY25: 77%) on a 3-year average basis. Our top 10 customers accounted for 55% of orders (FY25: 45%) on a 3-year average basis reflecting a well-established and diversified customer base.

Government and defence sector customers represented 21% of orders by value (FY25: 15%), with digital infrastructure remaining strong at 49% (FY25: 49%). The reported regional revenue split for FY26 was: Americas 31% (FY25: 40%), North Asia 16% (FY25: 18%), and ROW 53% (FY25: 42%). A significant repeat order for Sentry was booked through the ROW region, the quantum of which is driving the increase in the percentage of revenues allocated to that that region. A large proportion of this order, although derived in ROW on an orders received basis, will ultimately be deployed by the customer in the US. An underlying reflection of business across all three regions, adjusting for this order large order, would show a more consistent year on year percentage volume of revenues coming from the Americas.

Diversification strategy gaining traction

Our diversification strategy continued to deliver progress, reducing reliance on traditional telecoms and increasing exposure to higher-growth markets requiring digital infrastructure testing. Both our Network & Application Assurance and Synchronisation products contributed to growth in our newer end markets, while telecoms remained stable.

Telecoms

The telecoms market remained steady. While market conditions have yet to return to previous peaks, long-term growth drivers remain intact as operators and equipment vendors continue to invest in network evolution and standards development. The move towards higher speeds, increasing timing accuracy requirements and ongoing work around next-generation standards continue to support demand for standards-driven test and measurement.

Digital infrastructure

Digital infrastructure represents a significant growth opportunity, driven by hyperscaler investment, network upgrades and the rapid expansion of AI-driven workloads.

As AI environments scale, network performance becomes a critical determinant of overall system efficiency, increasing the need for controlled validation. Our solutions are well positioned to support this, enabling customers to validate synchronisation and network behaviour in increasingly complex environments.

In H2 Calnex secured a significant repeat order for Sentry from a leading hyperscaler, to monitor network sync, a testament to the relevance of our products in this space as well as the opportunity to scale. Accelerated by AI, testing solutions are increasingly important in a rapidly evolving market.

Government and Defence

The government and defence sector provides an increasingly significant market opportunity for Calnex, driven by modernisation of digital infrastructure and the need for assured performance in mission-critical environments.

While sales cycles can be longer and routes to market differ from other sectors, FY26 provided validation of growing traction and strengthened understanding of the government and defence market dynamics, supporting our long-term confidence in this market as a growth pillar. We have established that our solutions are applicable across a wide range of systems and equipment, including testing private government networks; supporting the validation of architectures associated with new platforms, in particular the secure implementation of data storage within the specific application environment; and training and evaluation of systems for real-world scenarios. Highlights this year include the adoption of SNE-X for training and cyber-range simulations across key government programmes, ongoing satellites and non-terrestrial network programmes, and a significant multi-product order in the US federal market. These developments prove our capabilities and highlight the relevance and value of both our NAA and Sync products in this space, providing a strong foundation for further growth.

Product innovation underpins growth and market expansion

Product innovation remains central to Calnex's differentiation and enables us to address customers' specific needs and expand into new applications. Our portfolio supports customers across the full lifecycle, from R&D and pre-deployment through to in-service testing.

Lab synchronisation

In synchronisation testing, our Paragon-Neo-S 800Gb/s platform continues to perform strongly across telecoms and data centres. Demand is being driven by the need for higher-speed validation and standards-driven testing across sectors.

In H2 we secured a partnership with Viavi Solutions Inc. to deliver a suite of Open RAN testing solutions that enable simple, cost-effective pre-testing ahead of formal validation. Early customer feedback has been encouraging, reinforcing Calnex's position as a leader in telecoms infrastructure innovation and highlighting Open RAN as a growing area within the sector.

Building on this momentum, we have been investing in the next evolution of synchronisation testing, 1.6Tb/s, for delivery in FY28, to address the next wave of interface speeds. We are progressing development through close alignment with key customers and next-generation chipset technology, positioning Calnex to support future technology transitions as standards and customer requirements evolve.

Network and Application Assurance (NAA)

Our NAA portfolio continues to evolve in response to customer demand for real-world validation of networks and applications.

Our Network emulation products support infrastructure validation requirements across cloud computing and data centres as well as government and defence. Post-period end, we made a significant advancement in network emulation for AI infrastructure, demonstrating that we can realistically simulate very high-speed (400G) networks to test and check large AI computing systems that rely on congestion-free Ethernet connections, before they are deployed in the real world. This capability supports controlled, repeatable lab validation of congestion, microbursts and latency effects that can materially impact efficiency in large-scale AI environments.

Looking ahead we see significant scope from our SNE emulation network range to scale demand, such as SNE X supporting 400GbE interfaces.

We are also progressing development of next-generation capabilities within our data centre assurance offering, including enhancements to our Sentry product designed to better align to data centre operational requirements. This is attracting keen interest from hyperscaler and data centre customers, with anticipated revenue generation in late FY27.

Strong financial performance

Group revenues increased by approximately 19% to £21.9m (FY25: £18.4m), with PBT improving to £1.2m (FY25: £0.7m).

The Group maintained a strong balance sheet, with cash as at 31 March 2026 of £9.3m (31 March 2025: £10.9m), and further cash received post-period end due to the phasing of shipments through the final quarter, taking the closing cash balance to £11.2m at 22 May 2026.

Strengthening market access

In FY26 we continued to strengthen our routes to market and internal execution capability. The change in our channel strategy resulted in a transitional period as we moved away from Spirent Communications and was therefore a process we undertook with extreme rigour.

Our global partner network across North America, Europe, India, and Asia-Pacific, expanded and improved our sales coverage further, in line with our strategy, with new partners onboarded in North America and increased focus on partner enablement and internal processes. We have been pleased with how the business has navigated this significant shift in operations and expect to see the full benefit of this transition in FY27 and beyond.

Our partnership with Viavi Solutions Inc. continues to progress, providing access to a broader installed base and enhanced go-to-market reach.

People

Our team remains the engine of the business. The headcount at 31 March 2026 increased to 163 from 155 at the start of the year. We have enhanced our global sales and marketing teams to underpin ongoing growth, with senior hires across sales, marketing and partner management including a Sales Operations manager in H2 to oversee partner onboarding and enablement. These hires are already strengthening and supporting growth in newer markets.

Targeted investment in FY27 to drive accelerated growth in FY28

FY27 will be a year of targeted investment, focused on key product launches, market expansion and customer relationships to underpin future growth. Our confidence in accelerated growth in FY28 is based on multiple initiatives progressing in parallel, focused on both market access and product developments, with investment in FY27 intended to translate into more meaningful revenue contribution as new products are launched and commercialised. Our key product innovation programmes are progressing well, with strong customer interest in our SNE network emulation product, continued next-generation development of Sentry in data centre assurance, and ongoing investment in 1.6Tb/s synchronisation technology. In addition, we are increasing investment in our go-to-market capability, with a stronger focus on channel partners supported by a recent senior hire to lead partner onboarding, enablement and execution.

These investments, alongside continued focus on AI-driven infrastructure validation and assurance, will increase R&D and go-to-market spend in FY27, but are expected to support a step-change in growth in FY28 as they are commercialised.

Confident long-term outlook

We enter FY27 with confidence, supported by a strong balance sheet, a robust product roadmap and a more diversified market footprint.

Our focus will be on execution, advancing key development programmes and converting early engagement into commercial wins, underpinned by improved market access, to drive a step-change in growth in FY28 and beyond. The investments we are making today reflect a clear long-term vision for Calnex, as technological innovation supports the evolution of the business into one that addresses a broader set of infrastructure and assurance markets.

We remain committed to structured execution and long-term value creation, as Calnex continues to evolve into a broader digital infrastructure and assurance business. In times of rapid change on both a global geopolitical level and in our end markets, testing solutions are increasingly relevant, and I look forward to seeing what comes next as we step into the next decade of Calnex's journey.

Tommy Cook

Chief Executive Officer

22 May 2026

Chief Financial Officer's Statement

Financial KPIs

£000	FY26	FY25
Revenue	21,875	18,386
Gross Profit	16,584	13,763
Gross Margin	76%	75%
Underlying EBITDA ¹	1,756	1,151
Underlying EBITDA %	8%	6%
Profit before tax	1,244	720
Profit before tax %	6%	4%
Closing cash	9,306	10,912
Capitalised R&D	6,343	4,836
Basic EPS (pence)	0.83	0.38
Diluted EPS (pence)	0.80	0.36

¹ Refer to note 32 for explanation of the alternative performance measures calculations. A full reconciliation between Underlying EBITDA and the statutory measures is also shown below.

Reconciliation of statutory figures to alternative performance measures – Income Statement

	FY26	FY25
	£000	£000
Revenue	21,875	18,386
Cost of sales	(5,291)	(4,623)
Gross Profit	16,584	13,763
Other income	962	913
Administrative expenses (excluding depreciation & amortisation)	(11,148)	(9,254)
EBITDA	6,398	5,422
Amortisation of development costs	(4,642)	(4,271)
Underlying EBITDA	1,756	1,151
Other depreciation & amortisation	(707)	(714)
Operating Profit	1,049	437
Interest received	265	320
Finance costs	(70)	(37)
Profit before tax	1,244	720
Tax	(516)	(383)
Profit for the year	728	337

Revenue

Calnex achieved strong revenue growth on the prior year, with revenues increasing by 19% to £21.9m (FY24: £18.4m), as a result of improved trading into our increasingly diversified end markets.

Revenues generated in EMEA, India, South East Asia and Australasia are classified in the Company's Rest of World (ROW) region. The region has a broad mix of end customers and sectors, helping to manage trading risk within any single sector. Revenues recorded in the region grew by 48% on the prior year, largely attributable to a significant repeat order from a hyperscaler customer with global activities. We understand that the customer will deploy the Calnex product largely in the US. Allowing for that factor, underlying revenues in this ROW region grew year on year, driven by growth in telecoms orders in EMEA and by digital infrastructure orders across EMEA and India.

Revenues recorded in the Americas region declined by 8% year-on-year. However, adjusting for the significant repeat hyperscaler order, underlying performance appears broadly stable on a year-on-year basis. Our strategic focus in the Americas has been on government and defence sector opportunities as well as digital infrastructure growth, while the telecoms sector was subdued. In FY26, the Americas region contributed the majority of the increase in government and defence orders across the Group, as a result of FY25 targeted hires to support the expansion of our US federal customer base.

Within North Asia, revenues have grown by 8% despite China remaining a challenging environment for trading due to the impact of US restrictions and higher levels of competition for our NAA products. We continue our focus on business in the other countries in the region as a priority. The business saw growth in digital infrastructure and telecoms orders, benefitting from the investments in cloud computing and data centres within the region.

From a product line perspective, Lab Sync (Paragon-neo and Paragon-X) experienced growth, increased trading within the government and defence sector in the Americas and the telecoms sector in ROW. Our Network Sync product revenues grew significantly in the year, driven by the repeat order from a major hyperscaler mentioned above. Our NAA network emulation product for infrastructure testing, SNE, also experienced revenue growth, particularly within Government and Defence sector in Americas and across all sectors in the ROW region. NE-ONE, our NAA network emulation for testing of applications product, experienced slight growth in orders and we continue with our focus on returning this product line to revenue growth in FY27.

Revenue model

Calnex generates revenues through the sale of bundled hardware and software, alongside the provision of software support and extended warranty programmes.

The Group's core sales model is bundled hardware and software. Sales pricing is dependent on the product type and the complexity of the software configuration built into the product package. Calnex also sells stand-alone software upgrades under licence.

Each of Calnex's units comes with a standard warranty period including maintenance and software upgrade cover in the event of any software upgrades being released for the options purchased. Calnex also sells software support programmes which provide customers with access to future software upgrades which are not included as part of the standard warranty. The Group also offers extended warranty programmes to cover repairs falling outside of the standard warranty period.

Bundled hardware and software revenues are recognised when the product is delivered to the customer, with stand-alone software revenues recognised in line with the length of the licence period. Revenues from software support and extended warranty programmes are typically recognised on a straight-line basis over the term of the contract.

Many of the products and services developed and deployed by Calnex's customers are interlinked and need to be tested independently, such as the individual components which are then built into the equipment used in telecoms networks. Calnex's test products can be used by a combination of equipment vendors, component

manufacturers and network operators, to carry out testing during a new product development cycle. Products verified utilising Calnex's test solutions can be used in the knowledge that they will deliver consistent performance.

Sources of Revenue

Revenue streams

	FY26	FY25
	£000	£000
Warranty support revenue – recognised over the life of cover	3,745	3,870
Hardware and software revenue – recognised on despatch/delivery	18,130	14,516
Total revenue	21,875	18,386

In FY26, 83% (FY25: 79%) of the Group's revenues were generated from the sale of bundled hardware and software products, with 17% (FY25: 21%) from software support and extended warranty programmes.

Bundled hardware and software revenues grew 25% on the prior year in line with increased demand for our products, revenues from software support and extended warranty programmes remained in line with prior year revenues.

Geographical split (revenues)

	FY26	FY25
	% of revenue	% of revenue
<i>3-year average revenues:</i>		
Americas	34%	35%
North Asia	18%	21%
Rest of World	48%	44%
<i>In-year revenues:</i>		
Americas	31%	40%
North Asia	16%	18%
Rest of World	53%	42%

The Group's customers are located across the world. Our global customer base and distributor network enables the Group to spread risk across our three key regions: the Americas, North Asia and Rest of the World (ROW).

On a three-year average basis, the split of revenues across the three key regions was 48% for ROW (FY25: 44%), 34% for Americas (FY25: 35%) and 18% (FY25: 21%) for North Asia. The repeat hyperscaler order contributed to the strong performance in the ROW region, together with a general increase in overall revenues coming from the EMEA region, predominantly across telecoms and digital infrastructure. Although the Americas region saw a slight decline in trading in FY26, it is experiencing a growth in government and defence opportunities as a result of enhanced sales and marketing focus within that sector. North Asia has been experiencing a steady decrease since FY20 reflecting the ongoing US-China geopolitical tensions, although FY26 revenues in the region saw a slight increase compared with the prior year, despite the trading challenges.

Top 10 customer orders (3 year order average)

	FY26
	% of orders
Top 10 customer orders	51%
Other customer orders	49%

In FY25, Calnex received orders from 244 customers, with the number of customers declining slightly on the prior year (FY25: 274 customers) and the order value per customer increasing in the year.

The Group's top ten customers accounted for 51% of total orders on average over the last three years (FY25: 45%). In FY26, as a stand alone year, orders from the top ten customers totalled 56% of total orders (FY25: 46%).

In FY26, 25% of Calnex's total orders (and 22% of revenues) can be attributed to one customer, with no other customers accounting for more than 7% of total orders. The Group continues efforts to diversify its customer base to reduce the percentage of business from this account in future years.

Repeat customers (3 year order average)

	FY26
	% of orders
Repeat orders	79%
New orders	21%

The average length of customer relationship across the top ten customers in FY26 is 13 years (FY25: 10 years), demonstrating our high levels of repeat demand from our customers, whilst new customers are also being added to the top ten list. In addition, the Group typically experiences a high level of repeat business from its total customer base. In FY26, using a three-year order average, 79% of orders were generated from existing customers (FY25: 77%).

Customer orders by market sector

	FY26	FY25
	% of orders	% of orders
Telecoms	30%	36%
Digital Infrastructure	49%	49%
Government and Defence	21%	15%

Calnex's sales have previously been predominantly derived from telecoms customers where the end-application is a telecoms (fixed and mobile) network. More recently, Calnex has seen an increase in customers from the digital infrastructure markets (which include hyperscale/data centre providers and enterprise customers) and the government and defence industry. As a result of this change in the end markets that the business sells into, there was need to show a more granular split of the company's performance by market sector, compared to the previous telecoms/cloud computing split shown in prior year reports.

Equipment vendors who initially developed product for use in telecom applications are now selling the same products into other data network applications where the same technology is implemented, and these new applications are becoming a significant market opportunity for our customer's products, which is contributing to the large proportion of Calnex's business attributed to the digital infrastructure market. The increased diversification of our revenue streams into government and defence customers has also driven a need for a more granular split of revenue by market sector.

Gross Profit

Gross profit grew by 20% to £16.6m (FY25: £13.8m), driven by the growth in revenue volumes and a 1 percentage point increase in gross margin. Gross margin, which is net of commissions payable to our channel partners, improved from 75% in the prior year to 76%. Gross margin can fluctuate by 1-2% through the year depending on the mix and timing of the hardware and software bundles shipped.

Change in accounting policy for RDEC

During the year, the Group changed its accounting policy in respect of Research and Development Expenditure Credits ('RDEC'), recognised within the other income within the Income Statement. Previously recognised in the period incurred, RDEC income will now be recognised in line with the amortisation of related capitalised development costs.

This change reflects the growing scale and ongoing nature of the Group's UK R&D investment, as well as recent UK HMRC reforms merging the SME and RDEC schemes. The revised approach enhances comparability and better aligns income recognition with the underlying economic benefits of R&D activity, providing greater transparency over financial performance as the Group's R&D activities increase over time.

The policy has been applied retrospectively from 1 April 2024. The impact of the change to other income was to reduce the current year recognised RDEC income from £1.2m to £0.8m. The £0.4m unrecognised RDEC income has been included within the RDEC credit balance within trade & other payables. Refer to note 31 of the financial statements for more information.

Underlying EBITDA

Underlying EBITDA, including R&D amortisation, increased to £1.8m (FY25: £1.2m), driven by the higher revenues and improved gross margin.

Administrative expenses (excluding depreciation & amortisation) were £11.1m in FY26 (FY25: £9.2m). Alongside inflationary cost increases in the year, the administrative cost increases were driven by planned targeted headcount increases, predominantly in the sales, product and marketing teams to support our growth and channel enhancement goals in our diversified end markets, increased recruitment costs to support these hires and other replacement hires through the year, increased legal costs to support contract reviews with new partners, and a small increase in the share-based payments charge as result of an additional award participant added in the year. Performance bonuses and company profit share were accrued at the end of the year as the Group's FY26 budgeted profit share triggers were achieved. In the prior year, there was no bonus cost accounted for as a result of the FY25 budgeted profit targets not being achieved. This also contributed to the increase in administration costs in the year.

Amortisation of R&D costs increased by £0.3m to £4.6m (FY25: £4.3m) due to increased R&D investment in the current and previous years to support the product roadmap. R&D spend is capitalised and amortised to the P&L over five years.

Positive operational gearing drove the underlying EBITDA margin to 8% from 6% in FY25 as a result of the higher revenue volumes and improved gross margin.

Profit before tax

The Group generated a profit before tax of £1.2m in the year (FY25: £0.7m) with the improvement in profitability attributable to growth in revenue performance and the maintenance of strong margins. Profit before tax margin was 6% in the year (FY25: 4%).

Tax

The tax charge in the year was £0.5m (FY25: £0.4m), representing an effective tax rate of 41% (FY25: 53%), principally driven by prior year adjustments, the majority of which relate to the effects of the new RDEC accounting policy. The normalised run rate range for the business' effective tax rate going forward will be closer to the applicable tax rate, which is currently 25%.

The difference between the applicable rate of tax of 25% and the effective rate in FY26 is largely due to the following:

- Adjustments in respect of prior periods (increasing the effective rate by 12%);
- Overseas tax (increasing the effective rate by 4%);
- Timing differences not recognised in the computation (increasing the effective rate by 3%); and
- Other differences, such as disallowable expenses, and deferred tax charged to equity (decreasing the effective rate by 3%).

Earnings per share

Basic earnings per share was 0.83 pence in the year (FY25: 0.38 pence) and diluted earnings per share was 0.80 pence (FY25: 0.36 pence), with the increases in both metrics reflecting the improved profitability in the year.

Cashflows

The Group experienced a cash outflow of £1.6m in the year (FY25: £1.0m outflow) with the improved trading performance being offset by timing of trade receivables receipts at the end of the year, due to the increased trading in Q4 and the timing of shipments towards the year end.

Net cash from operating activities was £5.6m (FY25: 4.4m) reflecting the increased trading levels in the year, lower working capital movements compared to the prior year and an increase in R&D tax credits received in the year.

Working capital in the year increased by £1.1m (FY25: £1.8m increase) driven predominantly by increases in trade receivables in the period as a result of the increased volume of orders and timing of shipments towards the year end.

Cash used in investing activities is principally spent on R&D activities, which is capitalised and amortised over five years. Investment in R&D in the year was £6.4m (FY25: £4.8m). During the year, the Company took the decision to secure early access to new silicon technology to enable the timely development of our next-generation 1.6Tb/s Lab Sync solution and £0.8m of the increase in R&D investment spend in the year can be attributed to this. Other increases are resulted from inflationary increases in salary costs across the R&D staff base and slightly higher equipment purchases in H2 as the Paragon 1.6Tb/s project commenced.

There is no debt on the balance sheet, leading to no borrowings related cashflows in the current or prior periods. Closing cash at 31 March 2026 was £9.3m (31 March 2025: £10.9m). The closing cash balance on 21 May was £11.2m after a large proportion of year end trade receivables were collected after the reporting date.

Dividend

The directors are proposing a final dividend with respect to the financial year ended 31 March 2026 of 0.68p per share. The final dividend will be proposed for approval at the Annual General Meeting in September 2026 and, if approved, will be paid on 8 September 2026 to all shareholders on the register as at close of business on 14 August 2026, the record date. The ex-dividend date will be 13 August 2026.

Ashleigh Greenan

Chief Financial Officer

22 May 2026

Consolidated Statement of Comprehensive Income

		31 March 2026 £'000	31 March 2025 £'000
	Note		
Revenue	4,5	21,875	18,386
Cost of sales		(5,291)	(4,623)
Gross profit		<u>16,584</u>	<u>13,763</u>
Other income	6	962	913
Administrative expenses		(16,497)	(14,239)
Operating profit	7	<u>1,049</u>	<u>437</u>
Interest received		265	320
Finance costs	10	(70)	(37)
Profit before taxation		<u>1,244</u>	<u>720</u>
Taxation	11	(516)	(383)
Profit and total comprehensive income for the year		<u><u>728</u></u>	<u><u>337</u></u>
Basic earnings per share	27	0.83	0.38
Diluted earnings per share	27	0.80	0.36

Consolidated and Company Statement of Financial Position

	Note	<i>Group</i>		<i>Company</i>	
		<i>*Restated</i>		<i>*Restated</i>	
		31 March 2026 £'000	31 March 2025 £'000	31 March 2026 £'000	31 March 2025 £'000
Non-current assets					
Intangible assets	12	13,699	12,255	13,446	11,750
Goodwill	13	2,000	2,000	-	-
Plant and equipment	14	133	187	133	187
Right-of-use assets	19	843	1,115	843	1,115
Deferred tax asset	20	711	591	711	591
		<u>17,386</u>	<u>16,148</u>	<u>15,133</u>	<u>13,643</u>
Current assets					
Inventories	15	5,445	5,358	5,445	5,358
Trade and other receivables	16	8,734	5,669	8,755	5,843
Corporation tax receivable		882	684	914	713
Cash and cash equivalents	17	9,306	10,912	9,225	10,757
		<u>24,367</u>	<u>22,623</u>	<u>24,339</u>	<u>22,671</u>
Total assets		<u>41,753</u>	<u>38,771</u>	<u>39,472</u>	<u>36,314</u>
Current liabilities					
Trade and other payables	18	8,413	5,895	8,388	5,866
Lease liabilities	19	301	289	301	289
		<u>8,714</u>	<u>6,184</u>	<u>8,689</u>	<u>6,155</u>
Non-current liabilities					
Trade and other payables	18	2,158	2,148	2,158	2,148
Lease liabilities	19	627	928	627	928
Deferred tax liabilities	20	3,185	2,940	3,122	2,814
		<u>5,970</u>	<u>6,016</u>	<u>5,907</u>	<u>5,890</u>
Total liabilities		<u>14,684</u>	<u>12,200</u>	<u>14,596</u>	<u>12,045</u>
Net assets		<u>27,069</u>	<u>26,571</u>	<u>24,876</u>	<u>24,269</u>
Equity					
Share capital	26	110	110	110	110
Share premium		7,719	7,671	7,719	7,671
Share option reserve	24	2,304	1,764	2,304	1,764
Retained earnings		16,936	17,026	14,743	14,724
Total equity		<u>27,069</u>	<u>26,571</u>	<u>24,876</u>	<u>24,269</u>

The profit for the financial year of the parent company is £837,066 (2025: £527,721). As provided for by section 408 of the Companies Act 2006, no income statement is presented in respect of the parent company.

The accounts were approved by the Board of Directors and authorised for issue on 22 May 2026. The accounts are signed on their behalf by:

.....
Ashleigh Greenan
Director

**Prior year comparatives have been restated as a result of a change in accounting policy. Please refer to note 31 for details.*

Consolidated Statement of Changes in Equity

	Share capital £'000	Share premium £'000	Share option reserve £'000	Retained earnings £'000	Total equity £'000
Balance at 31 March 2024 as previously stated	109	7,511	1,414	18,304	27,338
Impact of change in RDEC accounting policy (note 31)	-	-	-	(873)	(873)
Balance as 1 April 2024 as restated	109	7,511	1,414	17,431	26,465
<i>Transactions with owner in their capacity as owners</i>					
Share options exercised	1	160	(72)	72	161
Share options	-	-	422	-	422
Dividends paid	-	-	-	(814)	(814)
Total transactions with owner in their capacity as owners	1	160	350	(742)	(231)
Total comprehensive income for the year	-	-	-	337	337
Balance at 31 March 2025 as restated	110	7,671	1,764	17,026	26,571
<i>Transactions with owner in their capacity as owners</i>					
Share options exercised	-	48	-	-	48
Share options	-	-	540	-	540
Dividends paid	-	-	-	(818)	(818)
Total transactions with owner in their capacity as owners	-	48	540	(818)	(230)
Total comprehensive income for the year	-	-	-	728	728
Balance at 31 March 2026	110	7,719	2,304	16,936	27,069

Company Statement of Changes in Equity

	Share capital £'000	Share premium £'000	Share option reserve £'000	Retained earnings £'000	Total equity £'000
Balance at 31 March 2024 as previously stated	109	7,511	1,414	15,811	24,845
Impact of change in RDEC accounting policy (note 31)	-	-	-	(873)	(873)
Balance as 1 April 2024 as restated	109	7,511	1,414	14,938	23,972
<i>Transactions with owner in their capacity as owners</i>					
Share options exercised	1	160	(72)	72	161
Share options	-	-	422	-	422
Dividends paid	-	-	-	(814)	(814)
Total transactions with owner in their capacity as owners	1	160	350	(742)	(231)
Total comprehensive income for the year	-	-	-	528	528
Balance at 31 March 2025	110	7,671	1,764	14,724	24,269
<i>Transactions with owner in their capacity as owners</i>					
Share options exercised	-	48	-	-	48
Share options	-	-	540	-	540
Dividends paid	-	-	-	(818)	(818)
Total transactions with owner in their capacity as owners	-	48	540	(818)	(230)
Total comprehensive income for the year	-	-	-	837	837
Balance at 31 March 2026	110	7,719	2,304	14,743	24,876

Consolidated and Company Cash Flow Statement

	Group		Company	
	31 March	31 March	31 March	31 March
	2026	2025	2026	2025
	£'000	£'000	£'000	£'000
Cashflows from operating activities				
Profit before tax from continuing operations	1,244	720	1,367	868
Adjusted for:				
Finance costs	10	70	70	37
Interest received		(265)	(265)	(320)
Government grant income	6	(173)	(173)	(200)
R&D tax credit income	6	(789)	(789)	(713)
Share-based payment transactions	23	551	551	432
Depreciation	14	158	158	182
Amortisation	12,19	5,191	4,939	4,535
Impairment of intangibles		-	-	167
Movement in inventories	15	44	44	(405)
Movement in obsolescence provision	15	(131)	(131)	421
Movement in trade and other receivables		(3,062)	(2,913)	(2,272)
Movement in trade and other payables		2,090	2,097	548
Cash generated from operations		4,928	4,955	3,280
Movement in provisions		-	-	(15)
Corporation & foreign tax payments		(75)	(28)	713
R&D tax credit refunds received		698	698	435
Net cash from operating activities		5,551	5,625	4,413
Investing activities				
Purchase of intangible assets	12	(6,362)	(6,362)	(4,864)
Purchase of property and equipment	14	(104)	(104)	(28)
Government grant income		173	173	200
Interest received		265	265	320
Net cash used in investing activities		(6,028)	(6,028)	(4,372)
Financing activities				
Payment of lease obligations	19	(359)	(359)	(314)
Dividends paid	30	(818)	(818)	(814)
Share options proceeds		48	48	161
Net cash used in financing activities		(1,129)	(1,129)	(967)
Net decrease in cash and cash equivalents		(1,606)	(1,532)	(926)
Cash and cash equivalents at beginning of the year		10,912	10,757	11,683
Cash and cash equivalents at end of the year	17	9,306	9,225	10,757

Notes to the financial statements

1. General information

Calnex Solutions plc ("the Company") is a public limited company, limited by shares, domiciled and incorporated in Scotland. The registered office is Oracle Campus, Linlithgow, West Lothian, EH49 7LR.

The Company (together with its subsidiary, the "Group") was under the control of the directors throughout the period covered in the financial statements. The list of the subsidiaries consolidated in the financial statements is shown in Note 25.

The principal activity of the Group is the design, production and marketing of test instrumentation and solutions for network synchronisation and network emulation, enabling its customers to validate the performance of critical infrastructure associated with telecoms networks, enterprise networks and data centres.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 22 May 2026. The directors have the power to amend and reissue the financial statements.

2. Basis of preparation

(a) Statement of compliance

The financial reporting framework that has been applied in their preparation is applicable law and UK-adopted International Accounting Standards and, as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

The financial information does not include all information required for full annual financial statements and therefore does not constitute statutory accounts within the meaning of section 435(1) and (2) of the Companies Act 2006 or contain sufficient information to comply with the disclosure requirements of UK-adopted International Accounting Standards. These should be read in conjunction with the Financial Statements of the Company for the year ended 31 March 2026 which were approved by the Board of Directors on 22 May 2026. The report of the auditors for the year ended 31 March 2026 was (i) unqualified, (ii) did not include a reference to any matters to which the auditors drew attention by way of emphasis without qualifying their report, and (iii) did not contain a statement under section 498 (2) or (3) of the Companies Act 2006.

(b) Basis of accounting

The financial statements have been prepared under the historical cost convention, except for certain financial assets and liabilities including financial instruments, which are stated at their fair values.

The preparation of the financial statements in conformity with UK-adopted IAS requires the directors to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expense. The estimates and judgements 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 judgements about carrying amounts of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented.

(c) Functional and presentation currency

The financial statements are presented in pounds Sterling, which is the functional and presentation currency of the Group. Results in these financial statements have been prepared to the nearest thousand.

(d) Basis of consolidation

The consolidated financial statements incorporate those of Calnex Solutions plc, and all its subsidiaries. A subsidiary is an entity controlled by the Group, i.e. the Group is exposed to, or has the rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its current ability to direct the entity's relevant activities (power over the investee). All intra-Group transactions, balances, and unrealised gains on transactions between Group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. The total comprehensive income, assets and liabilities of the entities are amended, where necessary, to align the accounting policies.

The Group applies the acquisition method to account for all acquired businesses, whereby the identifiable assets acquired and the liabilities assumed are measured at their acquisition date fair values (with a few exceptions as required by IFRS 3 Business Combinations).

The cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities is recognised as goodwill.

The acquisition of assets that falls outside the scope of IFRS 3 are accounted for by bringing the assets and liabilities of the acquired entity into the financial statements at their nominal value from the date of acquisition. Comparative information is not restated.

2. Basis of preparation (continued)

(e) Going Concern

The financial information for the year to 31 March 2026 has been prepared on the basis that the Group and the Company will continue as a going concern.

The Board has approved financial forecasts for the current and succeeding financial years to 31 March 2028. Based on this review, along with regular oversight of the Group's risk management framework the Board has concluded that the Group will continue to trade as a going concern.

3 Significant accounting policies

(a) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of sales related taxes and discounts and is recognised at the point in time when the relevant performance obligation is satisfied.

Where revenue contracts have multiple elements, all aspects of the transaction are considered to determine whether these elements can be separately identified. Where transaction elements can be separately identified and revenue can be allocated between them on a fair and reliable basis, revenue for each element is accounted for according to the relevant policy below.

The Group recognises revenue from the following major sources:

Hardware & software revenue

Revenue from the sale of bundled hardware and software, is recognised when the Group transfers the risk and rewards to the customer, and the bundled product is delivered to the customer. Each unit sale comes with a standard warranty period during which the Group agrees to provide warranty cover, maintenance cover and software upgrade cover in the event of any software upgrades being released. This is recognised as a separately identifiable obligation from the provision of the hardware and is recognised over the life of the cover provided, being a year.

For the sale of stand-alone software, the licence period and therefore the revenue recognition, is upon delivery.

Extended warranty programme

The Group enters into agreements with purchasers of its equipment to perform necessary repairs falling outside the Group's standard warranty period. As this service involves an indeterminate number of acts, the Group is required to 'stand ready' to perform whenever a request falling within the scope of the program is made by a customer. Revenue is recognised on a straight-line basis over the term of the contract.

This method best depicts the transfer of services to the customer as:

- i) The Group's historical experience demonstrates no statistically significant variation in the quantum of services provided in each year of a multi-year contract; and
- ii) no reliable prediction can be made as to if and when any individual customer will require service.

3. Significant accounting policies (continued)

Software support programme

The Group enters into agreements with purchasers of its equipment to provide software support and access to future software updates. Revenue is recognised on a straight-line basis over the term of the contract.

Grant income

The Group has obtained grant funding from the Scottish Government in prior years in the form of reimbursement for research and development costs eligible for reclaim under the grant agreement. Costs were incurred before they were reclaimed under the grant agreement and revenue only recognised after receipt of the funds from the government. Grant funds received are recognised over five years, in line with the amortisation policy on capitalised research and development costs.

(b) Retirement benefit costs

Payments to defined contribution schemes are charged to the Statement of Comprehensive Income as an expense as they fall due.

(c) Share-based payments

Equity-settled and cash settled share-based compensation benefits are provided to some employees. Equity-settled transactions are awards of shares, or options over shares that are provided to employees in exchange for the rendering of services.

The cost of equity-settled transactions is measured at fair value on grant date. Fair value is independently determined using the Black-Scholes option pricing model, or a Monte-Carlo analysis that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the Group receives the services that entitle the employees to receive payment. There are no other vesting conditions.

The cost of equity-settled transactions is recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

The cost of cash-settled transactions is initially, and at each reporting date until vested, determined by applying the Black-Scholes option pricing model, taking into consideration the terms and conditions on which the award was granted. The cumulative charge to profit or loss until settlement of the liability is calculated as follows:

- during the vesting period, the liability at each reporting date is the fair value of the award at that date multiplied by the expired portion of the vesting period.
- from the end of the vesting period until settlement of the award, the liability is the full fair value of the liability at the reporting date.

All changes in the liability are recognised in profit or loss. The ultimate cost of cash-settled transactions is the cash paid to settle the liability.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the Group or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the Group or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled, or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when the relevant requirements of IAS 12 are satisfied.

3. Significant accounting policies (continued)

(d) Taxation

The tax expense represents the sum of the current tax and deferred tax charge for the year. The tax currently payable is based on taxable profit for the year. The Group's liability for current tax is calculated using the tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is measured on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases, as used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of financial assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

(e) Intangible assets

Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost. Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

Research costs are expensed in the period in which they are incurred. Development costs are capitalised when it is probable that the project will be a success considering its commercial and technical feasibility; the Group is able to use or sell the asset; the Group has sufficient resources and intent to complete the development; and its costs can be measured reliably. Capitalised development costs are amortised on a straight-line basis over the period of their expected benefit, being their finite life of 5 years.

Significant costs associated with patents and trademarks are deferred and amortised on a straight-line basis over the period of their expected benefit, being their finite life of 10 years. Amortisation is charged to administrative expenses in the Statement of Comprehensive Income.

Goodwill and other intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

(f) Financial assets

Where there is no publicly quoted market value, other investments, including subsidiaries, are shown at cost less provisions for impairment.

(g) Plant and equipment

Plant and equipment are shown at cost, net of depreciation and any provision for impairment. Depreciation is provided on all property, plant and equipment at varying rates calculated to write off cost less residual value over the useful lives. Depreciation is charged to administrative expenses in the Statement of Comprehensive Income. The principal rates employed are:

Plant and machinery	25-33% straight line
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The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate these values may not be recoverable. If there is an indication that impairment does exist, the carrying values are compared to the estimated recoverable amounts of the assets concerned.

The recoverable amount is the greater of an asset's value in use and its fair value less the cost of selling it. Value in use is calculated by discounting the future cash flows expected to be derived from the asset. Where the carrying value of an asset exceeds its recoverable amount, the asset is considered impaired and is written down through the income statement to its recoverable amount.

An item of property, plant and equipment is written off either on disposal or when there is no expected future economic benefit from its continued use. Any gain or loss (calculated as the difference between the net disposal proceeds and the carrying value of the asset) is included in the income statement in the year.

(h) Right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Group expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any re-measurement of lease liabilities.

(i) Inventories

Inventories are valued at the lower of cost and net realisable value. In determining the cost of raw materials, consumables and goods for resale, the average purchase price is used. For work in progress and finished goods, cost is taken as production cost which includes an appropriate proportion of overheads.

Inventories are assessed for indicators of impairment at each year end and where a provision is required the income statement is charged directly.

(j) Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses.

The simplified approach to measuring expected credit losses has been applied, this uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

(k) Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of 95 days or less.

(l) Trade and other payables

Trade payables are non-interest-bearing and are measured at amortised cost.

(m) Financial liabilities

Financial liabilities are recognised on the Group's Statement of financial position when the Group becomes a party to the contractual provisions of that instrument.

(n) Lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. The lease term is the non-cancellable period of the lease plus extension periods that the group is reasonably certain to exercise and termination periods that the group is reasonably certain not to exercise. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are re-measured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is re-measured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

The Group has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

(o) Foreign currency

In preparing the financial statements, transactions in currencies other than pounds sterling are recorded at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to sterling at the foreign exchange rate ruling at that date. Exchange differences arising on translation are recognised in the consolidated Statement of comprehensive income for the period.

Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated at the rates prevailing at the dates when the fair value was determined. Non-monetary assets and liabilities that are measured at historical cost in a foreign currency (e.g. property, plant and equipment purchased in a foreign currency) are translated using the exchange rate prevailing at the date of the transaction. Exchange differences arising on the translation of net assets are affected through the Statement of Comprehensive Income.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated at exchange rates prevailing on the balance sheet date. Income and expense items are translated at the average exchange rates for the period and recognised in the Statement of Comprehensive Income.

(p) Dividends

Dividends are recognised when declared during the financial year. The declaration of dividends is at the discretion of the directors.

(q) Value Added Tax

Revenues, expenses and assets are recognised net of the amount of associated VAT, unless the VAT incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of VAT receivable or payable. The net amount of VAT recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Commitments and contingencies are disclosed net of the amount of VAT recoverable from, or payable to, the tax authority.

(r) Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to the shareholders, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

(s) Research and Development Expenditure Credit (RDEC)

The Company claims Research and Development Expenditure Credits (RDEC) in respect of qualifying research and development expenditure. Management has determined that RDEC is appropriately accounted for as a government grant in accordance with IAS 20 Accounting for Government Grants and Disclosure of Government Assistance, as the credit represents government assistance provided in respect of qualifying R&D activity.

RDEC is recognised when there is reasonable assurance that the Company will comply with the conditions attaching to the credit and that the credit will be received. Amounts recognised are initially recorded as deferred income and subsequently recognised in profit or loss on a systematic basis over the periods in which the related R&D expenditure is recognised as an expense. Where development expenditure is capitalised in accordance with IAS 38 Intangible Assets, the related RDEC is recognised in profit or loss over the same period as the amortisation of the associated intangible asset.

RDEC income is presented within other operating income in the income statement and is not included within the income tax expense.

(t) Critical judgements in applying the Groups accounting estimates

In the process of applying the Group's accounting policies, the directors have made the following estimates that have the most significant effect on the amounts recognised in the financial statements.

Share-based payment transactions

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using the Black-Scholes model or a Monte-Carlo analysis taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

(u) Critical judgements in applying the Groups accounting estimates

Useful lives

The Group uses forecast cash flow information and estimates of future growth to assess whether goodwill and other intangible fixed assets are impaired, and to determine the useful economic lives of its intangible assets. If the results of operations in a future period are adverse to the estimates used a reduction in useful economic life may be required.

Intangible assets

Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost. Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period. Research costs are expensed in the period in which they are incurred. Development costs are capitalised when it is probable that the project will be a success considering its commercial and technical feasibility; the Group is able to use or sell the asset; the Group has sufficient resources and intent to complete the development; and its costs can be measured reliably. Capitalised development costs are amortised on a straight-line basis over the period of their expected benefit, being their finite life of 5 years.

Significant costs associated with patents and trademarks are deferred and amortised on a straight-line basis over the period of their expected benefit, being their finite life of 10 years. Amortisation is charged to administrative expenses in the Statement of Comprehensive Income.

Goodwill and other intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

(v) New accounting standards

There have been no applicable new standards, amendments to standards and interpretations effective from 1 April 2025 that have been applied by the Group which have or are expected to result in a significant impact on its consolidated results or financial position.

The following new standards and amendments will be relevant to the Group, however have not been applied in these accounts:

- Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7 (effective date 1 January 2026).
- IFRS 18 Presentation and Disclosure in Financial Statements (effective date 1 January 2027).

The adoption of the IFRS 9 and IFRS 7 new standards and amendments are not expected to have a material effect on the accounts, the impact of the IFRS 18 is currently being evaluated.

4 Operating Segments

Operating segments are based on the internal reports that are reviewed and used by the Board (who are identified as the Chief Operating Decision Makers) in assessing performance and determining the allocation of resources. As the Group has a central cost structure and a central pool of assets and liabilities, the Board does not consider segmentation in their review of costs or the statement of financial position. The only operating segment information reviewed, and therefore disclosed, are the revenues derived from different geographies.

	31 March 2026 £'000	31 March 2025 £'000
Americas	6,689	7,258
North Asia	3,617	3,333
Rest of World	11,569	7,795
Total revenue	<u>21,875</u>	<u>18,386</u>

5 Revenue

	31 March 2026 £'000	31 March 2025 £'000
Sale of goods – recognised on transfer of ownership	18,130	14,516
Rendering of services – recognised over life of contract	<u>3,745</u>	<u>3,870</u>
Total revenue	<u>21,875</u>	<u>18,386</u>
Reconciliation of unearned income on software and warranty contracts.		
Unearned proportion of software and warranty contracts: balance brought forward	4,510	4,556
Amounts invoiced in year	3,175	3,824
Revenue recognised on rendering of services	<u>(3,745)</u>	<u>(3,870)</u>
Unearned proportion of software and warranty contracts: balance carried forward.	<u>3,940</u>	<u>4,510</u>

For the year ended 31 March 2026, one customer accounted for 22% of the Groups revenue (2025: 17%)

6 Other income

	31 March 2026 £'000	31 March 2025 £'000
Government grant income	173	200
RDEC tax credit	<u>789</u>	<u>713</u>
	<u>962</u>	<u>913</u>

During the year, the Group changed its accounting policy in respect of Research and Development Expenditure Credits (“RDEC”) full details can be found in note 31.

The impact of the change to other income was to reduce the current year recognised RDEC tax credit from £1.2m to £0.8m. The £0.4m unrecognised RDEC tax credit has been included in the RDEC credit balance within Trade & other payables.

A reconciliation of the RDEC remaining to be realised is included below.

	31 March 2026 £'000	31 March 2025 £'000
RDEC deferred revenue		
RDEC deferred credit brought forward	1,165	1,165
RDEC credit deferred	1,219	713
RDEC credit released	<u>(789)</u>	<u>(713)</u>
RDEC deferred credit carried forward	<u>1,595</u>	<u>1,165</u>
RDEC deferred credit to be recognised within 1 year	551	428
RDEC deferred credit to be recognised between 1-2 years	474	336
RDEC deferred credit to be recognised between 2-5 years	<u>570</u>	<u>401</u>
	<u>1,595</u>	<u>1,165</u>

7 Material operating profit items

	31 March 2026 £'000	31 March 2025 £'000
Operating profit for the year is stated after charging/(crediting):		
Equity settled share-based payments	546	445
Inventory recognised as an expense	3,993	3,186
Non R&D depreciation and amortisation	707	714
Amortisation of R&D asset	<u>4,642</u>	<u>4,271</u>
Auditor's remuneration		
Fees payable to the Group's auditor and its associates for the audit of the Group's annual accounts	<u>57</u>	<u>53</u>
Total fees payable for audit services	<u>57</u>	<u>53</u>

No fees were payable to the Group's auditor and its associates for other services.

8 Employee benefits costs

	<i>Group</i>		<i>Company</i>	
	31 March 2026	31 March 2025	31 March 2026	31 March 2025
Development staff	80	78	80	78
Administrative staff	78	73	65	62
Management staff	<u>11</u>	<u>11</u>	<u>11</u>	<u>11</u>
	<u>169</u>	<u>162</u>	<u>156</u>	<u>151</u>

	<i>Group</i>		<i>Company</i>	
	31 March 2026	31 March 2025	31 March 2026	31 March 2025
Wages and salaries	11,090	9,269	9,395	7,821
Social security costs	1,093	833	1,093	833
Defined contribution pension	389	351	389	351
Share incentive scheme	179	142	179	142
Equity-settled share-based payment	546	445	546	445
Cash-settled share-based payment	<u>5</u>	<u>(13)</u>	<u>5</u>	<u>(13)</u>
	<u>13,302</u>	<u>11,027</u>	<u>11,607</u>	<u>9,579</u>
Total gross wages and salaries capitalised	<u>5,125</u>	<u>4,677</u>	<u>5,125</u>	<u>4,677</u>

9 Key management personnel emoluments

	Group and company	
	31 March	31 March
	2026	2025
	£'000	£'000
Wages and salaries	784	535
Social security costs	72	61
Defined contribution pension	9	8
Equity-settled share-based payment	88	61
	<u>953</u>	<u>665</u>
The number of directors who accrued benefits under the company pension plans:		
Defined contribution plans	<u>1</u>	<u>1</u>
Remuneration of the highest paid director in respect of qualifying services:		
Aggregate remuneration	<u>309</u>	<u>171</u>

Key management refers to the directors of the Group.

10 Finance costs

	31 March	31 March
	2026	2025
	£'000	£'000
Interest expense on lease liabilities	<u>70</u>	<u>37</u>

11 Taxation

	31 March 2026 £'000	31 March 2025 £'000
Current taxation		
UK corporation tax on profits for the year	278	160
Foreign current tax expense	55	30
Adjustments relating to prior years	39	(794)
	<u>372</u>	<u>(604)</u>
Deferred taxation		
Origination and reversal of temporary differences	33	27
Adjustments relating to prior periods	111	960
	<u>144</u>	<u>987</u>
Total taxation charge	<u>516</u>	<u>383</u>
	31 March 2026 £'000	31 March 2025 £'000
Profit before tax for the year	<u>1,244</u>	<u>720</u>
Tax thereon at 25% (2025 25%)	311	180
Effects of:		
Items disallowable for tax purposes	(97)	(63)
Adjustments in respect of prior periods – current tax	39	(872)
Adjustments in respect of prior periods - deferred tax	111	960
R&D credit	72	59
Timing differences not recognised in the computation	32	64
Deferred tax (charged)/credited directly to equity	(7)	(23)
Overseas tax	55	78
Taxation charge	<u>516</u>	<u>383</u>

12 Intangible assets

Included within intangible assets are the following significant items:

- Acquired intellectual property from business combinations, cost of patent applications and on-going patent maintenance fees.
- Capitalised internal development costs representing expenditure relating to technological advancements on the core product base of the Group. These costs meet the requirement of IAS 38 (Intangible Assets) and will be amortised over the future commercial life of the related product. Amortisation is charged to administrative expenses.

	Intellectual property £'000	Development Costs £'000	Group Total £'000
Cost			
At 1 April 2024	3,545	34,260	37,805
Additions	28	4,836	4,864
Disposals	(14)	(2,343)	(2,357)
Impairments	-	(229)	(229)
At 31 March 2025	<u>3,559</u>	<u>36,524</u>	<u>40,083</u>
Amortisation			
At 1 April 2024	2,756	22,939	25,695
Charge for the year	281	4,271	4,552
Eliminated on disposal	(14)	(2,343)	(2,357)
Impairments	-	(62)	(62)
At 31 March 2025	<u>3,023</u>	<u>24,805</u>	<u>27,828</u>
Net book value			
31 March 2024	<u>789</u>	<u>11,321</u>	<u>12,110</u>
31 March 2025	<u>536</u>	<u>11,719</u>	<u>12,255</u>
	Intellectual property £'000	Development Costs £'000	Company Total £'000
Cost			
At 1 April 2024	2,237	34,260	36,497
Additions	28	4,836	4,864
Disposals	(14)	(2,343)	(2,357)
Impairments	-	(229)	(229)
At 31 March 2025	<u>2,251</u>	<u>36,524</u>	<u>38,775</u>
Amortisation			
At 1 April 2024	2,221	22,939	25,160
Charge for the year	13	4,271	4,284
Eliminated on disposal	(14)	(2,343)	(2,357)
Impairments	-	(62)	(62)
At 31 March 2025	<u>2,220</u>	<u>24,805</u>	<u>27,025</u>
Net book value			
31 March 2024	<u>16</u>	<u>11,321</u>	<u>11,337</u>
31 March 2025	<u>31</u>	<u>11,719</u>	<u>11,750</u>

12 Intangible assets (continued)

	Intellectual property £'000	Development Costs £'000	Group Total £'000
Cost			
At 1 April 2025	3,559	36,524	40,083
Additions	19	6,343	6,362
Disposals	-	(2,889)	(2,889)
At 31 March 2026	<u>3,578</u>	<u>39,978</u>	<u>43,556</u>
Amortisation			
At 1 April 2025	3,023	24,805	27,828
Charge for the year	276	4,642	4,918
Eliminated on disposal	-	(2,889)	(2,889)
At 31 March 2026	<u>3,299</u>	<u>26,558</u>	<u>29,857</u>
Net book value			
31 March 2025	<u>536</u>	<u>11,719</u>	<u>12,255</u>
31 March 2026	<u>279</u>	<u>13,420</u>	<u>13,699</u>

	Intellectual property £'000	Development Costs £'000	Company Total £'000
Cost			
At 1 April 2025	2,251	36,524	38,775
Additions	19	6,343	6,362
Disposals	-	(2,889)	(2,889)
At 31 March 2026	<u>2,270</u>	<u>39,978</u>	<u>42,248</u>
Amortisation			
At 1 April 2025	2,220	24,805	27,025
Charge for the year	24	4,642	4,666
Eliminated on disposal	-	(2,889)	(2,889)
At 31 March 2026	<u>2,244</u>	<u>26,558</u>	<u>28,802</u>
Net book value			
31 March 2025	<u>31</u>	<u>11,719</u>	<u>11,750</u>
31 March 2026	<u>26</u>	<u>13,420</u>	<u>13,446</u>

During the year, a review of the carried development costs brought forward has resulted in a disposal of £2,888,762 (2025: £2,342,833), and elimination of amortisation of £2,888,762 (2024: £2,342,833) resulting in a net book value impact of £nil (2025: £nil). This reflects removal of aged spend on product features that are now considered to be superseded by current product developments.

Following the impairment review of the R&D development costs, no R&D assets were impaired.

In the prior period, capitalised R&D of £229,321 with accompanying amortisation of £61,917 and NBV £167,404 was fully impaired and removed from the intangible asset base.

13 Goodwill

The goodwill arising in a business combination is allocated, at acquisition, to the cash generating units that are expected to benefit from the business combination. The Board consider the Group to consist of a single cash generating unit, reflective of not only the manner in which the Board (who operate as the Chief Operating Decision Makers) assess and review performance and resource allocation of the group, but also the centralised cost structure and pooled assets and liabilities which are critical to revenue generation across all platforms. The determination of a single cash generating unit within the group therefore reflects accurately the way the Group manages its operations and with which goodwill would naturally be associated.

	Group £'000
Cost	
As at 31 March 2024	<u>2,000</u>
As at 31 March 2025	<u>2,000</u>
As at 31 March 2026	<u>2,000</u>

The Group test goodwill for impairment annually, or more frequently if there are indications that the goodwill has been impaired. Goodwill is tested for impairment by comparing the carrying amount of the cash generating unit, including goodwill, with the recoverable amount. The recoverable amounts are determined based on value-in-use calculations which require assumptions. The calculations use cashflow projections based on financial budgets approved by the Board covering a two year period, together with management forecasts for a further three year period. These budgets and forecasts have regard to historical financial performance and knowledge of the current market, together with the Group's views on the future achievable growth and the impact of committed cashflows. Cashflows beyond this are extrapolated using estimated growth rates.

Key assumptions used in the value in use calculation:

- The terminal cash flows are extrapolated in perpetuity using a growth rate of 2%, (2025: 2%) which has been based on management judgement reflecting sector and industry experience. This is not considered to be higher than the average long-term industry growth rate.
- The discount rate is based on the weighted average cost of capital (WACC) of 12.7% (2025: 12.7%), which would be anticipated for a market participant investing in the Group. WACC was tested for materiality based on movement of up to +/- 1.5% and there remained no indications of impairment.

Management has performed sensitivity analysis on the key assumptions both with other variables held constant and with the other variables simultaneously changed. Management has concluded that there are no reasonable changes in the key assumptions that would cause the carrying amount of goodwill to exceed the value in use for the cash generating unit.

No evidence of impairment was found at the balance sheet date.

14 Plant and equipment

The Group annually reviews the carrying value of tangible fixed assets taking recognition of the expected working lives of the plant and equipment available to the Group and known requirements. Depreciation is charged to administrative expenses.

	Group Plant and equipment Total £'000	Company Plant and equipment Total £'000
Cost		
At 1 April 2024	676	676
Additions	28	28
Disposals	(4)	(4)
At 31 March 2025	<u>700</u>	<u>700</u>
Depreciation		
At 1 April 2024	335	335
Charge for the year	182	182
Eliminated on disposal	(4)	(4)
At 31 March 2025	<u>513</u>	<u>513</u>
Net book value		
31 March 2024	<u>341</u>	<u>341</u>
31 March 2025	<u>187</u>	<u>187</u>
	Group Plant and equipment Total £'000	Company Plant and equipment Total £'000
Cost		
At 1 April 2025	700	700
Additions	104	104
Disposals	(61)	(61)
At 31 March 2026	<u>743</u>	<u>743</u>
Depreciation		
At 1 April 2025	513	513
Charge for the year	158	158
Eliminated on disposal	(61)	(61)
At 31 March 2026	<u>610</u>	<u>610</u>
Net book value		
31 March 2025	<u>187</u>	<u>187</u>
31 March 2026	<u>133</u>	<u>133</u>

15 Inventories

	<i>Group</i>		<i>Company</i>	
	31 March	31 March	31 March	31 March
	2026	2025	2026	2025
	£'000	£'000	£'000	£'000
Finished goods	6,237	6,281	6,237	6,281
Provision for obsolescence	(792)	(923)	(792)	(923)
	<u>5,445</u>	<u>5,358</u>	<u>5,445</u>	<u>5,358</u>
Cost of inventories recognised as an expense	<u>3,993</u>	<u>3,186</u>	<u>3,993</u>	<u>3,186</u>

Group inventories reflect the following movement in provision for obsolescence:

At start of the financial year	923	502	923	502
Utilised	(131)	-	(131)	-
Provided	-	421	-	421
At end of the financial year	<u>792</u>	<u>923</u>	<u>792</u>	<u>923</u>

16 Trade and other receivables

	<i>Group</i>		<i>Company</i>	
	31 March	31 March	31 March	31 March
	2026	2025	2026	2025
	£'000	£'000	£'000	£'000
<i>Amounts due within one year</i>				
Trade receivables	7,656	5,313	7,656	5,314
Other receivables	470	-	470	-
Amounts owed by group companies	-	-	22	173
Prepayments and accrued income	608	356	607	356
	<u>8,734</u>	<u>5,669</u>	<u>8,755</u>	<u>5,843</u>

Trade receivables are consistent with trading levels across the Group and are also affected by exchange rate fluctuations.

No interest is charged on the trade receivables. The Group has reviewed for estimated irrecoverable amounts in accordance with its accounting policy.

The Group's credit risk is primarily attributable to its trade and other receivables. Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on customers as appropriate to the level of credit extended. In addition, credit insurance would be sought for major areas of exposure, although this has not been required in the year under review.

The Group reviews trade receivables past due but not impaired on a regular basis and considers, based on experience, that the credit quality of these amounts at the balance sheet date has not deteriorated since the date of the transaction.

Included in the Group's trade receivables balance are debtors with a carrying amount of £1,315,356 (2025: £1,383,956), which are past due at the reporting date but for which the Group has not provided against. As there has not been a significant change in credit quality, the Group believes that all amounts remain recoverable.

Ageing of past due but not impaired trade receivables

	<i>Group</i>		<i>Company</i>	
	31 March	31 March	31 March	31 March
	2026	2025	2026	2025
	£'000	£'000	£'000	£'000
Overdue by				
0-30 days	1,094	1,181	1,094	1,181
30-60 days	24	191	24	191
60+ days	197	12	197	12
	<u>1,315</u>	<u>1,384</u>	<u>1,315</u>	<u>1,384</u>

16 Trade and other receivables

The Directors consider that the carrying amount of trade and other receivables approximates their fair value.

Note 21 includes disclosures relating to the credit risk exposures and analysis relating to the allowance for expected credit losses. The calculated credit risk is £31,100 (2025: £24,739). Due to the immaterial nature of the balance, no provision has been recognised. Whilst trade receivables are elevated at the year end, this reflects timing on the shipment completion of a large contract, rather than an indication of detrimental recovery performance.

17 Cash and cash equivalents

Cash and cash equivalent amounts included in the Consolidated Statement of Cashflows comprise the following:

	<i>Group</i>		<i>Company</i>	
	31 March 2026 £'000	31 March 2025 £'000	31 March 2026 £'000	31 March 2025 £'000
Cash at bank	9,306	10,786	9,225	10,631
Cash on short term deposit	-	126	-	126
Total cash and cash equivalents	<u>9,306</u>	<u>10,912</u>	<u>9,225</u>	<u>10,757</u>

Short term cash deposits of £nil (2025: £126,034) are callable on a notice of 95 days.

The directors consider that the carrying value of cash and cash equivalents and short-term investments approximates their fair value. Details of the Group's credit risk management are included in note 21.

18 Trade and other payables

	<i>Group</i>		<i>Company</i>	
	31 March 2026 £'000	*Restated 31 March 2025 £'000	31 March 2026 £'000	*Restated 31 March 2025 £'000
<i>Amounts due within one year</i>				
Trade payables	2,674	987	2,657	969
Other taxes and social security	265	226	265	226
Other payables	111	88	111	88
Accruals	1,832	739	1,825	731
Deferred RDEC credit	552	428	551	428
Deferred income	2,979	3,427	2,979	3,424
	<u>8,413</u>	<u>5,895</u>	<u>8,388</u>	<u>5,866</u>
<i>Amounts due after one year</i>				
Deferred RDEC credit	1,043	737	1,043	737
Deferred income	1,115	1,411	1,115	1,411
	<u>2,158</u>	<u>2,148</u>	<u>2,158</u>	<u>2,148</u>
Total amounts due	<u>10,571</u>	<u>8,043</u>	<u>10,546</u>	<u>8,014</u>

Trade and other payables are consistent with trading levels across the Group but are also affected by exchange rate fluctuations.

Trade payables and accruals principally comprise amounts outstanding for trade purchases and ongoing costs. The Group has financial risk management policies in place to ensure all payables are paid within the agreed credit terms.

The directors consider that the carrying amount of trade and other payables approximates their fair value.

19 Leases

Right of use assets

The Group leases land and buildings for its head office in Linlithgow, Scotland. The current lease was agreed on 1 December 2024 and will run for the 5 year period to 30 November 2029. On 4 March 2022 the Group agreed an additional premises lease for office space in Belfast. This lease has an initial 5 year term and will run until 4 March 2027.

The Group leases IT equipment with contract terms ranging between 1 to 2 years. The Group has recognised right-of use assets and lease liabilities for these leases.

The carrying value of right of use assets, and lease obligations recognised with respect to these leases are shown below:

	Building Lease £'000	IT equipment £'000	Group Total £'000	Company Total £'000
Cost				
At 1 April 2025	1,362	79	1,441	1,441
Additions	-	-	-	-
Disposals	-	-	-	-
At 31 March 2026	<u>1,362</u>	<u>79</u>	<u>1,441</u>	<u>1,441</u>
Amortisation				
At 1 April 2025	247	79	326	326
Charge for the year	272	-	272	272
Eliminated on disposal	-	-	-	-
At 31 March 2026	<u>519</u>	<u>79</u>	<u>598</u>	<u>598</u>
Net book value				
31 March 2025	<u>1,115</u>	<u>-</u>	<u>1,115</u>	<u>1,115</u>
31 March 2026	<u>843</u>	<u>-</u>	<u>843</u>	<u>843</u>
Right-of-use assets				
	31 March 2026 £'000	31 March 2025 £'000	31 March 2026 £'000	31 March 2025 £'000
Balance at 1 April	1,115	287	1,115	287
Additions to right of use assets	-	1,079	-	1,079
Disposals of right of use assets	-	(852)	-	(852)
Amortisation charge for the year	(272)	(251)	(272)	(251)
Amortisation eliminated on disposal	-	852	-	852
Balance at 31 March	<u>843</u>	<u>1,115</u>	<u>843</u>	<u>1,115</u>

19 Leases (continued)

Lease liabilities

	<i>Group</i>		<i>Company</i>	
	31 March 2026 £'000	31 March 2025 £'000	31 March 2026 £'000	31 March 2025 £'000
Balance at 1 April	1,217	415	1,217	415
Acquisition of new leases	-	1,079	-	1,079
Payment of lease liabilities	(359)	(314)	(359)	(314)
Interest expense on lease liabilities	70	37	70	37
Balance at 31 March	<u>928</u>	<u>1,217</u>	<u>928</u>	<u>1,217</u>
Disclosed as				
Current	301	289	301	289
Non-current	627	928	627	928
	<u>928</u>	<u>1,217</u>	<u>928</u>	<u>1,217</u>

Amounts recognised in the income statement

	<i>Group</i>		<i>Company</i>	
	31 March 2026 £'000	31 March 2025 £'000	31 March 2026 £'000	31 March 2025 £'000
Depreciation charge – building lease	272	236	272	236
Depreciation charge – IT equipment	-	15	-	15
Interest on lease liabilities	70	37	70	37
Low value lease rental	222	180	222	180
	<u>222</u>	<u>180</u>	<u>222</u>	<u>180</u>

Amounts recognised in statement of cashflows

	<i>Group</i>		<i>Company</i>	
	31 March 2026 £'000	31 March 2025 £'000	31 March 2026 £'000	31 March 2025 £'000
Total cash outflow for leases	<u>(359)</u>	<u>(314)</u>	<u>(359)</u>	<u>(314)</u>

A maturity analysis of contractual cashflows relating to lease liabilities is included in note 21 (d).

20 Deferred tax

Deferred tax asset

	<i>Group</i>		<i>Company</i>	
	31 March	*Restated	31 March	*Restated
	2026	2025	2026	2025
	£'000	£'000	£'000	£'000
Opening balance	591	1,538	591	1,538
Recognised in statement of comprehensive income	120	(947)	120	(947)
Closing balance	<u>711</u>	<u>591</u>	<u>711</u>	<u>591</u>
Deferred tax assets arise as follows:				
Unused tax losses	205	248	205	248
Deferred RDEC credit	399	292	399	292
Share-based remuneration	80	29	80	29
Other timing differences	27	22	27	22
Total deferred tax asset	<u>711</u>	<u>591</u>	<u>711</u>	<u>591</u>

Deferred tax liability

	<i>Group</i>		<i>Company</i>	
	31 March	31 March	31 March	31 March
	2026	2025	2026	2025
	£'000	£'000	£'000	£'000
Opening liability	2,940	2,877	2,814	2,683
Recognised in statement of comprehensive income	238	41	301	109
Recognised in equity	7	22	7	22
Closing liability	<u>3,185</u>	<u>2,940</u>	<u>3,122</u>	<u>2,814</u>
Deferred tax liabilities arise as follows:				
Deferred tax on acquisition	63	126	-	-
Timing differences on development costs	3,073	2,793	3,073	2,793
Accelerated capital allowances	49	21	49	21
Total deferred tax liability	<u>3,185</u>	<u>2,940</u>	<u>3,122</u>	<u>2,814</u>

21 Financial instruments

The Group's activities expose it to a variety of financial risks: market risk (including foreign currency risk, price risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. When required, the Group uses derivative financial instruments in the form of forward foreign exchange contracts to hedge certain risk exposures. Derivatives are exclusively used for hedging purposes, and not as trading or other speculative instruments. The Group uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, foreign exchange and other price risks and ageing analysis for credit risk.

Capital management

The Board's policy is to maintain a strong capital base so as to cover all liabilities and to maintain the business and to sustain its development. The Board defines capital as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents. In order to maintain or adjust the capital structure, the Group may return capital to shareholders, issue new shares or sell assets to reduce debt.

There were no changes in the Group's approach to capital management during the year.

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

(a) Categories of financial instruments

	<i>Group</i>		<i>Company</i>	
	31 March 2026 £'000	31 March 2025 £'000	31 March 2026 £'000	31 March 2025 £'000
Financial assets (current and non-current) at amortised cost				
Trade and other receivables	7,656	5,313	7,656	5,314
Cash and cash equivalents	<u>9,306</u>	<u>10,912</u>	<u>9,225</u>	<u>10,757</u>
Financial liabilities (current and non-current) at amortised cost				
Lease liabilities	928	1,217	928	1,217
Trade and other payables	<u>4,617</u>	<u>1,815</u>	<u>4,593</u>	<u>1,788</u>

21 Financial instruments (continued)

Financial risk management objectives

The Group's senior management team manage the financial risks relating to the operations of each department. These risks include market risk, credit risk and liquidity risk.

Where appropriate, the Group seeks to minimise the effects of market risks by using financial instruments to mitigate these risk exposures as appropriate. The Group does not enter into or trade in financial instruments for speculative purposes.

(b) Market risks

Foreign currency risk

The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates.

As at 31 March 2026	Sterling £'000	Euro £'000	US Dollar £'000	Total £'000
Trade receivables	278	3,520	3,858	7,656
Lease liabilities	(928)	-	-	(928)
Trade payables	(2,181)	(9)	(484)	(2,674)
Cash and cash equivalents	7,786	187	1,333	9,306
	<u>4,955</u>	<u>3,698</u>	<u>4,707</u>	<u>13,360</u>

Based on this exposure, had Pound Sterling weakened by 5% the Group's profit before tax would have been £420,250 lower. The percentage change is based on management's assessment of reasonable possible fluctuations.

As at 31 March 2025	Sterling £'000	Euro £'000	US Dollar £'000	Total £'000
Trade receivables	286	84	4,943	5,313
Lease liabilities	(1,217)	-	-	(1,217)
Trade payables	(946)	-	(41)	(987)
Cash and cash equivalents	7,490	229	3,193	10,912
	<u>5,613</u>	<u>313</u>	<u>8,095</u>	<u>14,021</u>

Based on this exposure had Pound Sterling weakened by 5% the Group's profit before tax would have been £420,400 lower. The percentage change is based on management's assessment of reasonable possible fluctuations.

Interest rate risk

The Group is not exposed to any significant interest rate risk as borrowings are obtained at fixed rates.

Other market price risk

The Group is not exposed to any other significant market price risks.

21 Financial instruments (continued)

(c) Credit risk management

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's receivables from customers.

The Group's principal financial assets, other than business assets, are trade and other receivables and cash and cash equivalents. These represent the Group's maximum exposure to credit risk in relation to financial assets.

	<i>Group</i>		<i>Company</i>	
	31 March 2026 £'000	31 March 2025 £'000	31 March 2026 £'000	31 March 2025 £'000
Trade and other receivables	7,656	5,313	7,656	5,314
Cash and cash equivalents	9,306	10,912	9,225	10,757
	<u>16,962</u>	<u>16,225</u>	<u>16,881</u>	<u>16,071</u>

Trade and other receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer.

The balance presented in the balance sheet is net of allowances for doubtful receivables and returns, estimated by the Group's management based on prior experience and their assessment in the current economic climate. No adjustment has been estimated for the allowance for credit loss.

The Group's main concentration of credit risk relates to where a credit risk management approach is employed, including strict retention of title, customer stock holding visibility and the use of credit insurance.

The Group applies the IFRS 9 Financial Instruments simplified model of recognising lifetime expected credit losses for all trade receivables as these items do not have a significant financing component.

In measuring the expected credit losses, the trade receivables have been assessed on a collective basis as they possess shared credit risk characteristics. They have been grouped based on the days past due.

The expected credit loss for trade receivables as at 31 March 2026 and 31 March 2025 were determined as follows:

Days past due	0	1-30	31-60	>60	Total
2026					
Balance outstanding (£'000)	6,341	1,094	24	197	7,656
Historic loss rate	0%	0%	0%	0%	
Estimated credit loss provision	0.25%	1%	1.5%	2%	
Potential credit loss allowance (£'000)	<u>16</u>	<u>11</u>	<u>0</u>	<u>4</u>	<u>31</u>
2025					
Balance outstanding (£'000)	3,930	1,181	191	12	5,314
Historic loss rate	0%	0%	0%	0%	
Estimated credit loss provision	0.25%	1%	1.5%	2%	
Potential credit loss allowance (£'000)	<u>10</u>	<u>12</u>	<u>3</u>	<u>0</u>	<u>25</u>

Due to the immaterial nature of the assessed credit risk, no provision has been recognised for 31 March 2026 or 31 March 2025.

21 Financial instruments (continued)

(c) Credit risk management (continued)

Cash

Cash is held with banks in the UK and US with high credit ratings and no financial loss due to the banks' failure to meet their contractual obligations is expected.

(d) Liquidity risk management

The Group manages liquidity risk through the monitoring of forecast cash flows and through the use of bank loans when required, thereby maintaining sufficient liquid assets to fund its contractual obligations and maintain the ongoing development of the Group.

The table below provides an analysis of the Group's financial liabilities to be settled on a gross basis by relevant maturity categories from the balance sheet date to the contractual settlement date. The table includes both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

	1 year or less £'000	1 to 2 years £'000	2 to 5 years £'000	Over 5 years £'000	Total liabilities £'000
31 March 2026					
Trade payables	2,674	-	-	-	2,674
Other payables	1,943	-	-	-	1,943
Lease liabilities	279	222	427	-	928
	<u>5,161</u>	<u>222</u>	<u>427</u>	<u>-</u>	<u>5,810</u>
	1 year or less £'000	1 to 2 years £'000	2 to 5 years £'000	Over 5 years £'000	Total liabilities £'000
31 March 2025					
Trade payables	987	-	-	-	987
Other payables	1,044	-	-	-	1,044
Lease liabilities	289	312	278	338	1,217
	<u>2,320</u>	<u>312</u>	<u>278</u>	<u>338</u>	<u>3,248</u>

22 Retirement benefits

Contributions by Group companies are charged to the income statement as an expense as they fall due. The amount recognised as an expense in relation to defined contributions plans was £389,388 (2025: £351,251).

23 Share-based payments

	31 March 2026 £'000	31 March 2025 £'000
Charged to administration expenses:		
Equity settled share-based payments	546	445
Cash settled share-based payments	5	(13)
Total share-based payments	<u>551</u>	<u>432</u>

During the year 395,000 share options were granted (2025: 386,000) exclusive of the management LTIP. The fair value of share options granted has been estimated at the date of the grant using the Black-Scholes model. Expected volatility in the current year was determined by calculating the historical volatility of the Group's share price over the previous year, which the Board consider to be representative of future volatility.

The following table gives the assumptions made in arriving at the share-based payment charge and the fair value:

	31 March 2026	31 March 2025
Options issued	395,000	386,000
Weighted average share price (pence)	46	57
Weighted average exercise price (pence)	1	1
Expected volatility (%)	39%-51%	43%-67%
Vesting period (years)	3-5	3-5
Option life (years)	10	10
Risk free rate (%)	4.5	5.0
Dividend yield (%)	1.5	1.25
Fair value at grant date (£'000)	143	175

Equity options in issue brought forward	4,863,850	5,191,183
Equity options issued in the year	395,000	386,000
Equity options realised in the year	(100,000)	(333,334)
Equity options forfeited in the year	(206,000)	(379,999)
Equity options in issue carried forward	<u>4,952,850</u>	<u>4,863,850</u>

As at 31 March 2026	Tranche	Tranche	Tranche	Tranche
Number of option awards in issue	675,000	1,854,300	2,368,550	55,000
Exercise price (pence)	1	48	112-118	155-158
Share price as at 31 March 2026 (pence)	46	46	46	46
Weighted average share price for year ended 31 March 2026 (pence)	51	51	51	51
Number of options available to exercise at 31 March 2026	-	1,854,300	1,610,667	18,333
Average period remaining of options in issue (months)	-	103	111	112

23 Share-based payments (continued)

During the year 20,000 cash settled options were granted (2025: 25,000). The fair value has been measured at the reporting date using the Black-Scholes model. Due to the proximity of the reporting date to the issue of equity settled share options granted, the model assumptions on volatility, risk free rate, and dividend yield used for the cash settled options do not materially differ from those in the table above.

	31 March 2026	31 March 2025
Options issued	20,000	25,000
Weighted average share price (pence)	42	46
Weighted average exercise price (pence)	1	1
Vesting period (years)	3-5	3-5
Option life (years)	10	10
Fair value at reporting date (£'000)	7	9

As at 31 March 2026

Number of awards in issue	45,000	25,000
Exercise price (pence)	1	1
Share price as at 31 March 2026 (pence)	46	46
Weighted average share price for year ended 31 March 2026 (pence)	46	42
Number of options available to exercise at 31 March 2026	nil	nil

During the year a further management long term incentive plan ('LTIP') was created inclusive of market based vesting conditions. To determine fair value, a Black-Scholes model was utilised for the EPS tranche, and a Monte Carlo valuation for the TSR tranche. Further details can be found on the LTIP vesting criteria within the Remuneration Committee report. The cumulative charge to overhead for the year from the management LTIPs in issue was £237,282 (2025: £111,549).

Due to the inclusion of performance-based measures beyond only the passage of time, these performance-based employee share options have been treated as contingently issuable shares in the calculation of both basic and diluted earnings per share. The performance measures will be assessed (based on audited data) by the Remuneration Committee at the end of the 3-year period.

	2026 LTIP EPS Tranche	2026 LTIP TSR Tranche	2025 LTIP EPS Tranche	2025 LTIP TSR Tranche
Options issued	475,317	475,317	393,173	393,172
Share price at grant date (pence)	55	55	48	48
Exercise price (pence)	1	1	1	1
Risk free rate	-	4%	-	4%
Dividend yield	2%	2%	2%	2%
Expected term (years)	3	3	3	3
Volatility (simulating TSR performance)	-	37%	-	37%

As at 31 March 2026 – Open LTIP options

	TSR Tranche	EPS Tranche	Revenue Tranche	Total
Options in issue FY24 Management LTIP	157,181	314,361	157,181	628,723
Fair value (£'000)	72	340	170	582
Exercise price (pence)	1	1	1	
Options available to exercise at 31 March 26	Nil	Nil	Nil	
Options in issue FY25 Management LTIP	393,172	393,173	-	786,345
Fair value (£'000)	24	177	-	201
Exercise price (pence)	1	1	-	
Options available to exercise at 31 March 26	Nil	Nil	-	
Options in issue FY26 Management LTIP	475,317	475,317	-	950,634
Fair value (£'000)	242	71	-	313
Exercise price (pence)	1	1	-	
Options available to exercise at 31 March 26	Nil	Nil	Nil	

24 Share option reserve

Share option reserve reconciliation	31 March	31 March
	2026	2025
	£'000	£'000
Opening balance	1,764	1,414
Equity settled share-based payments	546	445
Share options realised or forfeited	1	(72)
Deferred taxation on share options: charge recognised in equity	(7)	(23)
Total share option reserve	<u>2,304</u>	<u>1,764</u>

25 Group companies

Subsidiary undertakings	Country of registration or incorporation	Principal activity	% of direct shares held	
			2026	2025
Calnex Americas Corporation	USA Registered office: 7736 Main street PA 18051	Sales and marketing Support services to Calnex Solutions plc	100%	100%

26 Called up share capital

As at 31 March 2026, the Company had 87,991,636 (2025: 87,891,636) issued and fully paid Ordinary Shares held at a nominal value of 0.125p. During the year, exercise of share options resulted in 100,000 shares being issued.

	Group and Company	
	31 March	31 March
	2026	2025
	£'000	£'000
Ordinary shares of 0.125p each	<u>110</u>	<u>110</u>
In issue at the start of the financial year	110	109
Share options exercised	-	<u>1</u>
In issue at end of the financial year	<u>110</u>	<u>110</u>

27 Earnings per share

Basic earnings per share is calculated by dividing the earnings attributable to ordinary shareholders by the weighted average number of Ordinary Shares in issue during the year.

Diluted earnings per share is calculated by dividing the earnings attributable to ordinary shareholders by the total of the weighted average number of Ordinary Shares in issue during the year and adjusting for the dilutive potential Ordinary Shares relating to share options and warrants.

	31 March 2026 £'000	31 March 2025 £'000
Profit after tax attributable to shareholders	728	337
Weighted average number of ordinary shares used in calculating:		
Basic earnings per share	87,947	87,614
Diluted earnings per share	90,592	92,852
Earnings per share – basic (pence)	0.83	0.38
Earnings per share – diluted (pence)	0.80	0.36

At 31 March 2026 2,423,550 (2025 2,423,550) share options were outstanding with an exercise price between £1.12-£1.58 per share (note 23). These options have been excluded from the calculation of diluted earnings per share as they were anti-dilutive in the current period, the exercise price being materially above the average market price of the Company's ordinary shares during the year. These options could be dilutive in future periods.

There are currently 2,635,702 (2025: 1,415,068) contingently issuable shares on the management LTIP that have not yet met the performance measures for recognition (note 23). These options have been excluded from the calculation of diluted earnings per share but also could be dilutive in future periods.

28 Notes to the Statement of Cashflow

Reconciliation of changes in liabilities to cashflows arising from financing activities

	Lease liabilities £'000	Total £'000
Balance at 31 March 2025	1,217	415
Lease repayment	(359)	(314)
Interest payments	70	37
Total changed from financing cashflows	<u>(289)</u>	<u>(277)</u>
Acquisition of new lease	-	1,079
Total other changes	-	1,079
Balance at 31 March 2026	<u>928</u>	<u>1,217</u>

29 Share incentive plans

The company operates a number of share incentive plans on behalf of its employees, details of which can be found in the Remuneration Committee report. Included in these are the UK Share Incentive Plan and a cash settled phantom plan for Non-UK employees:

UK Employee Share Incentive Plan (UK SIP)

The UK SIP is an all-employee HMRC approved share plan open to employees based in the UK. Employees can elect to invest up to £150 each month (£1,800 per year), deducted from their gross salary, which is used to purchase shares at market value as “partnership” shares. The Company offers participants “matching” shares, which are subject to forfeiture for three years, on the basis of one free matching share for each partnership share purchased.

Non-UK Employee Incentive Plan

Under the UK SIP Plan, shares may only be awarded to UK based employees of the Group. As the Board also wanted to have the discretion to grant awards to contractors and overseas employees, it was necessary to set up a separate Non-UK Employee Incentive Plan under the rules of the Notional Plan (refer to the Remuneration Committee Report for more detail). This Plan acts as a non-tax advantaged shadow equity interest plan to the UK SIP, mirroring the UK SIP awards for overseas employees and contractors with equity ownership being replaced by cash settlement. The non-UK Employee Incentive plan is therefore available to employees in countries other than the UK, on a cash-settled basis. Employees can elect to save funds up to £150 each month (£1,800 per year), deducted from their pre-tax salary, for a 12-month period, and matched by the Group. In the cash settled model, these savings are then returned to the participant at the prevailing market share price at the end of the savings period, had the funds been used to purchase Calnex Solutions plc shares (returns being fully funded by the Group). Employees participating in this scheme during the period under review included those based in China, Hong Kong and India and the USA. The fair value assessment of this obligation at the year-end was £95,000 (2025: £70,000) and is included within other creditors.

30 Dividends

All dividends are determined and paid in Pound Sterling.

	31 March 2026 £'000	31 March 2025 £'000
Declared and paid in the year		
Final dividend 2024: 0.62p per share	-	543
Interim dividend 2025: 0.31p per share	-	271
Final dividend 2025: 0.62p per share	545	-
Interim dividend 2026 0.31p per she	273	-

Proposed for approval at the Annual General Meeting (not recognised as a liability at 31 March 2026)

Final dividend 2026: 0.68 per share

The directors are proposing a final dividend with respect to the financial year ended 31 March 2026 of 0.68p per share, which will represent £598,343 of a dividend payment. The final dividend will be proposed for approval at the Annual General Meeting in September 2026 and, if approved, will be paid on 8 September 2026 to all shareholders on the register as at close of business on 14 August 2026, the record date. The ex-dividend date will be 13 August 2026.

31 Change in accounting policy

In prior periods, RDEC income was recognised in the financial year in which the related research and development expenditure was incurred. This treatment was appropriate given the nature of the Group's research and development activities at that time and the relative materiality of this income. Given the increasing levels of RDEC income, the Directors have concluded that a change in accounting policy is appropriate, to recognise RDEC income which is in respect of capitalised costs over the amortisation profile of related capitalised assets associated with this spend.

The Directors deem this appropriate following the recent changes in UK HMRC legislation merging the SME & RDEC schemes together, coupled with the Groups ongoing commitment to UK R&D activities, forecast to increase the future materiality of the RDEC claim to the Group.

The Directors believe that this change in policy maintains the faithful representation of financial performance of the Group but also results in improved alignment between the recognition of RDEC income and the pattern of consumption of the underlying R&D expenditure to which it relates, providing increased clarity to the users of the financial statements.

The change has been applied retrospectively from 1 April 2024. The impact to the financial statements has been detailed below.

Due to immateriality, there is no impact to the Group or Company Statement of Comprehensive Income.

The following changes have been processed through the Group and Company Statement of Financial Position.

31 Change in accounting policy

	<i>Group</i>			<i>Company</i>		
	Restated 31 March 2025 £'000	Original 31 March 2025 £'000	Delta 31 March 2025 £'000	Restated 31 March 2025 £'000	Original 31 March 2025 £'000	Delta 31 March 2025 £'000
Non current assets						
Intangible assets	12,255	12,255	-	11,750	11,750	-
Goodwill	2,000	2,000	-	-	-	-
Plant and equipment	187	187	-	187	187	-
Right of use assets	1,115	1,115	-	1,115	1,115	-
Deferred tax asset	591	299	292	591	299	292
	<u>16,148</u>	<u>15,856</u>	<u>292</u>	<u>13,643</u>	<u>13,351</u>	<u>292</u>
Current assets						
Inventories	5,358	5,358	-	5,358	5,358	-
Trade and other receivables	5,669	5,669	-	5,843	5,843	-
Corporation tax receivable	684	684	-	713	713	-
Cash and cash equivalents	10,912	10,912	-	10,757	10,757	-
	<u>22,623</u>	<u>22,623</u>	<u>-</u>	<u>22,671</u>	<u>22,671</u>	<u>-</u>
Total assets	38,771	38,479	292	36,314	36,022	292
Current liabilities						
Trade & other payables	5,895	5,467	428	5,866	5,438	428
Lease liabilities	289	289	-	289	289	-
Total current liabilities	<u>6,184</u>	<u>5,756</u>	<u>428</u>	<u>6,155</u>	<u>5,727</u>	<u>428</u>
Non-current liabilities						
Trade & other payables	2,148	1,411	737	2,148	1,411	737
Lease liabilities	928	928	-	928	928	-
Deferred tax liabilities	2,940	2,940	-	2,814	2,814	-
Total non-current liabilities	<u>6,016</u>	<u>5,279</u>	<u>737</u>	<u>5,890</u>	<u>5,153</u>	<u>737</u>
Total liabilities	12,200	11,035	1,165	12,045	10,880	1,165
Net assets	<u>26,571</u>	<u>27,444</u>	<u>(873)</u>	<u>24,269</u>	<u>25,142</u>	<u>(873)</u>
Equity						
Share capital	110	110	-	110	110	-
Share premium	7,671	7,671	-	7,671	7,671	-
Share option reserve	1,764	1,764	-	1,764	1,764	-
Retained earnings	17,026	17,899	(873)	14,724	15,597	(873)
Total equity	<u>26,571</u>	<u>27,444</u>	<u>(873)</u>	<u>24,269</u>	<u>25,142</u>	<u>(873)</u>

31 Change in accounting policy (continued)

	<i>Group</i>			<i>Company</i>		
	Restated	Original	Delta	Restated	Original	Delta
	31 March 2024 £'000	31 March 2024 £'000	31 March 2024 £'000	31 March 2024 £'000	31 March 2024 £'000	31 March 2024 £'000
Non current assets						
Intangible assets	12,110	12,110	-	11,337	11,337	-
Goodwill	2,000	2,000	-	-	-	-
Plant and equipment	341	341	-	341	341	-
Right of use assets	287	287	-	287	287	-
Deferred tax asset	1,538	1,246	292	1,538	1,246	292
	<u>16,276</u>	<u>15,984</u>	<u>292</u>	<u>13,503</u>	<u>13,211</u>	<u>292</u>
Current assets						
Inventories	5,373	5,373	-	5,373	5,373	-
Trade and other receivables	3,340	3,340	-	3,570	3,570	-
Corporation tax receivable	435	435	-	435	435	-
Cash and cash equivalents	11,868	11,868	-	11,683	11,683	-
	<u>21,016</u>	<u>21,016</u>	<u>-</u>	<u>21,061</u>	<u>21,061</u>	<u>-</u>
Total assets	37,292	37,000	292	34,564	34,272	292
Current liabilities						
Trade & other payables	4,845	4,845	-	4,804	4,804	-
Lease liabilities	220	220	-	220	220	-
Total current liabilities	<u>5,065</u>	<u>5,065</u>	<u>-</u>	<u>5,024</u>	<u>5,024</u>	<u>-</u>
Non-current liabilities						
Trade & other payables	2,675	1,510	1,165	2,675	1,510	1,165
Lease liabilities	195	195	-	195	195	-
Deferred tax liabilities	2,877	2,877	-	2,683	2,683	-
Provisions	15	15	-	15	15	-
Total non-current liabilities	<u>5,762</u>	<u>4,597</u>	<u>1,165</u>	<u>5,568</u>	<u>4,403</u>	<u>1,165</u>
Total liabilities	10,827	9,662	1,165	10,592	9,427	1,165
Net assets	<u>26,465</u>	<u>27,338</u>	<u>(873)</u>	<u>23,972</u>	<u>24,845</u>	<u>(873)</u>
Equity						
Share capital	109	109	-	109	109	-
Share premium	7,511	7,511	-	7,511	7,511	-
Share option reserve	1,414	1,414	-	1,414	1,414	-
Retained earnings	17,431	18,304	(873)	14,938	15,811	(873)
Total equity	<u>26,465</u>	<u>27,338</u>	<u>(873)</u>	<u>23,972</u>	<u>24,845</u>	<u>(873)</u>

32 Alternative performance measures (APMs)

The performance of the Group is assessed using a variety of performance measures, including APMs which are presented to provide users with additional financial information that is regularly reviewed by the Board. These APMs are not defined under IFRS and therefore may not be directly comparable with similarly identified measures used by other companies.

	31 March 2026 £'000	31 March 2025 £'000
Underlying EBITDA	1,756	1,151
Underlying EBITDA %	8%	6%
Capitalised R&D	6,343	4,836

Key performance measures:

- **Underlying EBITDA:** EBITDA after charging R&D amortisation

Reconciliation of statutory figures to alternative performance measures – Income Statement

	FY26 £000	FY25 £000
Revenue	21,875	18,386
Cost of sales	(5,291)	(4,623)
Gross Profit	16,584	13,763
Other income	962	913
Administrative expenses (excluding depreciation & amortisation)	(11,148)	(9,254)
EBITDA	6,398	5,422
Amortisation of development costs	(4,642)	(4,271)
Underlying EBITDA	1,756	1,151
Other depreciation & amortisation	(707)	(714)
Operating Profit	1,049	437
Interest received	265	320
Finance costs	(70)	(37)
Profit before tax	1,244	720
Tax	(516)	(383)
Profit for the year	728	337