Insight and Innovation

Calnex Solutions plc
Annual Report and Accounts
for the year ended 31 March 2026

About Us

Our mission is to enable the world's networks and applications to achieve optimal performance through innovative test and measurement solutions.

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, Dell, 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.

Our customers

+20 years

+700 customers

68 countries

34 products

Contents

Company Overview

Strategic Report

Governance

Financial Statements

Company Information

For more information, please visit
www.calnexsol.com

Highlights

Revenue (£'000)

21,875

FY25: 18,386 19%

Underlying EBITDA[1] (£'000)

1,756

FY25: 1,151 53%

Basic EPS (pence)

0.83

FY25: 0.38 118%

Diluted EPS (pence)

0.80

FY25: 0.36 122%

Profit before tax (£'000)

1,244

FY25: 720 73%

Closing cash

9,306

FY25: 10,912 (15)%

Gross Profit (£'000)

16,584

FY25: 13,763

Gross Margin %

76%

FY25: 75%

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).

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.

Building momentum through growth, diversification and strategic investment.

Operational Highlights

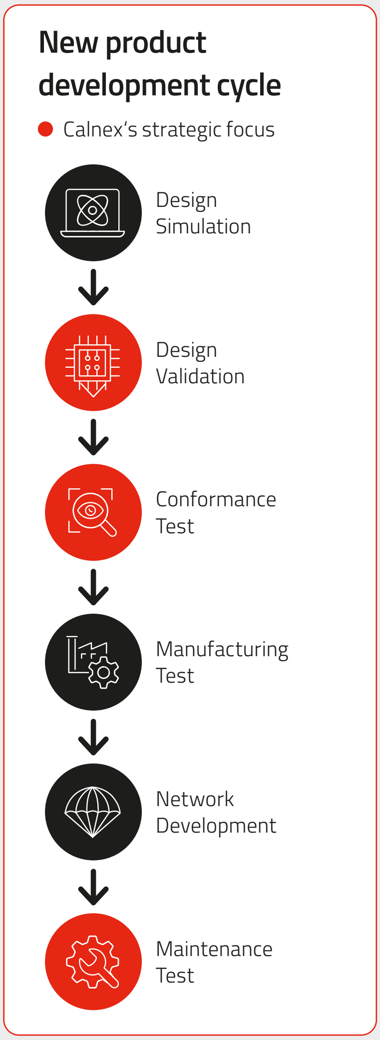
- Diversification strategy gaining traction, with increased contribution from newer growth markets, reducing reliance on traditional telecoms markets. Highlights include:
  - a significant repeat order from a leading hyperscaler in H2, demonstrating scalability and relevance of Calnex's solutions in 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.

Market Overview

Calnex supplies its technology to a range of markets, which include telecoms, digital infrastructure, defence and government. The breadth of our end markets has evolved to expand beyond telecoms in line with the evolution of the standards landscape and the continued development of our products to meet customers' requirements.



Telecoms

The telecoms industry is highly competitive, requiring innovative products, technologies and services to support investment in new digital infrastructure. The evolution of network infrastructure and customer demand drives significant growth potential, despite the recent downturn in activity in this sector. Investment in test equipment typically increases in line with the evolution of network infrastructure, with the global telecom network infrastructure market projected to reach $190bn by 2033, at a CAGR of 7.3%[1].

The telecoms industry comprises equipment vendors, such as Nokia, Ericsson, Cisco and Huawei, which develop hardware and software systems for deployment by network operators, such as BT, China Mobile and AT&T, within their networks. Component manufacturers, such as Intel, Broadcom and Qualcomm, sell components and sub-assemblies to equipment vendors, which are then built into their products.

Global telecoms networks are extremely diverse, with accurate time synchronisation – a key requirement of the architecture. Timing is everything; whether you're building 5G infrastructure, validating O-RAN components, or optimising network performance, and when changes are introduced it is vital that the new network conditions can be tested effectively, both prior to and following technical deployment. Operators will be required to increase investment in their networks and services as they move towards increased 5G rollout and the emergence of 6G, navigate the changes that come with generative AI, and commence work around the 1.6Tb/s wavelength. The test and measurement sector is critical to this as it enables market participants to develop, build and maintain all telecom and data networks.

The global telecoms market is a leader in the innovation of higher speeds and standards – and these robust standards and technologies are then adopted by other sectors using network infrastructure. As standards development continues, it is guiding the application of these telecoms technologies into other sectors, such as the 'PTP profile' for timing in data centres. Increasingly, we are seeing equipment vendors, who initially developed products for use in telecom applications, now selling these products into other data network applications where the same technology is implemented. These new applications are becoming the primary market opportunity for our customer's products.

Digital infrastructure (cloud computing & data centres)

With the speed of advancement in Artificial Intelligence (AI) and the rapid build-out of data centres, reliable methods for verifying network and application performance becomes increasingly urgent. AI is shifting and reshaping networks, forcing systems to require the latest new compute and networking designs to meet the demanding needs of AI workloads. With every workload depending on timing, even minor issues from clock drift to packet delay can significantly disrupt performance.

The initial data centre opportunity for Calnex arose from the need to test and measure time synchronisation to servers because of the high-speed interfaces that were being used. Test instrumentation offered in our portfolio has been enhanced to track the specific needs of the increasingly demanding and complex cloud computing industry. The build-out of these data centres remains a dynamic environment where new services such as generative artificial intelligence (gen-AI) and Ultra Ethernet, are anticipated to require advanced test solutions that may produce additional opportunities for Calnex in the future.

The expansion of the scale and numbers of data centres continues. According to a

1 Telecom Network Infrastructure Market | Industry Report (2026 – 2033)
2 content.knightfrank.com/research/2960/documents/en/data-centres-global-forecast-report-2026-12620.pdf
3 Data Centre Market Size and Trends 2026-2034: Comprehensive Outlook
4 Infrastructure for Large Scale AI: "Empowering Open", Open Compute Project
5 International Institute for Strategic Studies – The Military Balance 2026

market report, 33 gigawatts (GW) of new data centre capacity will come online globally within two years, a 24.6% CAGR, with North America accounting for 63% of this growth[2]. Infrastructure hardware remains a key driver of market growth, representing roughly 65-67% of the total market, indicating that network and computer infrastructure accounts for the largest share of global data centre spend[3].

Whilst this is an evolving market, the future of AI network infrastructure is a significant opportunity for Calnex. AI systems networks can account for 30-50% of total processing time[4], and the smallest impairment has a huge impact on AI execution and hence the cost of AI implementation. The stakes are high and the environment is challenging; data centre outages can be frequent and costly, and the networks are under significant pressure with AI training traffic so need to be tightly engineered and heavily tested. AI processors are expensive to buy, maintain and run, meaning their performance must be optimised to maximise processing bandwidth. We believe that the disruptive nature of AI growth will lead to new testing opportunities for Calnex, with testing solutions targeted at AI backend architecture through emulation to prove robustness of the implementation when real-world problems occur.

Network performance also affects application and user experience. The need to verify cloud application performance under real-world network conditions, especially for demanding users like gamers, is a growing opportunity for Calnex and encompasses a broad range of cloud devices and applications that require this level of network performance.

Government and Defence

The government and defence sectors are proving to be a promising opportunity for Calnex. Ensuring reliable application performance is crucial in a military environment where systems and devices must be resilient to adverse network conditions. Real-world replication of multi-domain military networks in a secure, fully controllable lab environment for training purposes allows infrastructure and devices to be tested under a variety of conditions and scenarios before deployment. Considering increased military modernisation efforts and geopolitical tensions, government spending and global investment into test equipment in the defence sector is expanding within an already substantial growth market: global defence spending reached US$2.6 trillion in 2025[5].

Opportunities are largely tied to major projects for industry leaders and activity has been focused on the US. Calnex has accelerated its investment within this sector and has allocated resource to focus on federal accounts to target this growing market.

Test and measurement market segmentation

Testing and measurement is typically carried out at each stage of the development cycle, and it is therefore crucial that this can be performed reliably to prove conformance to the standards required by market participants and regulators.

Calnex is focused on the Design Validation, Conformance Test and Maintenance Test phases of the development life-cycle, which are high value niches, due to their position at critical points in the development life-cycle. These stages require significant technical capability using high value-add test equipment and there are high barriers to entry for new participants. Customers need to have confidence that test equipment is reliable and will enable them to carry out the necessary testing efficiently, as long testing phases delay the release of new products, which reduces new product revenue to equipment vendors. Calnex has consistently delivered such products that give customers the clarity and confidence they need to deliver high-performance networks and applications.

The competitive landscape varies between product families, but in all cases, Calnex looks to be either the market leader or a leading participant.

What are telecommunications and network standards?

Standards and recommendations within the telecoms testing sector are published documents that establish mandatory or recommended specifications and procedures designed to ensure the interoperability of equipment cross-industry, set the minimum performance of equipment, and define the core needs of networks.

Standards are critically important as they act as the key driver for how networks will be developed, establishing the performance and testing requirements for infrastructure, equipment, application and service product development. Ensuring new equipment and services comply with new standards is vital to market participants and is a key driver of the test and measurement sector.

There are well-established bodies that have been developing standards for many years, (like the International Telecommunications Union, 'ITU-T'), and several more recent forums gaining market traction. Another group that is generating significant interest is the Ultra Ethernet Consortium (UE) which has a mission statement to "Deliver an Ethernet based open, interoperable, high performance, full-communications stack architecture to meet the growing network demands of AI & High Speed Computing (HPC) at scale". Its primary focus is on the use of Ethernet technology in data centre architectures and adapting the ethernet protocol to operate more efficiently in Direct Current (DC) where very high-speed interfaces and operating with high utilisation of the available Ethernet bandwidth is critical. The development of recommendations from these forums is increasing Calnex's addressable market, as more companies and more groups within established companies look to develop and promote equipment conforming to these enhanced recommendations.

Calnex, since inception, has developed and maintained a close involvement with standards bodies to ensure it has early insight as to industry developments to keep the Group's R&D programmes well informed.

Our differentiation

Calnex has a highly sophisticated and differentiated product offering and an advanced knowledge of future market requirements gained from its close relationships with end customers, market participants and international standards bodies, which together act as a significant barrier to entry to potential competitors.

Calnex's products are often differentiated by their high specifications and the complexity of the product platforms. The Group is highly focused on R&D, IP and product development to ensure its products remain at the forefront of their markets. By delivering the optimal solution at the right time, market leading products with high end functionality can achieve healthy margins.

Strategy Overview

Our three pillar growth strategy

Calnex has a three-pronged growth strategy to capitalise on the structural growth drivers in our target markets:

1

Continued product innovation to capitalise on build out of mobile network and growth of 5G

Follow the market demands for higher transmission rates and track new standards to strengthen our product offering.

Key developments in FY26

- Ongoing success of Paragon-Neo-S 800Gb/s platform for ultra-high-speed synchronisation testing in telecoms and adjacent market segments.
- Investing in the next evolution of synchronisation testing, 1.6Tb/s, for delivery in FY28, to address the next wave of interface speeds.

2

Expansion within digital infrastructure (cloud computing & data centres) and Government and Defence

Target growth applications where strong value can be gained from the deployment of Calnex's products.

Key developments in FY26

- Relevance of our NAA and Sync products in digital infrastructure and government and defence contributed to order growth, with particular success across applications in US federal space.
- Significant repeat order for Sentry from hyperscaler.
- Select hires to ensure we have the right structure to capitalise on our entry into growth markets.
- Continued innovation of our NAA and Sync products to better align with data centre infrastructure and government and defence requirements.

3

Target strategic partnership opportunities and select acquisitions to add to product portfolio

Selective acquisition and strategic partnership activity, where complementary products or technologies can be acquired to enhance Calnex's existing portfolio in related or adjacent growth markets.

Key developments in FY26

- Strategic partnership with Viavi for the comprehensive testing of Open RAN products, supporting access to installed base and strengthening go-to-market footprint.
- Continued to strengthen our routes to market with new partners onboarded in North America and increased focus on partner enablement and internal processes.

See Strategic Report on pages 16 to 19.

Strategy in Action

AI spotlight

Artificial Intelligence is transforming the digital landscape, and data centres sit at the core of this shift. As organisations deploy increasingly advanced AI models, the demands and pressure on data-centre networks are rapidly rising. AI workloads create traffic patterns that are more dynamic, more sensitive to delay and more unpredictable than traditional applications. **For Calnex, this marks a growing opportunity.**

Today, the performance of AI models depends not just on powerful processors, but on the networks connecting them. Within the data centre fabric, consideration of performance within a rack, between racks within the same data centre, and between data centres, all represent new environments where performance and sensitivities need to be evaluated to understand how best to maximise processing bandwidth utilisation. Small variations in latency can meaningfully affect AI outputs, especially as inference becomes more distributed. This puts new focus on the network boundary between the user, the edge and the central data centre, where performance can vary most.

As global demand for AI services accelerates, customers, such as cloud providers, telecom operators and enterprises, are looking for ways to ensure their networks remain stable and predictable under AI-driven traffic. Calnex's expertise in network emulation can help its customers understand how real-world conditions affect AI workloads and validate their infrastructure as truly "AI-ready".

Looking ahead, network speeds will soon rise from 400G to 800G and beyond, and new networking approaches will be developed to enable AI's increasing scale. At the same time, inference is expected to move closer to users, towards the network edge, creating new, dynamic patterns of traffic that **must be tested and understood**.

By enabling customers to model realistic conditions, identify vulnerabilities and design more resilient infrastructure, Calnex plays a vital role in helping operators deliver reliable AI services and navigate the next phase of growth in the AI era.

"Today, the performance of AI models depends not just on powerful processors, but on the networks connecting them."

Strategy in Action continued

Q&A with Graeme Urquhart, VP Sales

Graeme joined Calnex as VP Sales in August 2025. He has over 20 years' experience managing sales and leading commercial teams across a range of high-growth technology businesses and sectors. Graeme leads all aspects of global sales strategy and execution, building strong commercial partnerships and driving sustainable revenue growth, also working closely with marketing and product teams to develop new market opportunities and expand the company's international presence.

What is your role at Calnex?

As VP of Sales at Calnex, I am responsible for leading our global sales organisation, strengthening relationships with strategic customers and partners, expanding our customer base, and supporting the delivery of long-term revenue growth. My focus is on ensuring strong regional execution while aligning closely with our target markets and customers' evolving network performance requirements.

How do you work with channel partners and customers?

Channel partners are an important part of our go-to-market strategy and enable us to extend our reach across key regions and market segments. We work hand-in-hand with partners to grow their business with Calnex, and our end customers to understand their current and future requirements, ensuring we deploy our technology and product roadmaps in line with their near-term needs and beyond.

How do you coordinate with customers on product enhancements and innovation?

We maintain regular engagement with customers across our key sectors, including network operators and equipment manufacturers, hyperscalers, AI data centre operators, and government bodies to understand emerging requirements. This feedback informs our product roadmap and supports the continued development of solutions aligned with evolving network architectures and standards.

What excites you most about the future of network testing and emulation?

The increasing dependency and complexity of modern networks is driving greater demand for accurate timing and performance validation in connecting the world in which we live. Calnex is well positioned to support customers as these requirements become increasingly critical to network reliability and service quality.

How do you expand your reach to customers?

We continue to expand our reach through a combination of direct engagement with strategic customers and the development of our global partner network. Technical collaboration, joint customer activity, and participation in industry initiatives also support increased visibility of Calnex in target markets.

What are your priorities when it comes to expanding Calnex's reach?

Our priorities include strengthening partner engagement, increasing our presence in key regions such as North America, and supporting our customers as they address more demanding synchronisation and performance requirements across next-generation networks.

How do you support partners across the full sales cycle?

We support partners through training, technical collaboration, and joint engagement with customers. This enables partners to position Calnex's solutions effectively and ensures consistent delivery of value throughout the sales and deployment lifecycle.

What territories are you focusing on?

We continue to focus on opportunities across North America, EMEA and Asia, where demand for both timing and network emulation solutions continues to grow. North America represents a particularly significant opportunity for expansion, and during the year we strengthened our commercial presence in key technology centres such as Silicon Valley, where we are seeing strong engagement and encouraging growth prospects.

What progress have you made since you've been on board at Calnex?

During the year, we have taken a number of important steps to strengthen the effectiveness and scalability of our sales organisation. This included restructuring the senior sales leadership team, recruiting dedicated sales operations capability, and appointing strategic partnership owners to enhance engagement across key accounts and channels. We have also evolved our sales processes and improved access to internal performance information, improving our structured and data-centric approach to forecasting, pipeline management, and decision-making, and making the most of AI productivity tools to optimise performance. We operate in a constantly evolving environment and constantly challenge ourselves to improve our execution effectiveness. Collectively, these initiatives are enhancing alignment across regions, increasing visibility of opportunities, and supporting more consistent execution as we position the business for future growth.

Our Products

Test Solutions

Providing the path to network assurance

Paragon-neo & Paragon neo S

- First to very high accuracy for multiple rates from 100M-to-800G, measuring to sub-billionth of second accuracy.
- Launched in FY25, Paragon neo S platform is positioned as the platform to support all future rates including 800G and greater.
- With customers already engaging with Calnex on future 1.6Tb/s synchronisation testing requirements, we have identified technology which we believe will enable delivery of 1.6Tb/s synchronisation testing within calendar year 2027, underlining Calnex's position at the forefront of synchronisation testing innovation.

Paragon-X

- First to offer multi-rate to 10G, physical layer and packet timing, and implementation of full system end-to-end emulation for high accuracy time testing.

Sentry

- Designed to meet the testing needs of data centres deploying accurate time to all servers.
- Provides monitoring of accurate time to all the servers located within a data centre.
- High degree of leverage in technology between Sentinel & Sentry, each product structured and optimised to align with the specific form, fit and function needs of its target application.

Calnex provides sophisticated hardware and software test and measurement solutions to its customers across three main application ranges:

Lab Synchronisation
Calnex's Lab Synchronisation test capabilities are delivered by the Paragon product range, used to test the synchronisation equipment designed to comply with telecoms standards during the development phase.

Network Synchronisation
Calnex's Sentinel and Sentry product ranges provide the ability to test network synchronisation once equipment, designed to comply with telecoms standards and technologies, has been deployed, both in the telecom networks and within data centre installations.

Network and Applications Assurance (NAA)
Calnex's SNE, SNE-X and SNE-Ignite Network Emulation platforms are used to replicate network behaviour in real-world conditions, enabling the infrastructure testing of Ethernet, cloud and data centre technology & networks.

Calnex's NE-ONE product provides Network Emulation testing of software applications and digital transformation testing utilising the telecoms and cloud computing infrastructure.

Sentinel

- First to measure time from the air signal.
- Best-in-class at maintaining high-accuracy time in the field.
- Designed to meet the testing needs of new 5G networks.

SNE

- Provides comprehensive Network Emulation for infrastructure testing.
- Supports multi-port/multi-user support up to 400GbE interfaces.
- SNE & SNE-X is PC based with software test core for highly flexible, complex network scenario emulation.
- SNE-Ignite also incorporates hardware test core for high capacity and high precision emulation scenarios.
- Market leader in port count, multi-user and flexibility.

NE-ONE

- Provides comprehensive Network Emulation for testing of software applications and digital transformation testing.
- Hardware platforms available to host software product.
- Software can be hosted in VMware, AWS and Azure environments.

Business Model

Our unique position

Calnex operates a lean business model, with a global network of regional distributors and channel partners. Calnex has a highly sophisticated and differentiated product offering, with an in-depth knowledge of future market requirements.

Market-leading solutions

The Group has an established position at the forefront of the global test and measurement industry, serving three core end markets: Telecoms, Digital Infrastructure (cloud computing & data centres) and Government and Defence.

Calnex has active innovation programmes across all product areas within its end markets to drive growth and widen its offering to serve unmet needs. New products have gained traction in new sectors, such as defence, edge computing and the low-orbit satellite sector.

Calnex's products are differentiated through their high specifications and the complexity of the product platforms.

Longstanding customer partnerships

The longevity and depth of Calnex's customer relationships demonstrate its reputation in the industry and trusted partner status with global reach.

Given the highly specialised nature of Calnex's offering, customers are loyal with around three-quarters of sales typically repeat orders. This provides financial strength, enabling the business to invest in R&D.

Clear purpose and strategy

Calnex's three-pronged growth strategy provides a strong sense of purpose and motivation for staff and generates greater returns for investors. The Group's strategy capitalises on the drivers in the telecoms and digital infrastructure markets:

1. Continued product innovation to capitalise on the build out of the mobile network and growth of 5G.
2. Expansion within Digital Infrastructure and Government and Defence.
3. Target strategic partnership opportunities and select acquisition to add to product portfolio.

First to market

Calnex holds close relationships with customers, regulatory bodies and leading market participants, meaning it consistently brings new technologies to market first. Together, these also act as a significant barrier to entry to potential competitors.

Engineering expertise

Calnex employs a team of experts highly focused on R&D, IP and product development to ensure its products remain at the forefront of their markets.

Industry know how

Calnex is an established business with an experienced senior leadership team.

The Group's ability to offer a wide range of solutions is attractive to customers and provides a point of differentiation.

Calnex's position and reputation within the industry means it is well placed to make further acquisitions.

Operational model

These qualities are supported by a lean business model, with global distribution channels in place and manufacturing outsourced to a high-quality and long-standing local partner:

Distribution channels

Global reach through network of regional resellers and distributors.

In FY25 the Board undertook a review of the Company's sales channels and channel partner arrangements. The implementation of the new channel strategy has been successful, with new channel partners onboard and active across all territories.

Calnex maintains direct contact and has strong, ongoing relationships with end customers, due to a highly technical sales process.

Manufacturing capability

Manufacturing outsourced to Kelvinside Electronics since 2007.

Kelvinside Electronics operates from a custom built 40,000ft² facility located in Kilsyth, Scotland.

High quality short- and medium-term sales forecasting information, along with close working relationships, enable optimisation and management of global supply-chain procurement and production schedules.

Kelvinside's proximity to Calnex allows for excellent two-way support and communication regarding the complex technical challenges of building and testing our products.

Operational excellence

Large company structure, with sophisticated marketing and R&D processes aligned with our ambitions.

Successful expansion through product and technology acquisitions, most recently with the acquisition of iTrinegy in FY23.

Proven ability to integrate bolt-on acquisitions who benefit from access to global sales channel and increased R&D structure.

The target industry sectors are all rapidly evolving environments – the migration of mobile to 5G and the emergence of the equipment and applications utilising cloud computing. This requires innovative products and technologies to support the investment in new digital infrastructure. This drives growth in the need for Calnex's test and measurement instrumentation and solutions.

Maturity of the operational model combined with agile methodology provides scalability, adaptability and creates value for Calnex's customers, colleagues, shareholders and the markets in which we operate.

Chair's Statement

Investing to accelerate growth

Stephen Davidson
Non-Executive Chair

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.

Overview

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.

Performance reflects both the agility of the business and the disciplined execution of our strategy in a challenging macroeconomic environment."

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

Diversification across products and end markets, strengthened partner channels, and enhanced commercial capability provide a solid platform for sustainable growth."

CEO's Statement and Operational Review

20th year of Calnex

Tommy Cook
Chief Executive Officer

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.

Strong progress in FY26

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

> **FY26 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."**

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.

CEO's Statement and Operational Review continued

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

Tommy Cook
Chief Executive Officer
22 May 2026

Financial Review

Chief Financial Officer's Statement

Double-digit revenue growth and improved profitability

Ashleigh Greenan
Chief Financial Officer

Financial KPIs

Revenue ('000)

£21,875

2026 21,875
2025 18,386
2024 16,274

Gross profit ('000)

£16,584

2026 16,584
2025 13,763
2024 11,947

Gross margin

76%

2026 76%
2025 75%
2024 73%

Underlying EBITDA[1] ('000)

£1,756

2026 1,756
2025 1,151
2024 80

Underlying EBITDA %

8%

2026 8%
2025 6%
2024 0%

Profit/(loss) before tax ('000)

£1,244

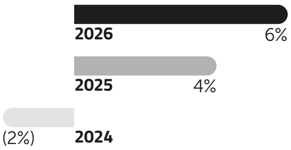
2026 1,244
2025 720
2024 (384)

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.

> Calnex achieved strong revenue growth with improved trading into our increasingly diversified end markets, alongside improved profitability, strong gross margins and positive operational gearing, underpinned by a strong balance sheet."

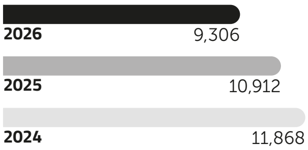
Profit/(loss) before tax %

6%



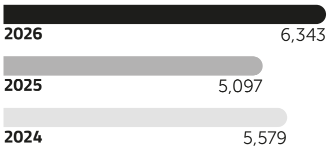
Closing cash and fixed term deposits ('000)

£9,306



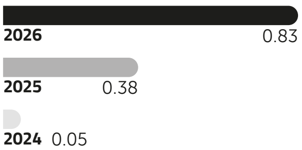
Capitalised R&D ('000)

£6,343



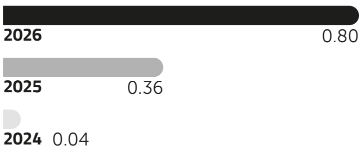
Basic EPS

0.83p



Diluted EPS

0.80p



Financial Review continued

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

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.

Sources of Revenue

Revenue streams

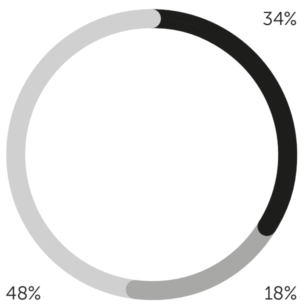
- Warranty support revenue – recognised over the life of cover
- Hardware and software revenue – recognised on despatch/delivery

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)

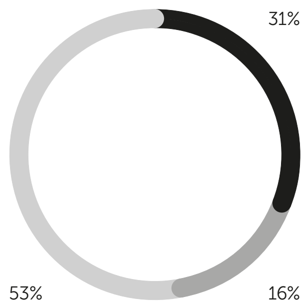
(3 year order average)



- Americas
- Rest of World
- North Asia

Geographical split (revenues)

(In-year revenues)



- Americas
- Rest of World
- North Asia

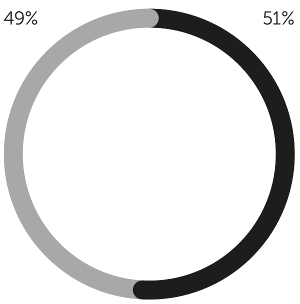
The Group's customers are located across the world. Our global customer base and distributor network enables the Group to spread risk across our three key regions: the Americas, North Asia and Rest of the World (ROW).

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.

Financial Review continued

Sources of Revenue continued

Top 10 customer orders
(3 year order average)



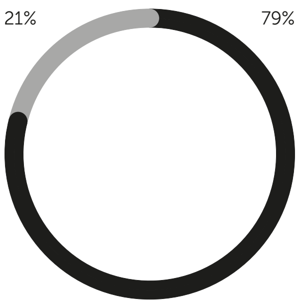
- Top 10 Customer Orders
- New Customer Orders

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.

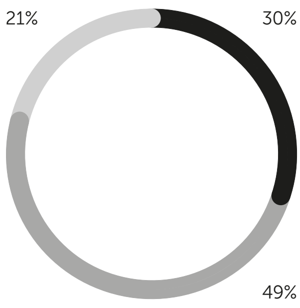
Repeat customers
(3 year order average)



- Repeat Orders
- Other Orders

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



- Telecoms
- Digital Infrastructure
- Government and Defence

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.

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.

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

Financial Review
continued

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

Principal Risks and Uncertainties

The Board has overall responsibility for the Group's risk management processes and internal control procedures. The Board provides oversight and has established controls designed to help the Group meet its business objectives by appropriately managing the principal risks and uncertainties that could have a material impact on the Group's performance.

The Board regularly assesses the Group's exposure to risk and seeks to ensure that risks are mitigated wherever possible. Risk assessments are also undertaken by the Board whenever there is a potential material change to the principal risks and uncertainties.

The Audit Committee has responsibility for reviewing the Group's internal controls and risk management systems for effectiveness. It oversees and reviews the Group's executive management team's internal control and risk management processes throughout the year.

Day-to-day risk management is the responsibility of the Group's executive management team and the senior managers within the business. Any potential changes to risk are reviewed regularly during executive management meetings.

The Board maintains a risk register for all principal activities of the Group. The risk register details the potential risk likelihood, mitigating factors, mitigated level impact and action owner. The executive management team meet regularly and consider new risks and opportunities presented to the Group, making recommendations to the CEO which are then fed back to the Audit Committee and Board if significant. Employees are also encouraged to report any new risks through the Group's internal reporting procedures.

The Board sets out below the principal risks and uncertainties that the directors consider could have a material impact on the business. These risks are monitored on a continuing basis. The Board recognises that the nature and scope of risks can change and that there may be other unknown risks to which the Group is exposed, or which may become material in the future.

A bottom-up financial planning process is conducted once a year for review and approval by the Board. The Group's results, compared with the annual financial plan (and any relevant reforecasts), are reported to the Board on a monthly basis.

The Group maintains appropriate insurance cover in respect of actions taken against the directors because of their roles, as well as against material loss or claims against the Group. The insured values and type of cover are comprehensively reviewed by the Board on a periodic basis, after detailed specialist advice from the Group's insurance brokers.

The Group has in place documented authority levels for approving purchase orders, invoices and all bank transactions, with any expenditure in excess of predefined levels requiring approval from the executive directors.

The Group is focused on meeting the highest levels of customer satisfaction and has an ISO9001 certified Quality Management System in place. Quality procedures for the development of products, services and maintenance support are documented and reviewed frequently.

Given the size of the Group, the Board has concluded it is not appropriate to establish a separate, independent internal audit function but will keep this under review.

Details of financial risks are outlined in note 21 to the financial statements.

Principal Risks and Uncertainties continued

Movement Key:

↑ Increasing ↓ Decreasing ↔ Unchanged

Risk	Impact	Mitigation	Movement since prior year
Manufacturing and relationship with single manufacturer	The Group outsources the manufacturing of a high percentage of its products to a single contract manufacturer, Kelvinside Electronics. Kelvinside Electronics procures and stocks all components (both electronic and mechanical parts) and manufactures the printed circuit assemblies for Calnex's products. The Group is therefore highly reliant on Kelvinside Electronics being able to manufacture Calnex's products within agreed timescales, including the sourcing of unique parts, in line with agreed specifications. In the event that Kelvinside Electronics is unable to meet product orders or that products manufactured by Kelvinside Electronics are found not to meet agreed specifications or are faulty, there could be a significant impact on Calnex's ability to fulfil customer orders.	The Group's executive management team monitors Kelvinside Electronics' disaster recovery plans and the availability of alternative UK-based contract manufacturers with comparable capability and is satisfied that in the unlikely event of a manufacturing or other issue affecting Kelvinside Electronics, the Group should be able to manage the situation, partly through investment in additional safety stock (main equipment and critical components), until the outage was resolved or production has been moved to an alternative supplier (including the sourcing of replacement components in the event it was not possible to transfer the stock held by Kelvinside Electronics). The Group's close working relationship and information sharing process with Kelvinside Electronics includes regular communication and sharing of rolling forecasting and stock level data. This process provides early warning of any potential delay concerns from end suppliers and prompts discussion around specific procurement arrangements on certain parts. The business' management team regularly reviews alternative parts supply.	↔
Supply of electronic components	A shortage of electronic components and resulting extended lead times can affect all sectors utilising such parts. Procurement of parts remained stable through FY25 and continues into FY26.	The Group maintains close working relations with the procurement and leadership team at our contract manufacturer, Kelvinside Electronics, to secure stock to maintain production requirements. Demand plans and safety stock levels have been maintained, supported by a robust quarterly demand planning process to maintain the resilience to shortages with lead times in line with customer expectations.	↔
Customer concentration	The Group is exposed to customer concentration risk arising from its reliance on a key customer, which accounted for approximately 22% of Group revenues during the year (FY25: 17%). The loss of, or a material reduction in business from, this customer – whether due to competitive pressures, changes in the customer's strategy, financial distress, or adverse contractual developments – could have a material adverse effect on the Group's revenue, profitability and cash flows.	The Group has an active and strong relationship with this customer, with regular engagement at multiple levels within the customer organisation. A number of relationships have been in place for several years with key individuals across the organisation that enables regular commercial and technical discussions to take place. The company continues efforts to diversify its revenue and customer base into new markets.	↑

Risk	Impact	Mitigation	Movement since prior year
Distribution channel	For 12 years to July 2024, the Group's primary route to market was a reseller agreement with Spirent, accounting for approximately 70% of annual orders, with the balance generated through around 40 regional partners across Europe and North Asia. Following the announcement of Spirent's acquisition by Keysight Technologies Inc., the Group formally terminated the agreement on 31 July 2024 and transitioned to a broader channel strategy, increasing its use of regional partners and, in limited cases, direct sales to end customers. Although the agreement with Spirent had formally ended, both parties continued to cooperate on opportunities until completion of the Keysight acquisition in October 2025. This transitional arrangement did not impede the development of new partner relationships. Subsequent regulatory actions requiring Keysight to divest certain Spirent businesses to Viavi Solutions Inc. created an opportunity to re-establish a more targeted partnership post-divestment with Viavi. The Group has since established an expanded partner network of approximately 65 regional partners, providing sustainable global market coverage. Discussions are ongoing regarding a potential channel agreement with Viavi to further strengthen this footprint.	The Group has extensive experience managing regional partners and continues to apply rigorous oversight to ensure effective market coverage across its expanded network. With over 65 partners now in place, processes and controls have been enhanced, supported by a data-driven approach to partner performance monitoring. The diversification of the partner base has significantly reduced channel concentration risk, with Spirent/Viavi accounting for 43% of annual orders in FY25 and 20% in FY26. To support its Partner First strategy, the Group has launched the Calnex Connect Partner Program to strengthen partner recruitment, onboarding and retention. A Partner Relationship Management (PRM) platform is also being implemented to enhance enablement, collaboration and communication, alongside ongoing investment in dedicated partner management resources.	↓
Economic and business cycle impact on capital spend	A significant proportion of the group's income is capital expenditure incurred by our customers to serve their engineering development projects. During times of economic uncertainty some such programmes across the sector can be subject to delays or postponement, though are rarely cancelled.	The Group will stay closely connected to end-customers to ensure it can fully capitalise when spend approvals are restored. The Group explores options to use opex-based models where relevant, including rental and service models.	↔

Principal Risks and Uncertainties continued

Movement Key:

↑ Increasing ↓ Decreasing ↔ Unchanged

Risk	Impact	Mitigation	Movement since prior year
Cyber Security	The operational processes of Calnex and the management of the Company's intellectual property are all dependent on our IT systems. There are risks at all levels of the business ranging from all staff being subjected to potential scam emails and internet viruses, to a malicious cyber-attack on the company resulting in a potential ransomware threat. The scale, sophistication and frequency of cyber threats continue to evolve, driven by increased digitalisation, use of cloud based technologies and reliance on third party service providers.	The Group operates comprehensive staff training, systems and data security back-up and procedures to protect against a cyber-based incident. The Group has a continual improvement approach to cyber security controls and business procedures to mitigate cyber security risks, including, but not limited to, a group-wide cyber security governance framework aligned to recognised industry standards, continuous monitoring of systems and networks to detect and respond to threats, multi factor authentication (MFA) for access to key systems, regular testing of controls, including vulnerability and email scanning, software patching and regular cyber maturity assessments.	↑
Other third-party suppliers, distributors and contractors	The Group is reliant, to an extent, on third parties for various processes, products and services which the Group requires to deliver its products. Termination of these relationships and/or breach of arrangements agreed with third parties and/or failure of such third parties to otherwise deliver the contracted services and/or failure to engage alternative third parties could be a risk to the Group.	The Group monitors its relationships and maintains open dialogue with these key third parties closely to mitigate against this risk.	↔
Geopolitical landscape	The political landscape within which the Group operates is going through a period of change, particularly with regards to the recent changes in US trade policy, US/UK/China relationships, the consequences of the Russian invasion of Ukraine and other rising tensions across the globe including those between China and Taiwan and developments in the Middle East. Changes to UK and international government policy, funding regimes, infrastructure initiatives, or the legal and regulatory framework may result in structural market changes or impact the Group's operations in terms of reduced profitability, increased costs and/or a reduction in operational flexibility or efficiency.	The Group monitors carefully future developments that arise out of these changes to the landscape and will engage in any relevant regulatory processes. The geographical spread of the Group's operations acts as a mitigating factor against any concentrated economic risk. As a result of the 10% import tariffs for goods being shipped into the US from the UK announced in the prior year, the Group works closely with its US sales partners to mitigate the impact to revenues. The Group has carried out little business with Russia, Ukraine or Belarus over the years hence the conflict involving these countries has had minimal direct impact on the business although the wider implications of the conflict continue to be monitored.	↑

Risk	Impact	Mitigation	Movement since prior year
Technological change	The markets for the Group's products are characterised by rapidly changing technology, and increasingly sophisticated customer requirements. It is critical to the success of the Group to be able to anticipate changes in technology or in industry standards and to successfully develop and introduce new, enhanced and competitive products on a timely basis and keep pace with technological change.	Calnex, since inception, has developed and maintained a close involvement with the standards community and with regulatory bodies to ensure it has early insight to industry developments to keep the Group's R&D programmes well informed. Senior management also have regular meetings with key end customers to maintain visibility over their technology roadmaps. The insight from these relationships enables Calnex to produce a demand-led offering in line with market developments, customers' future requirements and regulatory standards.	↔
Key individuals	The Group's business, development and prospects are dependent on a number of key management personnel. The loss of the services of one or more of such key management personnel may be a risk to the Group.	The directors believe the Group operates a progressive and competitive remuneration policy which includes the potential awards of share incentives to staff. The future development and implementation of this policy will play an important part in retaining and attracting key management personnel. The Group maintains connections to the executive recruitment industry to ensure new talent can be identified and attracted to Calnex as and when need.	↔
Competitive position	In the telecoms industry the Group's competitors are, in many cases, significantly larger enterprises with greater financial and marketing resources. There may also be new entrants to the market. In response to competitive activity, the Group may be forced to make changes to its products or services.	The executive management team monitor competitors' service offerings closely. Strong customer engagements also provide visibility of future needs which provide mitigation against a competitor gaining a significant time-to-market advantage.	↔

A meaningful impact

Calnex is a 'people first' company built on trust and respect. Not only for each other but also for the environment and for the local communities of our employees across the globe, where we do our best to make a meaningful impact.

The Group follows the Quoted Companies Alliance Practical Guide to ESG, which is intended to supplement The Quoted Companies Alliance Corporate Governance Code (the QCA Code), which the Group also follows. The QCA Practical Guide provides pragmatic steps for small and medium sized listed companies to develop how to identify and disclose those ESG issues that are important to them and outlines an approach that is proportionate to the resource availability within smaller companies, whilst also giving stakeholders the relevant information that they need.

In future years, the Group intends to move to follow the recently issued QCA Environmental and Social Guide, which is intended as an update to the QCA Practical Guide to ESG.

We have established an internal ESG Steering Committee, members of which are a cross departmental team of senior leaders who are responsible for reporting to the Senior Leadership Team on all ESG related activities and initiatives throughout the business.

Calnex is an innovative and forward-thinking business where our employees are encouraged to share their views, contribute to decision making, challenge each other and improve our processes to make a positive contribution to business success. This is reflected in the approach we take to delivering leading-edge test and measurement solutions for 5G networking and wireless technologies. 5G technologies provide enhanced mobile broadband, mission critical communications and the Internet of Things, all of which have a significant global impact across many aspects of society and industry.

Our focus is on delivering platform products that enable software upgrades in line with customers' aspirations. We can't control how our customers use our products, but we can influence how they benefit from additional functionality without the need for additional hardware. Our products are built into test racks where they remain for as long as the customers' products are supported and thanks to the skills of our team, our in-depth knowledge, and market insight, many of our customers enjoy hardware longevity of between 10 and 15 years. For example, both our Paragon-X and Sentinel platforms, introduced in 2010, and 2013 respectively, are still supported by the Company.

Our software-first approach significantly reduces the impact our products have on the environment by building in best-in-class longevity and providing long-term expert support through cutting-edge upgrades that anticipate customer requirements. Through the sales and post sales engagement with customers, we gather feedback on features and requirements that we need to enhance the product for the future. Regular engagement with customers is core to the value we deliver to support our customers' current and future needs, whilst considering the environmental impact of our products. The longevity of our products also influences the wider supply chain, as our customers now expect that same length of use from other test equipment vendors. Although already a low environmental impact business, the senior management team and our staff are keen to do more to tackle the environmental challenges facing the planet and have several initiatives running to address this. Our employee-led environmental, social & charity team also continues to be successful, with high levels of employee engagement experienced throughout the year.

Environment

Carbon Calculations: background and Scope 1 & 2 reporting

Calnex is committed to understanding our environmental impact with a view to implementing future strategies to reduce our carbon footprint where possible. Although we are currently below the mandatory reporting threshold for Streamline Energy and Carbon Reporting (SECR), over the past three years we have laid the groundwork to enable voluntary reporting. We are pleased to report our Scope 1 and 2 greenhouse gas (GHG) emissions for the first time this year. We have engaged an independent external consultant, Addidat, to provide objective quality assurance on the integrity of our carbon emissions model and the underlying data collection processes.

Refining our baseline data is a key priority for the next two years, to allow us to identify practical and measurable reduction initiatives and track meaningful progress over time. We have also continued background work on Scope 3 (GHG emissions in our value chain), to report our full carbon footprint in the future with tried and tested data collection methods, and a strong calculation model. While carbon emissions regulations may be introduced later than initially anticipated, we remain committed to being prepared, proactive, and guided by doing the right thing for our stakeholders and the environment.

All our environmental initiatives are being implemented in alignment with ISO 14001:2026 Environmental Management Systems requirements, with a view to potentially attaining ISO 14001 certification in the future, when appropriate for a business of our size. Our contract manufacturer, Kelvinside Electronics, whose processes and procedures account for a large proportion of our direct supply chain, is already ISO 14001:2015 certified.

In the table below, we provide an overview of our Scope 1 and 2 GHG emissions, in line with the Greenhouse Gas Protocol, and the SECR requirements. Our reporting covers our UK-based emissions which include Scope 1 and 2 from FY25 and FY26.

- Scope 1 refers to direct emissions from resources owned or controlled by the reporting company, such as onsite combustion of fuel.
- Scope 2 refers to indirect emissions from the generation of purchased steam, cooling, electricity and heating consumed by the reporting company.

Due to the structure of the Group, the operational control approach has been taken, which means for FY25 and FY26 all of our Scope 1 and 2 emissions are assumed to be within the UK.

Energy Use (mWh)	**FY26**	FY25
Scope 1: Gas	**127.39**	161.65
Scope 2: Electricity	**283.45**	300.22
Total	**410.84**	461.88

UK Emissions (tCO_2e)	**FY26**	FY25
Scope 1: Combustion of Gas and F-Gas	**23.72**	31.87
Scope 2: Purchased Electricity (Location Based)	**50.17**	62.16
Scope 2: Purchased Electricity (Market Based)	**27.48**	28.20
Total Scope 1 and 2 (Location Based)	**73.90**	94.03
Total Scope 1 and 2 (Market Based)	**51.20**	60.07

UK GHG Emission Intensity Ratio (tCO_2e/£million revenue)	**FY26**	FY25
Total Scope 1 and 2 (Location Based)	**3.38**	5.12
Total Scope 1 and 2 (Market Based)	**2.34**	3.27

ESG continued

We have used revenue as the most appropriate intensity metric for Calnex which reflects and supports annual comparisons as the business grows.

Carbon Calculations: Methodology and Assumptions

The information used in calculating these emissions is based on electricity invoices and verified data supplied by the landlords of the buildings in which we operate. We have used the UK Government GHG Conversion Factors for Company Reporting from the Department for Energy Security & Net Zero emissions factors and the European Residual Mix provided by the Association of Issuing Bodies to calculate our Scope 1 and Scope 2 emissions in tonnes of carbon dioxide equivalent.

We have used both the Market-based and Location-based method for Scope 2 emissions accounting, as recommended and defined in the Scope 2 guidance amendment to the Corporate Standard, as provided by the GHG Protocol. The location-based method indicates Calnex's emissions based on a UK grid emissions factor. The market-based method uses supplier-specific emissions factors, which provides a more accurate representation of Calnex's emissions by reflecting our environmental choices, such as the use of renewable energy in our HQ.

All emissions from hybrid company vehicles are attributed to Scope 1. This is due to a small proportion of total miles being attributed to electric energy in comparison to petrol.

In calculating energy usage for our offices, we have used the area-based method where we have not had access to our exact energy usage, due to a lack of submetering available in the spaces.

Other energy efficiency action initiatives

- All Calnex operations are based in rented facilities, including our HQ in Linlithgow, which is leased from Oracle. Collaboration with our landlords is essential to strengthening the accuracy of data for our Scope 1 and Scope 2 calculations. We are working closely with our landlords and their facilities teams to improve the accuracy and completeness of utility consumption information, and to establish regular data sharing to enable Calnex to monitor and analyse energy usage and carbon emissions data throughout the year.
- Additionally, Calnex uses the waste recycling services provided by Oracle. Oracle have also invested in efficient lighting and air conditioning systems which minimise energy consumption on site. Calnex have also implemented additional collection points for employees to bring in recyclable materials which would traditionally end up in landfill. The small amount of electrical component and circuit board waste we generate is disposed of in accordance with the WEEE regulations ensuring zero waste to landfill and recovering critical materials for reuse.
- Our products, sales and customer support services are managed by locally based partners across the globe together with Calnex support staff, which greatly minimises global travel for our people.
- Calnex Product Packaging Project was launched in FY23 to measure and improve the recyclability of our product packaging. The project has since refocused on collaboration with our packaging supplier, Dewar Brothers, to actively monitor developments within the packaging market and identify viable alternatives to the current non-recyclable elements of our protective packaging. Calnex's objective is to transition to materials with a recycled content, that deliver equivalent shock absorption and product protection.
- In parallel, we have engaged with our partners and customers to encourage the retention and reuse of original packaging for the full lifecycle of the product, for storage and return shipping to Calnex for upgrades or repairs. By encouraging this, Calnex aims to reduce the introduction of additional packaging into the market and minimise associated environmental impacts.
- Calnex provides a cycle-to-work scheme for all UK employees, via the Green Commute Initiative. This benefit is well-received amongst Calnex employees. Additionally, Calnex also partners with Arnold Clark to offer an Electric Vehicle Salary Sacrifice Scheme, offering a cost-effective way for employees to lease a brand-new electric or hybrid car. This continues to be a successful partnership and popular benefit.

Initiatives for FY27

For the next financial year we will continue to evolve our environmental initiatives, to ensure our commitment to understanding and reducing our environmental impact. The primary aim for FY27 is to raise awareness about the work we are doing in our carbon calculations workstreams, and to encourage all Calnex team members to get involved in our carbon reduction initiatives. These initiatives include establishing environmental training for all Calnex employees, creating an environmental internal SharePoint for regular communication, and establishing a Calnex 'E Team' who will help to support our environmental initiatives and engage employees. Through this, Calnex can ensure that we are continuing to push towards managing and reducing our environmental impact.

People

We work as one team. Respectful of each other, we consider how our actions, ideas and approaches impact others. We are inclusive, sharing in the successes, the challenges and the Group's ambitions moving forward. We help and encourage each other, supporting the business and our colleagues in building on an already successful company. Calnex enjoys and thrives on a diverse workforce where inclusion is key to building high performing, engaged and successful teams. Our retention rate of staff over FY26 was 95% (with an average tenure of 6 years).

Our strong values are promoted through a variety of employee engagement programmes:

- Robust and inclusive **Recruitment Process** that hires top talent and employees who value and support a positive working culture. Our process consistently surveys as 'Excellent' (top rating) from successful candidates and we had a 100% probation pass rate for FY26.
  - In FY26 we welcomed 2 new Apprentices to the business (Finance and Marketing) as part of our strategy to widen the talent pool and welcome more school leavers to our team, providing opportunities to 'learn while you earn' whilst bringing new talent to the business.
  - We also hosted 5 internships in R&D and Marketing, providing students with hands-on experience, enhancing employability, and helping them bridge the gap between academic learning and professional work. Our students work on live projects and feedback presented at the end of each internship remains extremely positive for all students and their mentors alike.
- Supportive **Induction Training Programme** that supports the integration of new employees and ongoing development of the wider Calnex team.
- **Mentoring Programme** to support the development of staff and career progression.
- Employee-built **Annual Review and Development Programme** that recognises personal achievements and supports development and career progression.
- Our **Training and Development Framework** develops skills, secures industry recognised and educational qualifications and manages and promotes employee wellbeing.
- Group-wide mandatory **Compliance Training** to remain legally compliant worldwide.
- A benchmarked **Benefits Package** that strongly supports the financial, physical and mental wellbeing of our people including, amongst other things, profit share for staff if the Company achieves budgeted profit targets, an employee share incentive plan, a flexible/hybrid working model, an employee wellbeing activity programme.
- **Integrated Management System** ISO9001 Quality and ISO45001 Health & Safety, which encourage inclusivity, drive continuous improvement, and places health safety and wellbeing at the centre of our activities.
- **Wellbeing** development programme for managers and employees to support a caring, educational, inclusive, and safe culture. During FY26, the focus for the programme focused on Financial and Mental Wellbeing (workshops and positive uptake of follow up free 1:1 clinics) and Menopause and Menstrual Health awareness training.
- We use a **Global Employer of Record (EOR)** in six overseas regions (India, Italy, Canada, Germany, Finland and Taiwan) to support global hiring, primarily for the Sales function. Working closely with the Calnex HR team, the Global EOR manages onboarding, payroll, benefits, risk mitigation, compliance and ongoing employee support.

Learning and development

96% of employees are signed up to the **Udemy** training platform which not only provides a high level of technical training, it also provides an abundance of content (30,000+ courses) relevant to all job roles, supporting employees in not only advancing their technical knowledge but also looking after their general wellbeing and skills development. Every employee at Calnex has access to a licence and 'DEAL' time (Drop Everything and Learn) of at least 5 days per year. All Managers have the ability to assign learning paths to their direct reports, actively supporting their personal development with suggestions on learning content to focus on.

ESG continued

Our **Leadership Development Programme** (LDP), is a mandatory programme for managers which supports them in leading high performing teams, developing capability, effective communication and leading change, which, in turn, will help with overall business productivity and culture. 85% of Calnex managers had completed this training by the end of March 2026. The main focus for leadership development in FY26 was employee wellbeing with a focus within that on financial and mental wellbeing and menopause and menstrual health. 89% of managers and 55% of employees attended our Menopause training with follow up support groups being attended by both male and female employees. Our first Menstrual Health training was attended by 40% managers and 18% of employees with further sessions planned for FY27.

Our internal **Calnex Info Hub** programme aims to promote foundational understanding of our business and give employees insight into our products, technologies, markets and the wider business. Our new spin off Intro Hub programme has improved our employee induction and onboarding process and experience with 100% on-time completion for all new employees in FY26. These programmes serve as an induction for new hires and source of continuous learning for all employees.

Calnex Corporate Giving Scheme

We have two main initiatives in place under the Calnex Corporate Giving Scheme – the Calnex Corporate Responsibility Fund where employees can nominate charities, clubs or organisations for a monetary donation each quarter and our Calnex in the Community Scheme where employees are given two days each financial year to volunteer within their local community during working hours, without the need to book annual leave.

The Board is committed to setting aside a portion of the annual budget each year for the Calnex Corporate Responsibility Fund. The scheme is managed by an employee-led team (with senior leadership sponsorship) who consider proposals from employees for donations or support for groups and events that matter to them. The Calnex senior leadership team want to empower our employees to make a difference in their communities by directing the Company to support initiatives that our employees truly care about.

The Calnex in the Community Scheme is popular with our employees. Group volunteering activities such as restoring and nurturing hospital patient and visitor gardens, planting trees and supporting local food banks are beneficial in so many ways. Beyond the obvious benefit of the primary task and the psychological benefit from making a positive contribution, we recognise how significantly such activities boost team spirit and engender pride in being associated with a company that helps our employees make a meaningful, local difference. 31% of employees supported initiatives in FY26.

In FY26 Calnex donated £19,488 to 52 charities, organisations and social events across the globe through our Corporate Giving Scheme. These

donations were made to a wide range of different charitable causes including mental and physical health charities, animal rescue organisations, sports clubs and rewilding programmes. We supported 41 charities, organisations and clubs through our Corporate Giving Fund, 33 of which were nominated by our employees. Key charitable donations included Crosskennan Animal Sanctuary, Addisons Support Group, Tourette's Scotland, Keech Children's Hospice, Children's Hospices across Scotland and NI Children's Hospice.

Our annual Christmas giving continued with our employee charity raffle in aid of Children's Hospices across the UK namely Northern Ireland Children's Hospice, Keech Children's Hospice and Children's Hospices Across Scotland (CHAS), offering palliative and end of life support, alongside home based and hospital-based services, short breaks, emergency care and bereavement support for families.

STEM Initiative

In FY26, Calnex also continued to develop our new STEM initiative to increase engagement with educational establishments (including pre-university), organisations and charities focussed on inspiring and developing the young future workforce and encouraging more young people into STEM subjects.

Our Linlithgow Office hosted two more 'Workplace Explorers' events, building on our programme launch from FY25. Young students (aged 10-12) came on site to learn about Calnex and our Product Life Cycle through short presentations from several employees from different departments and tours of our Research & Development and Operations labs. The students were then given a project to take back to school. This year's challenge was for them to design and build a car using recycled materials, with the stipulation that the car must travel at least 2 meters when built.

We plan to develop the current engagements we have with schools and repeat and develop this initiative in partnership with other schools going forward. We are also planning to develop the programme for secondary level students in Scotland.

Tommy Cook

Tommy Cook
Chief Executive Officer
22 May 2026

Section 172 (1) Statement

Section 172 (1) of the Companies Act obliges the directors to promote the success of the Group for the benefit of the Company's members as a whole.

The section specifies that the directors must act in good faith when promoting the success of the Company and in doing so have regard (amongst other things) for:

- the likely consequences of any decision in the long-term;
- the interests of the Group's employees;
- the need to foster the Group's business relationship with suppliers, customers and others;
- the impact of the Group's operations on the community and environment;
- the desirability of the Group maintaining a reputation for high standards of business conduct; and
- the need to act fairly as between members of the Company.

The ways in which these duties are addressed is set out below:

Consequences of any decision in the long-term

The Board is responsible for the decisions made in support of the long-term success of the Group and how the business has implemented strategic, operational and risk management decisions.

For more information on the business strategy and developments during the year, refer to pages 6 to 7 of the Strategic Report.

Employees

The Group has a strong focus on maintaining a culture of employee engagement and wellbeing. Our employees play a key role in the success of our business' strategic goals and the Board recognises the importance of a rewarding, inclusive and supportive working environment for our staff.

Refer to the ESG section and pages 32 to 37 in the Strategic Report for further detail on our culture and employees, including activities during the year.

Suppliers, customers and regulatory authorities

The Board recognises that trusted and constructive partnerships with our suppliers, customers and regulatory authorities are important to the success and growth of the business. The Board and the executive management team ensure transparent and regular communication with suppliers and customers, and the business values the feedback we receive. We take every opportunity to ensure that this feedback is taken into consideration in the Group's decision making.

The sophisticated nature of Calnex's products requires a high level of customer and supplier interaction from Calnex staff throughout the sale process and the Group is typically regarded as a trusted partner by both its resellers and customers. The high level of engagement with customers and our key contract manufacturer provides Calnex with visibility of industry direction and gives valuable insight for the Group's R&D and product development activities.

The Group also has processes in place to monitor new regulations and compliance requirements that may impact the business – including, for example, compliance with required standards and certifications, financial accounting and reporting updates and tax accounting and reporting compliance. Although Calnex itself is not regulated as a supplier of electronic test instrumentation, the Group is required to comply with certain regulations regarding safety, quality and radio frequency emissions standards in order to market its products in certain jurisdictions.

Refer to the Market Overview section and pages 16 to 19 of the Strategic Report for further detail on the Group's interaction and relationship with our customers, suppliers and regulatory authorities.

Community and environment

Although it is not mandatory for a Group of Calnex's size to report under the Streamlined Energy and Carbon Reporting (SECR) rules, we have been preparing the relevant data to enable voluntary reporting for Scope 1 and 2 greenhouse gas (GHG) emissions. Refer to the ESG section within the Strategic Report for more detail.

Awareness of the impacts on the environment and the community around us are considered in the Group's decision-making processes. The nature of the Group's business model and activities means a high proportion of processes which address current environmental challenges are embedded into our supply chain – predominantly through our landlord, our contract manufacturer and our distributor network. We take steps to understand how each of our key stakeholders who feed into Calnex's business model are prioritising the environment in their planning and strategic decisions.

The Board is committed to fund a Calnex Corporate Giving Scheme each year. An employee-led team (with senior leadership sponsorship) considers proposals from employees for donations or support for groups and/or events that matter to them. The Calnex senior leadership team want to support groups local to our employees to help to make a difference in our local communities.

Refer to the ESG section within the Strategic Report on pages 32 to 37 for more detail on the community and environmental activities undertaken by the Group and its supply chain.

Maintaining high standards of business conduct

The Company is incorporated in the UK and is governed by the Companies Act 2006. Calnex has adopted the Quoted Companies Alliance Corporate Governance Code 2023 (the 'QCA Code'). The Board recognises the importance of maintaining high standards of corporate governance, and together with the requirements to comply with the AIM Rules, this ensures that the interests of the Group's stakeholders are protected. Robust financial controls are also in place and regularly reviewed and documented. Refer to the Corporate Governance section for more detail on how the Group currently complies with the QCA Code Principle 5 '*Embed effective risk management, internal controls and assurance activities, considering both opportunities and threats, throughout the organisation*'.

The Board ensures ethical behaviour and business practices are maintained across the business and compliance policies are provided to staff upon joining the business and recirculated annually. Training is also provided at regular intervals thereafter to ensure that all employees within the business are aware of their importance:

- Anti-bribery and corruption training is mandatory for all staff. The Group expects honest and professional behaviour from all staff and stakeholders and there is zero tolerance for bribery and unethical behaviour by anyone working in or with the Group;
- The Group also has an anti-slavery and human trafficking policy statement which all staff are made aware of; and
- A whistleblowing policy is in place to allow employees to raise any concerns confidentially with the Chair or with Protect, the whistleblowing charity.

Shareholders

The Board recognises the requirement to present fair, balanced and understandable information to all stakeholders and particularly our shareholders. The Group is committed to transparent and effective communications with its shareholders so that there is a clear understanding of the Group's strategic objectives and performance.

The Group's approach to investor relations is described in more detail on pages 44 to 48 in the Corporate Governance section.

Section 172 (1) Statement continued

The following table summarises some of the significant decisions made by the Board during the year ended 31 March 2026 which demonstrate the way in which the Board has exercised its section 172(1) duty. These decisions have had a positive impact across most of our stakeholder groups in the year.

Events in the year

Product Innovation

- We continue to invest strongly in R&D to keep our product portfolio attractive and relevant to our key customers and markets. During the year, we 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.
- We have also been investing in proof-of-concept solutions for high-speed network emulation for AI data centres.

Refer to the Market Overview and Strategy Overview sections and pages 10 to 11 of the Strategic Report for more details.

Channel Evolution: Viavi Wireless Contract

- Calnex entered into a contract with Viavi Solutions Inc's Wireless group during the year, to jointly promote solutions for evaluating equipment in the O-RAN radio access network utilising instrumentation from both companies. Together, the products from Viavi and Calnex offer a best-in-class solution for assessing equipment intended for deployment in the telecoms mobile networks. Joint promotional activities began in Q4 and the developing funnel is expected to make a positive contribution to business in FY27.

PULSE AI

- PULSE is Calnex's cross-functional AI steering group, established as part of Board discussions to ensure artificial intelligence is adopted to improve business effectiveness, productivity and consistency, while remaining safe and aligned with company values.
- During the year, PULSE engaged with teams across the organisation to identify where AI is already enhancing day-to-day work, accelerating learning, and reducing manual effort, as well as where there are concerns around data security, accuracy, and appropriate use. These insights are now shaping company policy, practical guidance, shared internal use cases and targeted focus areas, enabling Calnex to realise the benefits of AI in a controlled and responsible way.

Partner Relationship Management Tool

- During the year, Calnex made the decision to invest in a new Partner Relationship Management (PRM) tool to support the continued evolution of our global partner network. The PRM platform will provide a central portal through which Calnex can distribute structured information, product updates and key enablement resources to partners, ensuring consistent and timely communication across all markets.
- This investment is designed to enhance the effectiveness and engagement of our partners, reduce administrative burden, and improve operational efficiency within Calnex. The tool will strengthen alignment with our channel ecosystem and provide the foundations to scale partner interactions as the business continues to grow.
- The tool is expected to go live in early FY27 and will continue to be developed to increase the value it delivers to our partners while improving effectiveness and efficiency to Calnex.

New website launch

- Our new international website has officially launched, marking a major step forward in how we present our brand, products and solutions to customers and partners.
- The redesigned platform offers a cleaner, more intuitive user experience, improved navigation and easier access to key resources. It also establishes a stronger foundation for search optimisation, supporting our growth strategy and strengthening how we communicate our value to the market. This launch is an important milestone in modernising our online presence and enhancing our overall customer journey.
- Chinese and Japanese language versions are planned to ensure accessibility for these key international markets.

Further details

For further details of how the Board operates and the way in which it makes decisions, including key activities during the financial year ended 31 March 2026 and Board governance, refer to the Corporate Governance Report at pages 44 to 48 and the Board Committee reports thereafter.

This Strategic Report was approved by the Board on 22 May 2026 and signed on its behalf by:

Ashleigh Greenan
Chief Financial Officer
and Company Secretary
22 May 2026

Board of Directors

Our leadership

Stephen Davidson
Independent Non-Executive Chair

Stephen Davidson is an accomplished director of both public and private companies, with more than 20 years' PLC-board experience. He is currently a Non-executive Director at MCB Group Limited. He also undertakes a number of pro bono appointments. Stephen was previously Non-executive Director at JSE listed Datatec Ltd, PRS for Music Ltd, Informa plc, Actual Experience plc, Rosenblatt Group plc, Restore plc, Jaywing plc, Inmarsat plc and MECOM plc. In his earlier career Stephen was Chief Financial Officer and then Chief Executive Officer of Telewest Communications plc and Vice Chair of Investment Banking at WestLB Panmure.

Tommy Cook
Chief Executive Officer

Tommy is the founder and CEO of Calnex Solutions. He has over 40 years' experience in telecoms test and measurement ranging from hands-on design and programme management of R&D projects through to leading business teams within the market segments in which Calnex currently operates. Tommy has participated in a number of Industry Standards forums during his career, including the ITU-T and MEF groups, and presented technical and market insight papers in industry forums.

Ashleigh Greenan
Chief Financial Officer

Ashleigh qualified as a chartered accountant with Deloitte before spending 5 years at KPMG in transaction services. She has held senior finance and corporate development roles at Exova Group plc, the UK materials testing business, before joining Parsons Peebles Group Limited, where she was a director of a number of group companies and held the role of Chief Financial Officer until she joined Calnex in early 2020.

Graeme Bissett

Independent Non-Executive Director

Graeme is an experienced corporate financier and qualified chartered accountant, having previously been a partner with Arthur Andersen LLP and finance director of international groups. He is currently a non-executive director of Aberforth Geared Value & Income Trust plc. Graeme was formerly Chair of Macfarlane Group PLC and acted as a non-executive director of businesses including Smart Metering Systems plc, Interbulk Group plc and Belhaven Group plc. He also undertakes a number of pro bono appointments.

Margaret Rice-Jones

Independent Non-Executive Director

Margaret has over 20 years' experience at Board level in public and private software and technology companies. Margaret is currently a non-executive director at Holiday Extras Investments Limited, Bengar Limited, Point Blank Solutions Ltd and Chair of the Scale-Up Institute. Previously, Margaret was Senior Independent Director of Xaar plc and chaired private companies Skyscanner Limited and Penguin Portals Limited (Confused.com) until they were acquired. Margaret spent her Executive career in the mobile telecoms sector.

Helen Kelisky

Independent Non-Executive Director

Helen Kelisky brings over 30 years of technology business leadership experience and a track record of driving top line growth, leading national and international businesses. Previous roles include Managing Director of Google Cloud in the UK and Ireland, Senior Vice President of Cloud Salesforce UKI, and Vice President of Cloud at IBM. Helen has been recognised as one of the 100 Most Influential Women in UK Tech for the past 9 years. She currently sits on the Board of Middlesex University, and Women in Telecommunications and Technology (WiTT), a non-profit career networking group for women.

Board Change

Margaret Rice-Jones has taken the decision to retire from the Board of Calnex and will not seek re-election at the Company's 2026 AGM. The Board is grateful to Margaret for her support of and contributions to Calnex. The Board will consider, as it does periodically, required skills and experience for its non-executive director cohort and act accordingly. Helen Kelisky will take over as Chair of the Remuneration Committee.

Corporate Governance Report

"

The Board is committed to maintaining high standards of corporate governance and considers that a strong corporate governance foundation is essential in delivering shareholder value."

Stephen Davidson
Chair of the Board

Introduction

I have pleasure in introducing Calnex's Corporate Governance Statement.

In accordance with the London Stock Exchange AIM Rules for Companies ('AIM Rules'), the Board has chosen to apply the Quoted Companies Alliance's ('QCA') Corporate Governance Code 2023 ('QCA Code') on the basis that it is the most appropriate governance code for the Group, having regard to its size and structure.

The Board has governance procedures and policies that are considered appropriate to the nature and size of the Group and its subsidiaries.

The QCA Code is constructed around ten broad principles. The QCA has stated what it considers to be appropriate arrangements for small and mid-size companies and asks companies to provide an explanation about how they are meeting the principles through the prescribed disclosures.

A summary of how the Group currently complies with the QCA Code is set out below. There is also a summary on the Group's website corporate governance page.

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

The Board is committed to delivering long-term value for Calnex's shareholders, and for providing a progressive, inclusive culture that motivates, empowers and rewards its highly skilled workforce.

The Board conducts an annual review of the Group's strategy, alongside regular discussions on progress against the business' strategic aims.

The Group's business model and strategy and key developments during the year are discussed in more detail at pages 6 to 13 of the Company Overview.

Principle 2: Promote a corporate culture that is based on ethical values and behaviours

The Board places significant importance on the promotion of ethical values and behaviours within the Group and takes ultimate responsibility for ensuring these are promoted and maintained throughout the organisation and that they guide the Group's business objectives and strategy.

Calnex is an innovative and forward-thinking business where employees are encouraged to share their views, contribute to decision making, challenge behaviours and improve processes to make a positive contribution to business success. The Group has a diverse workforce where inclusion is key to building high performing, engaged and successful teams.

The impact of the Group's people-related processes is monitored through the annual employee appraisal process and using a satisfaction and engagement survey which is performed annually. The executive team reviews the key findings of the survey and determines whether any action is required.

The Group has documented procedures with respect to its responsibilities regarding ethical behaviour, specifically bribery and corrupt practices and modern slavery and employees receive training in these areas on a regular basis.

The Group has adopted, and will operate as applicable, a code for Directors' and applicable employees' dealings in securities in accordance with Rule 21 of the AIM Rules for Companies.

All Group policies are available to the staff through the Group SharePoint and a number of the key policies are on the Company website.

Refer to the ESG section of the Strategic report for further details.

Principle 3: Seek to understand and meet shareholder needs and expectations

The Group is committed to open and ongoing engagement with all its shareholders on the business' performance and strategy, and maintaining positive relationships with shareholders is important to the Board.

The Chair of the Board is responsible for ensuring that appropriate methods of communication are established between the executive directors and shareholders, ensuring shareholders' views and feedback are shared with the Board.

The Chief Executive Officer and Chief Financial Officer meet with the Group's major shareholders on investor roadshows following the release of the Group's interim and annual results, and certain other ad hoc meetings that take place during the year, to discuss the Group's performance and to understand shareholder needs and expectations. No matters or topics outside the normal course of business were brought to the Board's attention in the year. A live broadcast of the Group's results presentation is also given to our retail shareholders during the investor roadshows, which includes a Q&A session at the end of the main presentation. The non-executive directors are also available to discuss any matters that shareholders wish to raise when requested.

The Group ensures that any price sensitive information is released in accordance with London Stock Exchange requirements via the regulatory news service ('RNS').

The Group's website (www.calnexsol.com) has a section for investors, which is kept updated to contain all publicly available financial information and news on the Group. Our shareholders also have the opportunity to ask questions through a dedicated investor relations email address throughout the year. The Group engages the services of a financial PR consultancy, which acts as another point of contact for investors.

The Annual General Meeting is an important opportunity for the Board to engage with shareholders, particularly retail investors. The Notice of AGM is sent to shareholders at least 21 days before the meeting. The Chair of the Board, together with all the other directors, whenever possible, attend the AGM and are available to answer shareholder questions.

Corporate Governance Report continued

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

Refer to the s172 Statement on pages 38 to 41 and the ESG section on pages 32 to 37 of the Strategic report for further details on how we take wider stakeholder interests into account.

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

A summary of the Group's risk management framework and the principal risks and uncertainties relating to Calnex and its business, along with how those risks are mitigated, is on pages 27 to 31 of the Strategic Report.

Refer to the ESG Section on pages 32 to 37 of the Strategic report for further details on how we address climate related and other ESG related risks.

Refer to The Audit Committee Report for further details on The Audit Committee's responsibilities for reviewing and monitoring the effectiveness of the Group's financial reporting and internal control policies, compliance with corporate governance, any matters that may significantly affect the independence of the external auditor and procedures for the identification, assessment, and reporting of risk.

Principle 6: Establish and maintain the board as a well-functioning, balanced team led by the chair

The Company is controlled by the Board of Directors. The members of the Board have a collective responsibility and legal obligation to promote the interests of the Group. They are collectively responsible for defining corporate governance arrangements. Ultimate responsibility for the quality of, and approach to, corporate governance lies with the Chair of the Board.

A Statement of Directors' Responsibilities is set out on page 64 and the experience of the Board is set out on pages 42 to 43.

Board composition

The Board consists of six directors, two of whom are full time executives and four of whom are part time non-executives. The non-executive directors devote as much time as is necessary to fulfil their roles. The Group considers all four of the non-executive directors to be independent.

The Board is satisfied with the balance between executive and non-executive directors. The Board considers that its composition is appropriate in view of the size and requirements of the Group's business and the need to maintain a practical balance between executive and non-executive directors. The Group believes that the makeup of the Board represents a suitable balance of independence and detailed knowledge of the business to ensure that it can fulfil its roles and responsibilities as effectively as possible. The executive directors are directly responsible for running the business operations and the non-executive directors are responsible for bringing independent judgement and scrutiny to decisions taken by the Board.

The Board is highly committed and experienced and is supported by qualified executive and senior management teams. The executive management team includes two members of the Board, the Chief Executive Officer and the Chief Financial Officer.

Before undertaking the appointment of a non-executive director of the Board, the Chair establishes that the prospective director can give the time and commitment necessary to fulfil their duties, in terms of availability both to prepare for and attend meetings and to discuss matters at other times.

The Board believes it collectively has the requisite skills and experience to fulfil its responsibilities. As a group, the Board brings many years of experience in Board and Committee governance (main market listed, AIM listed and private companies), strategy, risk, financial (M&A, capital markets, shareholder value creation, reporting and disclosure), operational leadership, technology, human capital and change.

Board meetings

Board meetings are planned to occur not less than seven times a year with additional meetings as and when required. The Chair is responsible for ensuring that directors receive accurate, sufficient and timely information. A scheduled meeting calendar is arranged as far in advance as possible, and ad hoc meetings are held in person or by video conference when it is necessary for the Board to discuss specific issues.

The Company Secretary compiles the Board and committee papers which are circulated to directors prior to meetings, together with a formal agenda. The Company Secretary provides minutes of each meeting, and every director is aware of the right to have any concerns minuted and to seek independent advice at the Group's expense where appropriate. Information on the Group's operational and financial performance is circulated to the directors in advance of meetings.

The business reports monthly on its headline performance against its agreed budget and market consensus, and the Board evaluates any significant variances. Executive management are invited to meetings from time to time, providing the whole Board with the opportunity for direct enquiry and a thorough overview of the Group.

Meetings of the Board and its committees held in the year to 31 March 2026 and the attendance of the directors are summarised below (those directors that are not members of the Committees attend by invitation):

	Board	Audit Committee	Remuneration Committee	AIM Compliance Committee	Nomination Committee
Minimum requirement for meetings	7	3	3	2	1
Meetings held in year	7	3	3	2	1
Stephen Davidson	7	3	3	2	1
Tommy Cook	7	3	3	2	1
Ashleigh Greenan	7	3	3	2	1
Graeme Bissett	7	3	3	2	1
Margaret-Rice Jones	7	3	3	2	1
Helen Kelisky	7	3	3	2	1

Roles and responsibilities of the Chair and the Executive Directors

The role of the Chair and CEO are split in accordance with best practice.

The Chair has the responsibility of ensuring that the Board discharges its responsibilities and facilitates full and constructive contributions from each member of the Board in determination of the Group's strategy and overall commercial objectives. The Chair oversees the running of the Board, ensuring that no individual or group dominates the Board's decision-making and ensuring the non-executive directors are properly briefed on matters. The Chair has overall responsibility for corporate governance matters in the Group and chairs the Nomination Committee.

The Board retains ultimate accountability for good governance and is responsible for monitoring the activities of the executive management team.

The CEO manages the day-to-day business activities of the Group and the executive management team ensuring that strategic and commercial objectives are met. He is accountable to the Board for the operational and financial performance of the business. The CFO is responsible for the Group's financial controls and reporting to the Board.

The executive management team which comprises representatives from sales, operations, R&D, finance and HR reports to and regularly engages with the CEO. The day-to-day operations of the Group are managed by the executive management team.

Board Committees

The Group has established Audit, Remuneration, Nomination and AIM Compliance committees with clearly defined terms of reference which are set by the Board:

- The Audit Committee has the primary responsibility of monitoring the quality of internal controls and ensuring that the financial performance of Calnex is properly measured and reported on. The Committee also considers the appropriateness of the Group's accounting policies on an annual basis. The Committee liaises with Group's external auditors on future changes to such accounting policies. Further details are included in the Audit Committee Report at pages 55 to 57.
- The Remuneration Committee reviews the performance of the executive directors and makes recommendations to the Board on matters relating to their remuneration and terms of service. Further details are included in the Remuneration Committee Report at pages 49 to 54.
- The Nomination Committee regularly reviews the structure, size and composition of the Board. Further details are included in the Nomination Committee Report at pages 58 to 59.

The AIM Compliance Committee is responsible for ensuring that the Group has in place at all times appropriate procedures, resources and controls to enable it to comply with the AIM Rules. Further details are included in the AIM Compliance Committee Report at pages 60 to 61.

Principle 7: Maintain appropriate governance structures and ensure that individually and collectively the directors have the necessary up-to-date experience, skills and capabilities

The Board has overall responsibility for promoting the success of the Group.

Further detail on Board and Committee roles and responsibilities are described above under '*Principle 6: Maintain the board as a well-functioning, balanced team led by the chair*'.

The Board has a formal schedule of matters reserved to it, including the approval of annual financial plans and the review of performance against these plans, the Group's strategy and objectives, and the treasury and risk management policies.

The Board reviews its governance framework on a regular basis to ensure it is fit for purpose and carries out a review of the Committees' Terms of Reference during each financial year.

Reports of the Board's Audit, Remuneration, AIM Compliance and Nomination Committees can be found in the Governance section of this Annual Report.

Each member of the Board brings different skills and experience to the Board and the Board Committees. The Board is satisfied that there is sufficient diversity in the Board structure to bring a balance of skills, experience, independence and knowledge

Corporate Governance Report continued

to the Group. Where vacancies arise or gaps are identified that must be addressed, the Board (via the Nomination Committee) follows a rigorous selection process using external executive search agencies. More detail on the biographies of the Board of Directors can be found on pages 42 to 43.

The Board conducts an annual review of its composition to ensure there is adequate diversity to allow for its proper functioning and that the Board works effectively together as a unit. When a new appointment to the Board is to be made, consideration will be given to the particular skills, knowledge and experience that a potential new member could add to the existing Board composition.

The non-executive directors hold senior positions with other companies ensuring that their knowledge is continuously refreshed. Specific training, such as updates on AIM rules and corporate governance and compliance training modules will be provided to the Board by the Group when required to support the directors' existing skillsets. The Board has access to external advice, including the Company's solicitors where required. The Board is provided with specific training on the AIM Rules for Companies by its Nominated Adviser on an annual basis. The Company's Nominated Adviser is available to provide guidance and additional training to the Board on specific regulatory matters as required.

Principle 8: Evaluate board performance based on clear and relevant objectives, seeking continuous improvement

The effectiveness of the Board, individual directors and senior management is evaluated on an ongoing basis as part of the Board's ongoing review of the business.

In line with the requirements of the QCA Code, an annual evaluation process is undertaken, led by the Chair, which considers the effectiveness of the Board, its committees and individual directors, highlighting relevant areas for improvement. A detailed questionnaire is completed by each director, with the results collected by the Chair, supplemented by a one-to-one meeting with each of the directors and the Chair. The results are then discussed by the Board. The Board conducted an internal review in early April 2026 and concluded that it was operating effectively. The review identified opportunities to increase focus on strategy implementation, improve sales pipeline forecasting and analysis and improve year end remuneration processes. These are being actioned.

The next Board effectiveness review will be externally facilitated which will be undertaken within the next 12 months.

The Board's effectiveness is also assessed in an informal manner by the Chair on an on-going basis. The Chair has been tasked with assessing the individual contributions of each of the members of the team to ensure that their contribution is relevant and effective, they are committed and, where relevant, can continue to be considered independent.

The performance of the Chair is reviewed annually by means of a survey led by the Audit Committee Chair who canvasses views from directors and key advisers.

The Nomination Committee is responsible for considering succession planning and advising the Board accordingly. Refer to the Nomination Committee report within the Governance section on pages 58 to 59 for more detail.

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

Refer to the Remuneration Committee Report on within the Governance section on pages 49 to 54 for detail on remuneration practices across the company.

Principle 10: Communicate how the company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders

The Group places a strong emphasis on the standards of good corporate governance and maintaining an effective engagement with its shareholders and key stakeholders, which it considers to be integral to longer-term growth and success, and it aims to ensure that all communications concerning the Group's activities are fair, balanced and understandable.

Communications with shareholders and communications with other relevant stakeholders are described in detail above under 'Principle 3: Seek to understand and meet shareholder needs and expectations' and 'Principle 4: Take into account wider stakeholder interests, including social and environmental responsibilities and their implications for long-term success' respectively.

The Group's website sets out details of the Group and its activities, regulatory announcements and press releases, annual and half year reports, AGM notices, outcome of AGM votes and other governance materials required by the AIM Rules for companies and the QCA Code.

Stephen Davidson
Chair of the Board
22 May 2026

Remuneration Committee Report

"On behalf of the Board, I am pleased to present Calnex's Remuneration Committee Report for the year ended 31 March 2026."

Margaret Rice-Jones
Chair of the Remuneration Committee

Introduction

This report outlines the Group's remuneration policy for its directors and shows how that policy was applied during the year. As the Company is quoted on the AIM Market of the London Stock Exchange ('AIM'), Calnex is not required to comply with Schedule 8 to the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 and is under no obligation to prepare a directors' remuneration report.

This section of the annual report has been prepared on a voluntary basis and fulfils the relevant requirements of Rule 19 of the AIM Rules for Companies.

Remuneration Committee Report continued

Members of the Remuneration Committee

The Remuneration Committee comprised the non-executive directors throughout the year and, up to and including 31 March 2026, was chaired by Margaret Rice-Jones. The Committee invites the executive directors to attend its meetings when appropriate. In exercising this role, the directors have regard to the recommendations set out in the QCA Code.

No director or senior manager is permitted to be involved in any decision as to his/her own remuneration.

The non-executive directors of the Committee have no personal financial interest, other than as shareholders, in the matters to be decided. They have no conflicts of interest arising from cross-directorships or from being involved in the day-to-day business of the Group.

Roles and responsibilities

The duties of the Remuneration Committee are set out in its terms of reference, which are available on the Company's website. The Remuneration Committee meets at least three times a year and its main responsibilities are:

- to ensure that the Company's remuneration policy attracts and retains employees with the right skills and expertise needed to enable the Company to achieve its goals and strategies;
- to ensure that fair and competitive compensation, with appropriate performance incentives, is awarded;
- to review the performance of the executive directors and make recommendations to the Board on matters relating to their remuneration and terms of service;
- to make recommendations to the Board on proposals for the granting of share options and other equity incentives pursuant to any employee share option scheme or equity incentive plans in operation.
- for all long-term incentive plans, to determine each year the overall number of awards and the individual awards to executive directors and senior management;
- to review and approve Group-wide salary increases and discretionary employee profit share payments; and
- to review any major changes in employee benefits structures throughout the Group.

The Committee met three times during the year to 31 March 2026. Activities included review and approval of:

- the executive directors' bonus plan structure;
- the executive directors' remuneration for the year ended 31 March 2026;
- the executive management team bonus plan structure;
- a review of the next phase of equity incentive arrangements for senior management; and
- share option awards and other equity related incentive schemes.

The members' attendance record at Committee meetings during the financial year is set out in the Corporate Governance report at page 47.

The Company allows executive directors to hold external directorships subject to agreement by the Chair on a case-by-case basis and, at the discretion of the Committee, to retain the fees received from those roles.

Directors' Remuneration for the year ended 31 March 2026 (unaudited)

The table below sets out the detailed emoluments of each director who served during the year:

	2026					2025
	Salary/ fees £000	**Benefits in kind £000**	**Bonus[3] £000**	**Pension £000**	**Total £000**	Total £000
Executive directors						
Tommy Cook[1]	**213**	**10**	**86**	**–**	**309**	161
Ashleigh Greenan[2]	**190**	**1**	**68**	**9**	**268**	171
Non-executive directors						
Stephen Davidson	**75**	**–**	**–**	**–**	**75**	72
Graeme Bissett	**54**	**–**	**–**	**–**	**54**	52
Margaret Rice-Jones	**52**	**–**	**–**	**–**	**52**	50
Helen Kelisky	**46**	**–**	**–**	**–**	**46**	44
Total	**630**	**11**	**154**	**9**	**804**	550

1 Benefit in kind figures for Tommy Cook include £8,600 relating to a company car.
2 Salary figures for Ashleigh Greenan include £15,000 car allowance.
3 Bonus amounts accrued at year end and will be paid to the directors in May 2026.

The table on page 50 does not include the value of share options held by the directors, details of which are set out below.

The main components of executive directors' remuneration comprise:

- Basic salary
- Performance-related bonus
- Defined contribution to personal pension plan
- Other benefits such as car allowances, medical and life assurance
- Long term incentives (share option scheme)
- Share Incentive Plan participation (under HMRC rules, the SIP must be open to all employees, including executive directors)

Basic salaries

The basic salary of the executive directors is reviewed annually by the Remuneration Committee, with changes, if any, taking effect on 1 April of each year, to take account of market and other factors including the increase levels for the wider employee base.

Performance-related bonus

The executive directors participate in a bonus plan which is linked to the achievement of financial and individual performance targets set by the Remuneration Committee.

In the year to 31 March 2026, the bonus plan was structured to pay a maximum of 100% of annual basic salary for the Chief Executive Officer and the Chief Financial Officer.

Bonuses payable are subject to the discretion of the Remuneration Committee after considering an overall view of the Group's performances and its assessment of financial and personal performance.

In the year ended 31 March 2026, performance against targets resulted in a bonus award for the Chief Executive Officer of 40% (FY25: nil%) and the Chief Financial Officer of 39% (FY25: nil%), as a result of the Group's performance compared to budgeted targets for the year.

Use of discretion by the Committee in regard to bonus payments

During the year, the Group changed its accounting policy in respect of Research and Development Expenditure Credit (RDEC), the impact of which reduced the Company's reported profit before tax by £0.4m. Full details on the accounting policy change and the impact can be found in note 31 to the financial statements.

The Committee has considered the extent to which this accounting policy change affected the comparability of Calnex's financial performance against the targets set at the beginning of the year, noting that the benefit of these credits, while arising from continued investment in R&D, is subject to factors outside management's direct control. The change to the RDEC accounting policy also impacted the profit-sharing scheme and the bonuses payable across the Company. To ensure that bonus awards reflect underlying business performance and the delivery of the staff and Executive Directors against the financial targets set for FY26, the Committee exercised its discretion for those who would have been affected and adjusted the total bonuses to negate the impact of the RDEC change , resulting in an aggregate increase in bonus paid across the Company of £0.1m.

Additionally, the Committee used its discretion to pay at threshold a specific performance-related bonus to the CEO, which reached 98% of the internal sales target set at the start of FY26. The Committee considered the CEO's contribution to the significantly improved trading in FY26, the orders booked in the period and the return of growth to the business and concluded that payment of an additional 8% bonus was justified and is aligned with wider shareholders' interests.

Pension contributions

The Chief Executive Officer does not participate in the Company pension scheme. A contribution of 5% per annum of basic salary is paid into the scheme by the Company, on behalf of the Chief Financial Officer. This is in line with the standard contribution level which other Calnex employees receive.

Other benefits

The Company pays for private healthcare for each executive director and 50% towards the cost of private healthcare for their immediate family, together with life assurance scheme cover. The Company provides a company car for the Chief Executive Officer and a company car allowance for the Chief Financial Officer.

Equity incentive schemes

In FY25, the Remuneration Committee conducted a thorough review of the approach taken to the use of equity-based incentive schemes as part of overall remuneration across the business, to ensure that the remuneration structure remains appropriate to support the Company and incorporates evolving best practice and regulatory developments. As an innovative technology company, operating in an area of scarce skills, we compete for talent in a global market. As such, we have always believed that equity-based incentives distributed at all the levels of the company is a key tool for the Company to both attract and retain key talent. The Company has adopted a number of share-based and non-share-based incentive schemes, the terms of which are more particularly described below.

As part of this review, the Board assessed the long term capacity of the Company's existing share option schemes. The original rules of the equity incentive schemes restricted the Company from issuing options over ordinary Shares exceeding 10 per cent. of the issued ordinary share capital of the Company in any 10-year rolling period, in line with the Investment Association's Share Capital Management Guidelines. It was identified that, based on historical grant levels, the Company was on track to reach its existing 10% share option limit within two years. Reaching this limit would have prevented the Company from issuing further equity awards until 2030.

Remuneration Committee Report continued

To maintain flexibility in its incentive arrangements, the Board consulted with major shareholders in May 2024 on a proposal to increase the share option limit to 12.5%. Following supportive feedback, the proposal was put to shareholders at a General Meeting in October 2024, where it was approved by majority vote. This increase provides the Company with additional headroom to continue making equity awards until 2030, after which the intention is to manage issuance back within the 10% threshold.

Non-performance based equity incentive schemes
The Company has long-term incentive schemes in place designed to provide retention for employees and alignment with shareholders which include schemes where no performance conditions are applicable to options under these schemes other than continued employment. These long-term incentives are provided through the operation of the following arrangements:

- Restricted Stock Units (RSUs) which enables non-tax advantaged nominal cost options to be granted to selected employees in the UK and the USA.
- Cash Restricted Stock Units (Cash RSUs) enable non-tax advantaged nominal cost shadow equity interests to be granted to selected employees and contractors worldwide, which are settled by way of a cash payment.
- Calnex Solutions plc EMI Share Option Plan (EMI Plan), which allows tax advantaged options to be granted over the Company's shares to selected employees of the Group (including executive directors) based in the UK.
- Calnex Solutions plc Company Share Options Plan (CSOP Plan), which allows tax advantaged options to be granted over the Company's shares to selected employees of the Group (including executive directors) based in the UK.
- USA Incentive Stock Option Addendum to the EMI Plan (USA ISO Addendum): The EMI plan permits the Board to establish schedules to the Plan in order to adapt the Plan to other jurisdictions covering overseas employees and as a result, the Board has authorised an addendum in order to adapt the Plan to the tax laws of the United States, which allows tax advantaged options to be granted over the Company's shares to selected employees in the USA.
- Calnex Solutions plc Unapproved Share Option Plan (Unapproved Plan) which enables non-tax advantaged options to be granted to selected employees and contractors worldwide; and
- Calnex Solutions plc Notional Share Option Plan (Notional Plan) which enables non-tax advantaged shadow equity interests to be granted to selected employees and contractors worldwide, which are settled by way of a cash payment. The price per share payable on exercise of any share options will normally be equal to the market value of a share on the date they were originally granted.

Details of options for directors who were in office at 31 March 2026 are as follows:

	2026			
	Type	No. of shares under option	Exercise price	Date of grant
Executive directors				
Ashleigh Greenan	EMI Plan	500,000	48p	05/10/2020

100% of the share options awarded have vested. No performance conditions are applicable to options under the EMI Plan other than continued employment.

Performance based Long Term Incentive Plan (LTIP)
The Company also issues Performance based Long Term Incentive Plan (LTIP) awards, to ensure that the executive and senior management team are appropriately incentivised to continue to deliver performance against financial targets, which in turn generates long term sustainable value for shareholders. Annual awards granted under the LTIP are subject to performance metrics. This is in line with long term incentive structures typically adopted by larger AIM companies and Main Market companies.

The Committee granted FY26 awards to the executive and senior management team in June 2025, following the announcement of the Company's annual results for the year ending 31 March 2025 (the 'FY26 Awards').

Key terms of the performance based LTIP:

- Awards are structured as nominal cost share options which vest subject to the satisfaction of performance metrics.
- Awards are granted on an annual basis.
- The normal maximum opportunity will be up to 100% of salary in respect of a financial year. The Committee considers this to be market competitive taking into account the scale of the Company.
- Awards will vest subject to the satisfaction of performance metrics measured over three years. The FY26 Awards will be subject to performance metrics measured over the period 1 April 2025 to 31 March 2028.
- The performance metrics for the FY26 awards are Earnings Per Share (50% weighting) and absolute Total Shareholder Return (50% weighting). The Committee believes that these metrics incentivise the executive and senior management team to deliver long term top-line and profitable growth and provide alignment with shareholder interests.
- Threshold vesting for all measures will be set above market consensus at the time of award as a matter of policy. In recognition of the share price movements in FY25 ahead of the FY26 award the Committee used a baseline share price of 60.3p for the TSR calculation threshold (the 3-month average price from 1 January 2025 to 31 March 2026).

- The awards will be subject to malus between the grant date and the vesting date and subject to clawback between the vesting date and the fifth anniversary of the grant date in specific circumstances.
- In line with good governance practice, the Committee will also have discretion to adjust the formulaic vesting outcome if it is not reflective of underlying financial performance during the performance period, including consideration of strategic progress over the three-year performance period.
- To further support stewardship and provide alignment with shareholders, shareholding guidelines are in place for Executive Directors. The Chief Executive Officer and Chief Financial Officer are required to build up and maintain a holding in Company shares equal to 200% of salary and 100% of salary respectively.
- In determining the targets for maximum vesting, the Remuneration Committee believes that it sets levels to be appropriately aligning with shareholder interests for a return to growth in both profit and share price. They represent a stretching set of targets which reflect the growing opportunity in Calnex's end markets.

For FY26, we recognised the challenges in some of the markets we serve and the decline in the company's share price, and we were mindful of this when considering the quantum of LTIP and other option awards issued. As a result the awards were scaled back. Tommy Cook and Ashleigh Greenan and the other LTIP participants were granted awards of options at the level of 65% of salary.

The table below sets out the details of the executive directors' LTIP share options awarded to date:

	Date of grant	Earliest exercise date	Exercise price	No. of options awarded
Tommy Cook				
FY24 Award	5 June 2023	5 June 2026	1 pence	184,460
FY25 Award	15 July 2024	15 July 2027	1 pence	230,705
FY26 Award	5 June 2025	5 June 2028	1 pence	229,538
Ashleigh Greenan				
FY24 Award	5 June 2023	5 June 2026	1 pence	132,433
FY25 Award	15 July 2024	15 July 2027	1 pence	165,634
FY26 Award	5 June 2025	5 June 2028	1 pence	188,641

The first awards made under this scheme in 2023 will be tested in June 2026 and are not currently expected to vest based on their performance conditions. This reflects the previously noted challenges felt across the telecoms markets also served by Calnex.

For the FY26 awards, the performance targets for Tommy Cook and Ashleigh Greenan were:

	FY26 Award[3]		
	Weighting (% of award)	Threshold	Maximum
Vesting (% of maximum)[1]		25%	100%
Earnings per share (pence)	50%	1.86	4.59
Total Shareholder Return (pence per share)[2]	50%	34.1	63.1

For the FY27 awards, the performance targets for Tommy Cook and Ashleigh Greenan will be:

	FY27 Award[3]		
	Weighting (% of award)	Threshold	Maximum
Vesting (% of maximum)[1]		25%	100%
Earnings per share (pence)	50%	2.02	5.05
Total Shareholder Return (pence per share)[2]	50%	28.6	74.6

1 Vesting is on a straight-line basis between the Threshold and Maximum.
2 Total Shareholder Return is the aggregate of: (a) the difference between the target share price at the end of the performance period compared to the baseline share price at the start of the performance period; and (b) the dividend amount:
   a) The baseline share price at the start of the performance period is the average share price for the three months to 31 March, the end of the financial year prior to award.
   b) The dividend amount is the per share amount of any dividend for which the ex-dividend date falls in the performance period, allowing for a 10% growth in dividend per share over the performance period.
3 Appropriate adjustments may be made to ensure fair and consistent performance measurement over the performance period in line with the business plan and intended stretch of the targets at the point of the award.

Remuneration Committee Report continued

Executive directors' service contracts

The executive directors have entered into service contracts with the Group that are terminable by either party on no less than six months' notice.

Non-executive directors

The non-executive directors do not participate in performance related bonus or share based incentive arrangements. Each of the non-executive directors has a letter of appointment stating their annual fee. The level of fees for non-executive directors (other than the Chair) is determined by the Chair and the executive directors. The Chair's fees are determined by the Committee members other than the Chair. The appointment of non-executive directors may be terminated on one months' written notice at any time. All Directors are subject to re-election by the shareholders annually at the AGM.

Share price information

The market price of the Calnex Solutions plc ordinary shares at 31 March 2026 was 44.5 pence and the range during the year was 40.5 pence to 70 pence.

Calnex Solutions plc Employee Share Incentive Plan (SIP)

The Company operates a Share Incentive Plan (SIP), an HMRC approved all-employee plan that offers the Company the ability to award equity to employees in a flexible and tax-advantaged manner. The SIP is open to all UK resident employees, including executive directors.

Employees can acquire Ordinary Shares ('Partnership Shares') up to the lower of £1,800 or 10% of their salary in any tax year and will be awarded one additional Ordinary Share ('Matching Shares') by the Company for every Ordinary Share they acquire. The Company can also award up to £3,600 worth of free Ordinary Shares ('Free Shares') in any tax year per employee. Dividends paid on SIP shares are paid out in cash or re-invested to purchase further SIP shares ('Dividend Shares'). The Company currently opts to pay dividends out in cash.

Free and Matching Shares are subject to a holding period of three years and employees cannot remove them from the SIP during this period whilst they remain employed by the Company. These shares are held in trust in the name of the individual. Under the terms of this scheme, the Free and Matching Shares will be forfeited if the participant leaves the employment of the Company within this holding period unless the employee is a good leaver. If the employee withdraws any Partnership Shares within the same holding period, they will forfeit the corresponding Matching Shares unless they are a good leaver.

Once SIP shares have been held in the SIP for 5 years from the date of award there is no income tax or NICs to pay. Any increase in value whilst shares remain in the SIP is not subject to Capital Gains Tax.

Under the 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 the separate Notional Plan. This Plan acts as a non-tax advantaged shadow equity interest plan to the SIP, mirroring the SIP awards for overseas employees and contractors with equity ownership being replaced by cash settlement.

Directors' share interests

The directors' shareholdings in the Company are shown in the Directors' Report on page 62.

Margaret Rice-Jones
Chair of the Remuneration Committee
22 May 2026

Audit Committee Report

"On behalf of the Board, I am pleased to present Calnex's Audit Committee Report for the year ended 31 March 2026."

Graeme Bissett
Chair of the Audit Committee

Introduction

The Audit Committee is responsible for reviewing and monitoring the effectiveness of the Group's financial reporting and internal control policies, compliance with corporate governance and procedures for the identification, assessment, and reporting of risk. It reviews reports from the executive management team and external auditors relating to the interim and annual accounts and the Group's accounting and internal control systems. The Audit Committee is also responsible for advising on the appointment of and overseeing the relationship with the external auditor.

Audit Committee Report continued

Members of the Audit Committee

The Audit Committee comprised the non-executive directors throughout the year and is chaired by Graeme Bissett. The Committee invites the external auditor, executive directors and other senior managers to attend its meetings when appropriate.

The Audit Committee is considered to have sufficient, recent and relevant financial experience to discharge its functions.

Roles and responsibilities

The duties of the Audit Committee are set out in its terms of reference, which are available on the Company's website. The Committee's key functions include reviewing and advising the Board on:

- the integrity of the financial statements of the Group, including its annual and interim reports, preliminary results announcements and any other formal announcements relating to its financial performance;
- compliance with accounting standards and legal and regulatory requirements;
- decisions of judgement and risk affecting financial reporting;
- disclosures in the interim and annual report and financial statements;
- any change in accounting policies;
- the effectiveness of the Group's financial and internal controls;
- the Group's risk management processes, including principal risks and internal control findings highlighted by management or external audit;
- the appointment and remuneration of the external auditor;
- any significant concerns of the external auditor about the conduct, results or overall outcome of the annual audit of the Group; and
- any matters that may significantly affect the independence of the external auditor.

The ultimate responsibility for reviewing and approving the Annual Report and Accounts and Interim Report remains with the Board.

The Audit Committee has committed to meet no less than three times in each financial year. The Audit Committee met three times in the year ended 31 March 2026. The members' attendance record at Committee meetings during the year is set out in the Corporate Governance report at page 47.

Activities in the year ended 31 March 2026 included:

- the review and approval of the Group's Annual Report and Accounts for the year ended 31 March 2025;
- the review and approval of the Group's September 2025 Interim Report;
- the review and approval of the audit plan presented by the Group's auditors for the year ended 31 March 2026;
- the review of the independence of the Group's external auditors;
- the consideration of the reports from management and external auditors identifying any accounting or judgemental issues requiring the Board's attention; and
- the monitoring of internal controls and reviewing the Group's risk management framework.

The Audit Committee also met after the year end to approve the Group's Annual Report and Accounts for the year ended 31 March 2026. The Audit Committee reviewed and was satisfied that the judgements exercised by management on material items contained within the Group's Annual Report and Accounts are reasonable.

Significant areas considered by the Committee in relation to the financial statements for the year ended 31 March 2026 are set out below:

Carrying value and capitalisation of intangible assets	Intangible assets as at 31 March 2026 have a carrying value of £13.7m, consisting of intellectual property of £0.3m and development costs of £13.4m. These assets inherently carry a greater risk of error as their valuation is subject to estimation. £6.4m of expenditure has been capitalised as development costs in the year. Conditions for capitalisation are prescribed by IAS 38 Intangible Assets and the satisfaction of these criteria is subject to judgement. During the year, a review of the carried development costs brought forward has resulted in a disposal of £2.9m (FY25: £2.3m), and elimination of amortisation of £2.9m (FY25: £2.3m) resulting in a net book value impact of £nil (FY25: £nil). This reflects removal of aged spend on product features that are now considered to be superseded by current product developments. Goodwill of £2.0m is also recognised on the balance sheet as a result of the April 2022 acquisition of iTrinegy Ltd. In compliance with the IAS 36 Impairment of Assets, the carrying value of goodwill within the consolidated financial statements of the Company was also tested for impairment. The Board believes that the goodwill figure fairly represents the benefits that Calnex's sales and distribution teams can bring to the NE-ONE product, which is evident in the sales volumes achieved in the year. There have been no indicators of impairment of the intangible assets balances in the year.
Change in accounting policy for Research and Development Expenditure Credit (RDEC)	During the year, the Group changed its accounting policy in respect of RDEC income recognition. Previously recognised in the period incurred, RDEC income will now be recognised in line with the amortisation of related capitalised development costs. Refer to note 31 of the financial statements for more information.

External auditors

The Company engaged RSM UK Audit LLP (RSM) to act as external auditors for the year to 31 March 2025. RSM have been the Group's external auditors since September 2020. RSM is invited to attend Committee meetings when appropriate. The Audit Committee has unrestricted access to the external auditors and will also meet with them without management in attendance.

The external auditors prepare an audit plan which details the scope, materiality, key areas of focus and the timetable for audit. This plan is reviewed and agreed in advance by the Audit Committee. Following the completion of the audit, the external auditors present their findings to the Audit Committee for discussion.

Internal audit

The Audit Committee has considered the Group's internal control and risk management policies and systems, their effectiveness, and the requirements for an internal audit function in the context of the Group's overall risk management system. The Audit Committee is satisfied that the Group does not currently require an internal audit function, however, it will continue to review the situation.

Whistleblowing

The Group has in place a whistleblowing policy which sets out the formal process by which an employee of the Group may, in confidence, raise concerns about possible improprieties in financial reporting or other matters. During the year, there were no incidents for consideration.

Graeme Bissett
Chair of the Audit Committee
22 May 2026

Nomination Committee Report

"On behalf of the Board, I am pleased to present Calnex's Nomination Committee Report for the year ended 31 March 2026."

Stephen Davidson
Chair of the Nomination Committee

Introduction

The Nomination Committee will regularly review the structure, size and composition of the Board and will also consider the selection and re-appointment of directors.

Members of the Nomination Committee

The Nomination Committee is chaired by Stephen Davidson and has Graeme Bissett, Margaret Rice Jones, Helen Kelisky and Tommy Cook as members. The Committee invites the Chief Financial Officer to attend its meetings when appropriate.

Roles and responsibilities

The duties of the Nomination Committee are set out in its terms of reference, which are available on the Company's website. The Committee's duties include:

- reviewing the structure, size and composition (including the skills, knowledge and experience) of the Board, together with Board and senior management succession planning;
- recommending to the Board any changes required;
- identifying and nominating candidates to fill Board vacancies;
- reviewing the results of the Board performance evaluation process; and
- making recommendations to the Board concerning suitable candidates for the membership of the Board's Committees and the re-election of directors at the annual general meeting.

The Committee meets at least once a year and otherwise as required. It reports to the Board on how it has discharged its responsibilities. The members' attendance record at Committee meetings during the financial year is set out in the Corporate Governance report at page 47.

The Nomination Committee met on one occasion during the financial year ended 31 March 2026.

Activities in the year ended 31 March 2026 included:

- a review of the balance of skills, knowledge and experience of the Board together with the size, structure and composition of the Board, including a review of the succession plan for the Board and senior leadership team; and
- A review of the Committee's Terms of Reference.

The Nomination Committee performs an annual succession planning review, in conjunction with the Board and the Chief People Officer (CPO). The CPO attends the annual scheduled Nomination Committee meeting in August to update the Committee on key areas of succession planning activities across the business, including a review on plans for the Board and the senior leadership in the event of long-term absences (e.g sickness) and departures from the business (retirement, resignation etc).

The Nomination Committee has a formal, rigorous and transparent procedure for the appointment of new directors to the Board. The process involves the Nomination Committee and Board interviewing suitable candidates who are proposed by an external search company. Careful consideration is given to ensure appointees have enough time available to devote to the role and that the balance of skills, knowledge and experience on the Board is maintained.

Stephen Davidson
Chair of the Nomination Committee
22 May 2026

AIM Compliance Committee Report

"On behalf of the Board, I am pleased to present Calnex's AIM Compliance Committee Report for the year ended 31 March 2026."

Graeme Bissett
Chair of the Audit Committee

Introduction

Calnex Solutions plc is admitted to trading on AIM and as a result the AIM Compliance Committee is responsible for ensuring that the Company has in place at all times sufficient procedures, resources and controls to enable it to comply with the AIM Rules.

Members of the AIM Compliance Committee

The AIM Compliance Committee is chaired by Graeme Bissett and has Stephen Davidson, Margaret Rice Jones, Helen Kelisky and Ashleigh Greenan as members. The Committee invites the Chief Executive Officer to attend its meetings when appropriate.

AIM Rule Compliance Report

The AIM Compliance Committee can confirm that the Group has complied with all of the Company's obligations under the AIM Rules, including AIM Rule 31 which requires the following:

- Have in place sufficient procedures, resources and controls to enable its compliance with the AIM Rules;
- Seek advice from its Nominated Advisor ('Nomad') regarding its compliance with the AIM Rules whenever appropriate and take that advice into account;
- Provide the Company's Nomad with any information it reasonably requests in order for the Nomad to carry out its responsibilities under the AIM Rules for Nominated Advisors, including any proposed changes to the Board and provision of draft notifications in advance;
- Ensure that each of the Group's directors accepts full responsibility, collectively and individually, for compliance with the AIM Rules; and
- Ensure that each Director discloses without delay all information which the Group needs in order to comply with AIM Rule 17 (Disclosure of Miscellaneous Information) insofar as that information is known to the director or could with reasonable diligence be ascertained by the Director.

Meetings

The duties of the AIM Compliance Committee are set out in its terms of reference, which are available on the Company's website.

The Committee meets at least twice a year and otherwise as required. It reports to the Board on how it has discharged its responsibilities. The members' attendance record at Committee meetings during the year is set out in the Corporate Governance report at page 47.

The Committee met twice in the year to 31 March 2026.

Graeme Bissett
Chair of the Audit Committee
22 May 2026

Directors' Report

The Directors present the Group's annual report and the audited consolidated financial statements for the year ended 31 March 2026.

Principal activity

The principal activity of the Group is the design, production and marketing of test and measurement instrumentation and solutions, enabling its customers to validate the performance of critical infrastructure associated with telecoms networks, enterprise networks and data centres. A detailed explanation of the Group's principal activities and business model can be found in the Company Overview section.

Results and Dividends

The Group's profit for the year after tax was £1.2m (FY25: £0.3m).

The Company paid an interim dividend of 0.31 pence per ordinary share on 19 December 2025 to those shareholders on the register as at 28 November 2025 (FY25 Interim dividend: 0.31p).

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

Directors and their interests

The directors, who held office during the year ended 31 March 2026 and up to the date of approval of these financial statements, are as follows:

Director	Board title	Date of appointment
Stephen Davidson	Non-Executive Chair	10 January 2022
Tommy Cook	Chief Executive Officer	27 March 2006
Ashleigh Greenan	Chief Financial Officer	15 May 2020
Graeme Bissett	Non-Executive Director	1 May 2020
Helen Kelisky	Non-Executive Director	17 January 2023
Margaret Rice-Jones	Non-Executive Director	10 January 2022

Biographical details of persons currently serving as directors are set out on pages 42 to 43.

The directors who held office at 31 March 2026 had the following interests in the ordinary shares in the capital of the Company:

Director	Ordinary shares No.	Ordinary EMI share options No.	Ordinary LTIP options No.
Stephen Davidson	25,000	–	–
Tommy Cook	17,377,764	–	644,703
Ashleigh Greenan	170,000	500,000	486,708
Graeme Bissett	223,745	–	–
Helen Kelisky	40,202	–	–
Margaret Rice-Jones	–	–	–

Financial risk management objectives and policies

Details of the Group's financial risk management objectives and policies are set out in note 21 to the consolidated financial statements. The key non-financial risks that the directors consider could have a material impact on the business are set out on pages 27 to 31 of the Strategic Report.

Research and development

The Group is highly focused on R&D, IP and product development to ensure its products remain at the forefront of their markets. Refer to the Market Overview section for more information. The total capitalised development expenditure for research and development in the year was £6.3m (FY25: £4.8m), and total amortisation was £4.6m in the year (FY25: £4.3m) in the consolidated income statement. Details of the Group's policy for the recognition of expenditure on research and development is set out in note 3 to the consolidated financial statements.

Future Developments

The Group's business activities, together with factors likely to affect its future development, performance and position are set out in the Strategic Report on pages 27 to 31.

Insurance for Directors and Officers

The Company has agreed to indemnify its directors against third party claims which may be brought against them and has put in place a Directors' and Officers' insurance policy.

Substantial shareholdings

At 22 May 2026 the Company is aware of the following interests in 3% or more of the issued ordinary share capital in the Company. The shareholdings detail shown in the table below reflects the data on the Group's website, which in turn reflects the shareholding information formally notified to the Company, in accordance with AIM rule 26:

Shareholder	Shares	% holding
Thomas (Tommy) Cook (CEO)	17,377,764	19.8%
BGF Investment Management Limited	10,515,500	12.0%
Trinity Bridge (formerly Close Brothers Group)	7,912,957	9.0%
Scottish Enterprise	7,860,693	8.9%
Sanford DeLand Asset Management	3,200,000	3.6%
Liontrust Asset Management	3,071,359	3.4%
Hargreaves Lansdown	2,935,218	3.3%

Share Capital

Details of the issued share capital, together with details of the movement in the Company's issued share capital during the year are shown in note 26 to the consolidated financial statements.

Independent Auditor and disclosure of information to auditor

Each of the directors at the date of approval of this annual report confirms that:

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

RSM UK Audit LLP were appointed as auditors on 18 September 2020 and have expressed their willingness to continue in office as auditors. A resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

Information incorporated by reference

The Company Overview and Strategic Report can be found on pages 2 to 41 and contain details of the Group's business model and strategic priorities. The purpose of the Strategic Report is to enable shareholders to assess how the Directors have performed their duty under section 172 of the Companies Act 2006. An indication of the likely future developments in the business of the Group is also included in the Strategic Report, which satisfies the reporting requirements of section 414C (11) of the Companies Act 2006.

Going Concern

The financial information for the year to 31 March 2026 has been prepared on the basis that 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 Company's risk management framework the Board has concluded that given the Company's cash reserves, the Company will continue to trade as a going concern.

Approved by the Board of Directors on 22 May 2026 and signed on its behalf below.

By order of the Board.

Ashleigh Greenan
Chief Financial Officer
and Company Secretary
22 May 2026

Statement of Directors' responsibilities

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare Group and Company financial statements for each financial year. The directors have elected under company law and are required by the AIM Rules of the London Stock Exchange to prepare the Group financial statements in accordance with UK-adopted International Accounting Standards. The directors have elected under company law and the AIM Rules of the London Stock Exchange to prepare the Company financial statements in accordance with UK-adopted International Accounting Standards.

The Group and Company financial statements are required by law and UK-adopted International Accounting Standards to present fairly the financial position of the Group and the Company and the financial performance of the Group. The Companies Act 2006 provides in relation to such financial statements that references in the relevant part of that Act to financial statements giving a true and fair view are references to their achieving a fair presentation.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the Company and of the profit or loss of the Group for that period.

In preparing each of the Group and Company financial statements, the directors are required to:

a. select suitable accounting policies and then apply them consistently;
b. make judgements and accounting estimates that are reasonable and prudent;
c. state whether they have been prepared in accordance with UK-adopted International Accounting Standards; and
d. prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and the company will continue in business.

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

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Calnex Solutions plc website.

Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

By order of the Board.

Ashleigh Greenan
Chief Financial Officer
and Company Secretary
22 May 2026

Independent Auditor's Report to the Members of Calnex Solutions plc

Opinion

We have audited the financial statements of Calnex Solutions plc (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2026 which comprise the consolidated statement of comprehensive income, consolidated and company statement of financial position, consolidated statement of changes in equity, company statement of changes in equity, consolidated and company cash flow statement and notes to the financial statements, including significant accounting policies. 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.

In our opinion:

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 31 March 2026 and of the group's profit for the year then ended;
- the group financial statements have been properly prepared in accordance with UK-adopted International Accounting Standards;
- the parent company financial statements have been properly prepared in accordance with UK-adopted International Accounting Standards and as applied in accordance with the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Summary of our audit approach

Key audit matters	**Group and Parent** ▪ Valuation of intangible assets and goodwill
Materiality	**Group** ▪ Overall materiality: £448,000 (2025: £409,000) ▪ Performance materiality: £336,000 (2025: £306,000)
	Parent Company ▪ Overall materiality: £439,000 (2025: £386,000) ▪ Performance materiality: £329,000 (2025: £289,000)
Scope	▪ Our audit procedures covered 100% of revenue, 100% of total assets and 99.8% of profit before tax.

Key audit matters

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

Independent Auditor's Report to the Members of Calnex Solutions plc
continued

Valuation of intangible assets and goodwill

Key audit matter description	We identified the valuation of intangible assets and goodwill as a key audit matter due to the significant management judgement required around the: ▪ capitalisation of development costs in line with IAS 38 – Intangible Assets, ▪ subsequent commercialisation lifecycle and related amortisation period, and ▪ estimation involved in the forecasting of future cash flows as part of the impairment review. The Group conducts a significant amount of development activity and has to identify projects meeting the IAS 38 criteria for capitalisation, and capture the specific costs associated with those projects. Management then have to identify an appropriate amortisation period, which aligns with the benefits derived from the development activity, again, requiring judgement and estimation. As disclosed in note 12, £6,343k of cost was capitalised and amortisation of £4,642k was charged, resulting in a net book value of development costs as at 31 March 2026 of £13,420k. Goodwill, of £2,000k, relates to the acquisition of iTrinegy in 2023. Under IAS 36, goodwill must be assessed annually for impairment, which involves estimation through the forecasting of future cash flows over the following 5-year period. As disclosed in note 13, there has been no impairment of the goodwill balance during the year and, as such, the balance as at 31 March 2026 remains at £2,000k.
How the matter was addressed in the audit	Our procedures in relation to the valuation of development costs, held within intangible assets, included: ▪ Understanding and documenting management's procedures over the capitalisation of development costs. ▪ Assessing the nature of costs capitalised. ▪ Evaluating the appropriateness of costs capitalised, on a sample basis, by agreeing costs to supporting documentation including external invoices and payroll records. ▪ Assessing whether costs may have been capitalised in respect of aborted projects or projects which are no longer revenue generative. ▪ Evaluating the amortisation period applied and its appropriateness in respect of the historic and future product lifecycle. Our procedures in relation to the impairment of intangibles and goodwill included: ▪ Assessing management's conclusion that there was one cash generating unit. ▪ Obtaining management's calculation of value in use and confirming the arithmetical accuracy of the model. ▪ Evaluating the model's key assumptions, utilising our knowledge of the business, discussions with management, industry data and other external information. This included engaging our internal valuations specialist to review the discount rate calculated by management. ▪ Performing our own sensitivity analysis to understand the impact of reasonably possible changes in assumptions. ▪ Assessing the accounting policy and disclosures for compliance with the financial reporting framework, including IAS 36.

Our application of materiality

When establishing our overall audit strategy, we set certain thresholds which help us to determine the nature, timing and extent of our audit procedures. When evaluating whether the effects of misstatements, both individually and on the financial statements as a whole, could reasonably influence the economic decisions of the users we take into account the qualitative nature and the size of the misstatements. Based on our professional judgement, we determined materiality as follows:

	Group	Parent company
Overall materiality	£448,000 (2025: £409,000)	£439,000 (2025: £386,000)
Basis for determining overall materiality	7% of the earnings before interest, tax, depreciation and amortisation for the financial year.	7% of the earnings before interest, tax, depreciation and amortisation for the financial year.
Rationale for benchmark applied	EBITDA was used as a benchmark, as it was assessed that the shareholders' will be primarily interested in the group and parent company's ability to generate operating cashflows from which to pay future dividends.	
Performance materiality	£336,000 (2025: £306,000)	£329,000 (2025: £289,000)
Basis for determining performance materiality	75% of overall materiality	75% of overall materiality
Reporting of misstatements to the Audit Committee	Misstatements in excess of £22,000 and misstatements below that threshold that, in our view, warranted reporting on qualitative grounds.	Misstatements in excess of £22,000 and misstatements below that threshold that, in our view, warranted reporting on qualitative grounds.

An overview of the scope of our audit

The group consists of 2 components, located in the United Kingdom and United States of America.

The coverage achieved by our audit procedures was:

	Number of components	Revenue	Total assets	Profit before tax
Full scope audit	1	100%	99.9%	99.6%
Specific Audit Procedures	1	0%	0.1%	0.2%
Total	**2**	**100%**	**100%**	**99.8%**

There were no audit procedures undertaken by component auditors.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the group's and parent company's ability to continue to adopt the going concern basis of accounting included:

- checking the integrity and accuracy of the cashflow forecasts prepared by management;
- assessing the reasonableness of assumptions and explanations provided by management to supporting information, where available; and
- auditing the accuracy and consistency of disclosures made in the financial statements in respect of principal risks and going concern.

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

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

Other information

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

Independent Auditor's Report to the Members of Calnex Solutions plc
continued

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

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

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 68, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the group audit engagement team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory frameworks that the group and parent company operates in and how the group and parent company are complying with the legal and regulatory frameworks;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

The most significant laws and regulations were determined as follows:

Legislation / Regulation	Additional audit procedures performed by the Group audit engagement team included:
IFRS; Companies Act 2006; and AIM listing rules	Review of the financial statement disclosures and testing to supporting documentation; and Completion of disclosure checklists to identify areas of non-compliance.
Tax compliance regulations	Inspection of advice received from external tax advisors; and Review of the corporation tax computation.

The areas that we identified as being susceptible to material misstatement due to fraud were:

Risk	Audit procedures performed by the audit engagement team:
Revenue recognition	Substantively testing the cut-off of revenue by testing a sample of revenue recognised either side of the year end, ensuring for sales of goods that the performance conditions had been met in the period when revenue was recognised; and In respect of service revenue, recalculating the revenue recognised, and level of deferred income which should have been held at the year end to ensure this had been appropriately recognised at the year end.
Management override of controls	Testing the appropriateness of journal entries and other adjustments; Assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and Evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

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

Use of our report

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

RSM UK Audit LLP

RACHEL FLEMING (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
3rd Floor, 2 Semple Street
Edinburgh
EH3 8BL

22 May 2026

Consolidated Statement of Comprehensive Income

	Note	**31 March 2026 £'000**	31 March 2025 £'000
Revenue	4,5	**21,875**	18,386
Cost of sales		**(5,291)**	(4,623)
Gross profit		**16,584**	13,763
Other income	6	**962**	913
Administrative expenses		**(16,497)**	(14,239)
Operating profit	7	**1,049**	437
Interest received		**265**	320
Finance costs	10	**(70)**	(37)
Profit before taxation		**1,244**	720
Taxation	11	**(516)**	(383)
Profit and total comprehensive income for the year		**728**	337
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	Group 31 March 2026 £'000	Group *Restated 31 March 2025 £'000	Company 31 March 2026 £'000	Company *Restated 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
		17,386	16,148	**15,133**	13,643
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
		24,367	22,623	**24,339**	22,671
Total assets		**41,753**	38,771	**39,472**	36,314
Current liabilities					
Trade and other payables	18	**8,413**	5,895	**8,388**	5,866
Lease liabilities	19	**301**	289	**301**	289
		8,714	6,184	**8,689**	6,155
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
		5,970	6,016	**5,907**	5,890
Total liabilities		**14,684**	12,200	**14,596**	12,045
Net assets		**27,069**	26,571	**24,876**	24,269
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		**27,069**	26,571	**24,876**	24,269

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**
Transactions with owner in their capacity as owners					
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**
Transactions with owner in their capacity as owners					
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**
Transactions with owner in their capacity as owners					
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**
Transactions with owner in their capacity as owners					
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

	Note	Group 31 March 2026 £'000	Group 31 March 2025 £'000	Company 31 March 2026 £'000	Company 31 March 2025 £'000
Cashflows from operating activities					
Profit before tax from continuing operations		**1,244**	720	**1,367**	868
Adjusted for:					
Finance costs	10	**70**	37	**70**	37
Interest received		**(265)**	(320)	**(265)**	(320)
Government grant income	6	**(173)**	(200)	**(173)**	(200)
R&D tax credit income	6	**(789)**	(713)	**(789)**	(713)
Share-based payment transactions	23	**551**	432	**551**	432
Depreciation	14	**158**	182	**158**	182
Amortisation	12,19	**5,191**	4,803	**4,939**	4,535
Impairment of intangibles		**–**	167	**–**	167
Movement in inventories	15	**44**	(405)	**44**	(405)
Movement in obsolescence provision	15	**(131)**	421	**(131)**	421
Movement in trade and other receivables		**(3,062)**	(2,334)	**(2,913)**	(2,272)
Movement in trade and other payables		**2,090**	538	**2,097**	548
Cash generated from operations		**4,928**	3,328	**4,955**	3,280
Movement in provisions		**–**	(15)	**–**	(15)
Corporation & foreign tax payments		**(75)**	635	**(28)**	713
R&D tax credit refunds received		**698**	435	**698**	435
Net cash from operating activities		**5,551**	**4,383**	**5,625**	**4,413**
Investing activities					
Purchase of intangible assets	12	**(6,362)**	(4,864)	**(6,362)**	(4,864)
Purchase of property and equipment	14	**(104)**	(28)	**(104)**	(28)
Government grant income		**173**	200	**173**	200
Interest received		**265**	320	**265**	320
Net cash used in investing activities		**(6,028)**	**(4,372)**	**(6,028)**	**(4,372)**
Financing activities					
Payment of lease obligations	19	**(359)**	(314)	**(359)**	(314)
Dividends paid	30	**(818)**	(814)	**(818)**	(814)
Share options proceeds		**48**	161	**48**	161
Net cash used in financing activities		**(1,129)**	**(967)**	**(1,129)**	**(967)**
Net decrease in cash and cash equivalents		**(1,606)**	(956)	**(1,532)**	(926)
Cash and cash equivalents at beginning of the year		**10,912**	11,868	**10,757**	11,683
Cash and cash equivalents at end of the year	17	**9,306**	**10,912**	**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.

(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.

Notes to the Financial Statements continued

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.

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.

3 Significant accounting policies (continued)

(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.

(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.

Notes to the Financial Statements continued

3 Significant accounting policies (continued)

(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

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.

3 Significant accounting policies (continued)

(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.

Notes to the Financial Statements continued

3 Significant accounting policies (continued)

(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.

3 Significant accounting policies (continued)

(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.

Notes to the Financial Statements continued

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	**21,875**	18,386

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	**3,745**	3,870
Total revenue	**21,875**	18,386
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	**(3,745)**	(3,870)
Unearned proportion of software and warranty contracts: balance carried forward	**3,940**	4,510

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	**789**	713
	962	913

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.

6 Other income continued

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	**(789)**	(713)
RDEC deferred credit carried forward	**1,595**	1,165
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	**570**	401
	1,595	1,165

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	**4,642**	4,271
Auditor's remuneration		
Fees payable to the Group's auditor and its associates for the audit of the Group's annual accounts	**57**	53
Total fees payable for audit services	**57**	**53**

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

8 Employee benefits costs

	Group		Company	
	31 March 2026 £'000	31 March 2025 £'000	31 March 2026 £'000	31 March 2025 £'000
Development staff	**80**	78	**80**	78
Administrative staff	**78**	73	**65**	62
Management staff	**11**	11	**11**	11
	169	162	**156**	151

	Group		Company	
	31 March 2026 £'000	31 March 2025 £'000	31 March 2026 £'000	31 March 2025 £'000
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	**5**	(13)	**5**	(13)
	13,302	11,027	**11,607**	9,579
Total gross wages and salaries capitalised	**5,125**	4,677	**5,125**	4,677

Notes to the Financial Statements continued

9 Key management personnel emoluments

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

Key management refers to the directors of the Group.

10 Finance costs

	31 March 2026 £'000	31 March 2025 £'000
Interest expense on lease liabilities	**70**	37

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)
	372	(604)
Deferred taxation		
Origination and reversal of temporary differences	**33**	27
Adjustments relating to prior periods	**111**	960
	144	987
Total taxation charge	**516**	383

11 Taxation continued

	31 March 2026 £'000	31 March 2025 £'000
Profit before tax for the year	**1,244**	720
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	**516**	383

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	**3,559**	**36,524**	**40,083**
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	**3,023**	**24,805**	**27,828**
Net book value			
31 March 2024	789	11,321	12,110
31 March 2025	**536**	**11,719**	**12,255**

Notes to the Financial Statements continued

12 Intangible assets continued

	Intellectual property £'000	Development Costs £'000	Group 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	**2,251**	**36,524**	**38,775**
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	**2,220**	**24,805**	**27,025**
Net book value			
31 March 2024	16	11,321	11,337
31 March 2025	**31**	**11,719**	**11,750**

	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	**3,578**	**39,978**	**43,556**
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	**3,299**	**26,558**	**29,857**
Net book value			
31 March 2025	536	11,719	12,255
31 March 2026	**279**	**13,420**	**13,699**

	Intellectual property £'000	Development Costs £'000	Group 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	**2,270**	**39,978**	**42,248**
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	**2,244**	**26,558**	**28,802**
Net book value			
31 March 2025	31	11,719	11,750
31 March 2026	**26**	**13,420**	**13,446**

12 Intangible assets continued

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	2,000
As at 31 March 2025	2,000
As at 31 March 2026	**2,000**

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.

Notes to the Financial Statements continued

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	Company
	Plant and equipment Total £'000	Plant and equipment Total £'000
Cost		
At 1 April 2024	676	676
Additions	28	28
Disposals	(4)	(4)
At 31 March 2025	**700**	**700**
Depreciation		
At 1 April 2024	335	335
Charge for the year	182	182
Eliminated on disposal	(4)	(4)
At 31 March 2025	**513**	**513**
Net book value		
31 March 2024	341	341
31 March 2025	**187**	**187**

	Group	Company
	Plant and equipment Total £'000	Plant and equipment Total £'000
Cost		
At 1 April 2025	700	700
Additions	104	104
Disposals	(61)	(61)
At 31 March 2026	**743**	**743**
Depreciation		
At 1 April 2025	513	513
Charge for the year	158	158
Eliminated on disposal	(61)	(61)
At 31 March 2026	**610**	**610**
Net book value		
31 March 2025	187	187
31 March 2026	**133**	**133**

15 Inventories

	Group		Company	
	31 March 2026 £'000	31 March 2025 £'000	**31 March 2026 £'000**	1 March 2025 £'000
Finished goods	**6,237**	6,281	**6,237**	6,281
Provision for obsolescence	**(792)**	(923)	**(792)**	(923)
	5,445	5,358	**5,445**	5,358
Cost of inventories recognised as an expense	**3,993**	3,186	**3,993**	3,186
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	**792**	923	**792**	923

16 Trade and other receivables

	Group		Company	
	31 March 2026 £'000	31 March 2025 £'000	**31 March 2026 £'000**	1 March 2025 £'000
Amounts due within one year				
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
	8,734	5,669	**8,755**	5,843

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.

Notes to the Financial Statements continued

16 Trade and other receivables continued

Ageing of past due but not impaired trade receivables

	Group		Company	
	31 March 2026 £'000	31 March 2025 £'000	**31 March 2026 £'000**	1 March 2025 £'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
	1,315	1,384	**1,315**	1,384

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:

	Group		Company	
	31 March 2026 £'000	31 March 2025 £'000	**31 March 2026 £'000**	1 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	**9,306**	10,912	**9,225**	10,757

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

	Group		Company	
	31 March 2026 £'000	31 March 2025 £'000	**31 March 2026 £'000**	1 March 2025 £'000
Amounts due within one year				
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
	8,413	5,895	**8,388**	5,866
Amounts due after one year				
Deferred RDEC credit	**1,043**	737	**1,043**	737
Deferred income	**1,115**	1,411	**1,115**	1,411
	2,158	2,148	**2,158**	2,148
Total amounts due	**10,571**	8,043	**10,546**	8,014

18 Trade and other payables continued

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:

			Group	Company
	Building Lease £'000	IT equipment £'000	Total £'000	Total £'000
Cost				
At 1 April 2025	1,362	79	1,441	1,441
Additions	–	–	–	–
Disposals			–	–
At 31 March 2026	**1,362**	**79**	**1,441**	**1,441**
Amortisation				
At 1 April 2025	247	79	326	326
Charge for the year	272	–	272	272
Eliminated on disposal	–	–	–	–
At 31 March 2026	**519**	**79**	**598**	**598**
Net book value				
31 March 2025	1,115	–	1,115	1,115
31 March 2026	**843**	**–**	**843**	**843**

Right-of-use assets

	Group		Company	
	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	**843**	1,115	**843**	1,115

Notes to the Financial Statements continued

19 Leases continued

Lease liabilities

	Group		Company	
	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	**928**	1,217	**928**	1,217
Disclosed as				
Current	**301**	289	**301**	289
Non-current	**627**	928	**627**	928
	928	1,217	**928**	1,217

Amounts recognised in the income statement

	Group		Company	
	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

Amounts recognised in statement of cashflows

	Group		Company	
	31 March 2026 £'000	31 March 2025 £'000	**31 March 2026 £'000**	31 March 2025 £'000
Total cash outflow for leases	**(359)**	(314)	**(359)**	(314)

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

20 Deferred tax

	Group		Company	
	31 March 2026 £'000	*Restated 31 March 2025 £'000	**31 March 2026 £'000**	*Restated 31 March 2025 £'000
Opening balance	**591**	1,538	**591**	1,538
Recognised in statement of comprehensive income	**120**	(947)	**120**	(947)
Closing balance	**711**	591	**711**	591
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	**711**	591	**711**	591

20 Deferred tax continued

Deferred tax liability

	Group		Company	
	31 March 2026 £'000	31 March 2025 £'000	**31 March 2026 £'000**	31 March 2025 £'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	**3,185**	2,940	**3,122**	2,814
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	**3,185**	2,940	**3,122**	2,814

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

	Group		Company	
	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	**9,306**	10,912	**9,225**	10,757
Financial liabilities (current and non-current) at amortised cost				
Lease liabilities	**928**	1,217	**928**	1,217
Trade and other payables	**4,617**	1,815	**4,593**	1,788

Notes to the Financial Statements continued

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**
	4,955	**3,698**	**4,707**	**13,360**

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
	5,613	313	8,095	14,021

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.

(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.

	Group		Company	
	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
	16,962	16,225	**16,881**	16,071

21 Financial instruments continued

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)	**16**	**11**	**0**	**4**	**31**

Days past due	0	1-30	31-60	>60	Total
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)	10	12	3	0	25

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

Notes to the Financial Statements continued

21 Financial instruments 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.

31 March 2026	**1 year or less £'000**	**1 to 2 years £'000**	**2 to 5 years £'000**	**Over 5 years £'000**	**Total liabilities £'000**
Trade payables	**2,674**	**–**	**–**	**–**	**2,674**
Other payables	**1,943**	**–**	**–**	**–**	**1,943**
Lease liabilities	**279**	**222**	**427**	**–**	**928**
	5,161	**222**	**427**	**–**	**5,810**

31 March 2025	1 year or less £'000	1 to 2 years £'000	2 to 5 years £'000	Over 5 years £'000	Total liabilities £'000
Trade payables	987	–	–	–	987
Other payables	1,044	–	–	–	1,044
Lease liabilities	289	312	278	338	1,217
	2,320	312	278	338	3,248

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	**551**	432

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.

23 Share-based payments continued

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

	31 March 2026 £'000	31 March 2025 £'000
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	**4,952,850**	4,863,850

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**

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).

Notes to the Financial Statements continued

23 Share-based payments continued

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 2026 £'000**	31 March 2025 £'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	**2,304**	1,764

25 Group companies

			% of direct shares held	
Subsidiary undertakings	Country of registration or incorporation	Principal activity	**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 2026 £'000	31 March 2025 £'000
Ordinary shares of 0.125p each	**110**	110
In issue at the start of the financial year	**110**	109
Share options exercised	**–**	1
In issue at end of the financial year	**110**	110

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	(289)	(277)
Acquisition of new lease	–	1,079
Total other changes	–	1,079
Balance at 31 March 2026	**928**	**1,217**

Notes to the Financial Statements continued

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 share	**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.

31 Change in accounting policy continued

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.

	Group			Company		
	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
	16,148	15,856	292	13,643	13,351	292
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	–
	22,623	22,623	–	22,671	22,671	–
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	6,184	5,756	428	6,155	5,727	428
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	6,016	5,279	737	5,890	5,153	737
Total liabilities	**12,200**	**11,035**	**1,165**	**12,045**	**10,880**	**1,165**
Net assets	26,571	27,444	(873)	24,269	25,142	(873)
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	**26,571**	**27,444**	**(873)**	**24,269**	**25,142**	**(873)**

Notes to the Financial Statements continued

31 Change in accounting policy continued

	Group			Company		
	Restated 31 March 2024 £'000	Original 31 March 2024 £'000	Delta 31 March 2024 £'000	Restated 31 March 2024 £'000	Original 31 March 2024 £'000	Delta 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
	16,276	15,984	292	13,503	13,211	292
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	–
	21,016	21,016	–	21,061	21,061	–
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	5,065	5,065	–	5,024	5,024	–
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	5,762	4,597	1,165	5,568	4,403	1,165
Total liabilities	**10,827**	**9,662**	**1,165**	**10,592**	**9,427**	**1,165**
Net assets	26,465	27,338	(873)	23,972	24,845	(873)
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	**26,465**	**27,338**	**(873)**	**23,972**	**24,845**	**(873)**

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

Company Information

Directors	Stephen Davidson Tommy Cook Ashleigh Greenan Graeme Bissett Margaret Rice-Jones Helen Kelisky
Secretary	Ashleigh Greenan
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Solicitors	Burness Paull LLP 50 Lothian Road, Festival Square Edinburgh EH3 9WJ
Auditor	RSM UK Audit LLP Third Floor, 2 Semple Street Edinburgh EH3 8BL
Registrars	Computershare Investor Services plc The Pavillions, Bridgwater Road Bristol BS13 8AE
Bankers	Barclays 11 Melville Crescent Edinburgh EH3 7LU

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