RNS Number : 5227U
Kromek Group PLC
14 September 2026

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Kromek Group plc
("Kromek" or the "Company" or the "Group")

Final Results

Kromek (AIM: KMK), a global detection company delivering best-in-class solutions for the advanced imaging and CBRN detection markets, announces its final results for the year ended 30 April 2026.

Financial Highlights

- Revenue increased to £27.1m (2025: £26.5m)
  - Advanced Imaging revenue was £19.9m (2025: £20.3m); on an underlying basis*, revenue grew by 76% to £6.7m (2025: £3.8m)
  - CBRN Detection revenue increased by 17% to £7.3m (2025: £6.2m)
- Gross margin was 62.8% (2025: 80.9%) due to revenue mix, including high-margin licensing revenue accounting for a higher proportion of revenue in 2025
- Adjusted EBITDA of £8.1m (2025: £10.3m)*
- Profit before tax was slightly ahead of expectations at £2.5m (2025: £3.1m)
- Cash and cash equivalents at 30 April 2026 were £4.2m (30 April 2025: £1.7m), having secured a three-year revolving credit facility of £6.0m during the year
- Net debt (excluding lease liabilities) of £1.5m at 30 April 2026 (30 April 2025: £1.2m net cash (excluding lease liabilities)); primarily reflects delayed receipt of payments totalling £1.0m, which were received shortly post year end, and investment in working capital to support growth in Advanced Imaging

** Adjusted to exclude the licensing revenue contribution to both years from the Enablement Agreement signed with Siemens Medical Solutions USA, Inc. ("Siemens Healthineers") in FY 2025 (the "Enablement Agreement") and a non-recurring major new sale to an existing customer delivered in H2 2026*

*** A reconciliation of adjusted EBITDA can be found in the Financial Review*

Operational Highlights

Advanced Imaging

- Substantial growth on an underlying basis reflecting continued momentum in the business and delivery on long-term contracts, including ramping up deliveries under the Group's contract with Spectrum Dynamics, alongside new orders
- Significant contribution to revenue from delivery under the Enablement Agreement with Siemens Healthineers to enable the production of cadmium zinc telluride ("CZT") detectors for single photon emission computed tomography ("SPECT") application
- Continued to make good operational and commercialisation progress in photon-counting computed tomography ("PCCT") detector development, with the commercialisation programme on track amid accelerating industry-wide adoption of CZT technology

CBRN Detection

- Growth driven by execution on strategy to secure key government customers and expand distributor network
- Initial order, worth £1.7m, received under the UK Government's Radiological Nuclear Detection Framework for the Group's nuclear security products
- Eight new distribution agreements signed with partners across Europe, the Middle East and Asia, including signing first agreement in Germany
- Contract secured with the Defence Science and Technology Laboratory of the UK Ministry of Defence ("MoD"), worth £250k, for the development of novel methods of enhancing the detection of biological agents and incidents

Manufacturing and IP

- Continued to execute on programmes for the expansion of production capacity and process automation, resulting in greater manufacturing productivity and cost efficiency
- Applied for three new patents and had seven patents granted, with the total number of patents held being in excess of 190
- The Group continues to operate in attractive growth markets with significant barriers to entry

Dr Arnab Basu, CEO of Kromek, said: "FY 2026 was a year of strong operational and commercial progress for Kromek. We delivered increased revenue, with significant underlying growth in Advanced Imaging and further growth in CBRN Detection, reflecting increased delivery on long-term customer programmes, new order wins and the continued expansion of our international distributor network. We also made further progress with major OEMs in next-generation medical imaging, secured an initial order under the UK Government's Radiological Nuclear Detection Framework, and continued to invest in manufacturing capability, automation and our intellectual property portfolio.

"We enter FY 2027 with positive momentum, supported by a healthy order book, an encouraging commercial pipeline and strong engagement with customers across both divisions. As demand develops for our Advanced Imaging technologies and government and security customers continue to invest in CBRN detection capabilities, we expect to deliver results in line with market expectations, including significant revenue growth in both divisions, while maintaining disciplined cost control and investment in key growth opportunities. Accordingly, the Board continues to look forward to the year ahead with confidence."

Enquiries

Investor questions on this announcement	
We encourage all investors to share questions on this announcement via our investor hub	https://investors.kromek.com/link/yMdjZP
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Engage with the Kromek management team directly by asking questions, watching video summaries and seeing what other shareholders have to say. Navigate to our interactive investor hub here: https://investors.kromek.com/

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Kromek Group plc

Kromek Group plc is a leading developer of radiation detection and bio-detection technology solutions for the advanced imaging and CBRN detection segments. Headquartered in County Durham, UK, Kromek has manufacturing operations in the UK and US, delivering on the vision of enhancing the quality of life through innovative detection technology solutions.

The advanced imaging segment comprises the medical (including CT and SPECT), security and industrial markets. Kromek provides its OEM customers with detector components, based on its core cadmium zinc telluride (CZT) platform, to enable better detection of diseases such as cancer and Alzheimer's, contamination in industrial manufacture and explosives in aviation settings.

In CBRN detection, the Group provides nuclear radiation detection solutions to the global homeland defence and security market. Kromek's compact, handheld, high-performance radiation detectors, based on advanced scintillation and solid-state readout technology, are primarily used to protect critical infrastructure, events, personnel and urban environments from the threat of 'dirty bombs'.

The Group is also developing bio-security solutions in the CBRN detection segment. These consist of fully automated and autonomous systems to detect a wide range of airborne pathogens.

Kromek is listed on AIM, a market of the London Stock Exchange, under the trading symbol 'KMK'.

The information contained within this announcement is deemed by the Company to constitute inside information as stipulated under the Market Abuse Regulation (EU) No. 596/2014. Upon the publication of this announcement via the Regulatory Information Service, this inside information is now considered to be in the public domain.

Investor Webinar

Arnab Basu, CEO, and Claire Burgess, CFO, will be hosting an investor webinar for investors at 4.00pm BST on Monday 28 September 2026. Details for how to register will be announced via RNS Reach in due course.

Operational Review

Kromek delivered another year of growth in the twelve months ended 30 April 2026. This was driven by year-on-year revenue growth in CBRN Detection and on an underlying basis in Advanced Imaging.

It reflects both delivery of pre-existing orders alongside an increase in commercial momentum. In Advanced Imaging, growth in the underlying business was driven by renewed engagement with customers following the completion of the deal with Siemens Healthineers. In CBRN Detection, the ever-greater global focus on national security resulted in increased demand for Kromek's market-leading technologies for mission-critical applications.

Advanced Imaging

	2026	2025
	£'000	£'000
Revenue	**£19,853**	£20,274
Profit before tax	**£1,713**	£6,883

The Group delivered good underlying revenue growth in Advanced Imaging. Total Advanced Imaging revenue was £19.9m (2025: £20.3m). On an underlying basis, to exclude the contribution from the Enablement Agreement to both years and a non-recurring major sale in H2 2026, revenue in Advanced Imaging increased by 76% to £6.7m compared with £3.8m for 2025. Total profit before tax for Advanced Imaging was £1.7m (2025: £6.9m) with 2025 capturing the higher margin of licensing revenue under the Enablement Agreement.

The underlying revenue growth reflects continued delivery on Kromek's long-term contracts, including ramping up deliveries under the Group's contract with Spectrum Dynamics, alongside new orders. As previously announced, the division faced certain supply chain disruptions due to the various global trade and geopolitical tensions. These challenges primarily affected the timing of order fulfilments, and the impact was significantly mitigated by securing and delivering the major new sale to an existing customer in the second half of the year. Management is pleased to report that these disruptions have significantly decreased since year end.

Medical Imaging

The market is undergoing a structural shift from conventional scintillator technology to CZT, driven by the demand for higher-resolution, spectral imaging - particularly in medical diagnostics. This evolution supports better clinical outcomes and lower system-level costs, making CZT a key enabler of next-generation imaging platforms. Kromek is uniquely positioned as the only independent commercial-scale producer of CZT globally. With rising demand and strategic partnerships in place, this gives the Group a strong competitive advantage and clear leverage in a growing market with high barriers to entry.

During the first half of 2026, Kromek successfully delivered the milestones under the Enablement Agreement and received the second payment instalment of $5.0m (being the cash payment received as opposed to the £10.0m recognised as revenue in accordance with accounting standards). Since year end, the Group has delivered the third milestone and received the third payment of $2.5m. To date, the Company has received $32.5m under the Enablement Agreement. The remaining cash payment of $5.0m is payable at completion of delivery, which is expected to occur in the financial year to 30 April 2029, with revenue recognised monthly over the remaining term of the contract. The Group also expects to commence delivering initial orders under the supply agreement with Siemens Healthineers in the current financial year.

The Group continued to make good progress in the CT market, especially in PCCT, which is an advanced form of CT. Kromek is progressing key collaboration programmes initiated in prior years, all of which represent significant additional commercial avenues for the Group. Technical progress in these projects enabled the transition of Kromek's PCCT detector development into early-stage commercialisation. Engagements with leading OEMs in both medical and industrial imaging are progressing towards device validation and initial adoption.

Kromek's innovation pipeline also continues to advance. The ultra-low dose molecular breast imaging programme, supported by Innovate UK and delivered in partnership with Newcastle Upon Tyne Hospitals NHS Foundation Trust, Newcastle University and University College London, made strong progress. A prototype detector set has been installed at a hospital in Newcastle and is currently undergoing evaluation. In addition, this technology, which aims to improve screening and diagnostics for women with dense breast tissue where

mammography is less effective, received excellent results in validation trials conducted during the period with a leading medical clinic headquartered in the US.

Security & Industrial Screening

In security and industrial screening, the Group continued to deliver under its existing component supply agreements and development programmes. This includes the detector solutions being developed under its collaboration agreement with Analogic Corporation, which will be for security applications as well as medical.

CBRN Detection

	2026	**2025**
	£'000	**£'000**
Revenue	**£7,262**	£6,232
Profit/(loss) before tax	**£829**	£(3,804)

In the CBRN Detection division, revenue increased by 17% to £7.3m (2025: £6.2m) and generated a profit before tax of £0.8m for the year compared with a loss before tax of £3.8m for the previous year. This growth, which was delivered despite delays in certain governmental contracts progressing to the procurement stage, was built on Kromek's strategic execution in FY 2025, continued global demand for its products and an expansion of its distributor network, including into new territories. During the year, the Group signed eight new distribution agreements with partners across Europe, the Middle East and Asia, and now has representation in over 40 countries.

Nuclear Security

The Company was pleased to secure its first order under the UK Government's Radiological Nuclear Detection Framework, which was for the supply of the D3S-ID wearable detector, alongside training and maintenance. The majority of the £1.7m of revenue under this order was delivered during the year and the remainder will be received as service revenue over the coming years. The framework, led by the Home Office and which is a four-year programme, facilitates the procurement of radiological detection equipment and services. Kromek was selected as a supplier under the framework in FY 2025 and is pre-qualified in the key categories of handheld, wearable and large-volume static detectors.

As mentioned above, Kromek continued to secure new orders globally for its nuclear security products, supported by its enhanced distribution network. These wins underscore the strength of the Group's product portfolio, the trust placed in its technology by leading government agencies and the increasing role Kromek plays in supporting global radiological security infrastructure.

Civil Nuclear

Activity in the civil nuclear market remained steady, with ongoing sales through Kromek's distributor network and direct channels. As part of the Group's strategy to expand its distribution presence into new territories, a partnership was established with Siegrist GmbH, which is now the official distributor of Kromek civil nuclear products in Germany. Siegrist provides measurement and analysis technology solutions to customers in the fields of occupational health and safety, environmental protection and disaster protection sectors. This is Kromek's first distribution partnership in Germany, under which it has begun to receive orders and which the Group expects will facilitate Kromek in growing its presence in German-speaking markets.

Biological-threat Detection

During the year, Kromek continued to meet key milestones and deliver successfully under its multi-year contracts with a UK Government agency and the US Department of Homeland Security, focused on developing agent-agnostic biological-threat detection systems. The Group also secured a third programme - an 18-month, £0.25m contract from the UK Ministry of Defence ("MoD") Defence Science and Technology Laboratory funded via the UK Government's Defence and Security Accelerator. The project aims to develop novel methods for enhancing biological agent detection and complements the Group's strategy of pursuing customer-funded R&D in this critical area.

To support this development work, Kromek constructed a highly specialised bioaerosol evaluation chamber at its headquarters in Sedgefield, County Durham, one of very few such facilities currently operating in the UK. The new laboratory, which has been purpose-built as part of the programme with the US Department of Homeland Security, closely replicates real-world conditions in a secure and controlled setting to facilitate the effective testing of the Group's biological-threat detection systems.

The projects in Biological-threat Detection continue on budget, and as the technology attains full maturity by 2027, the Group intends to scale up production of these platforms, opening up new partnerships and avenues for commercialisation both in the defence industry and other critical sectors. The Board believes these contracts offer significant short- and medium-term opportunities for Kromek.

Manufacturing and IP

Kromek continued to drive improvements across its manufacturing plants. Further enhancements were made in process automation at its CZT manufacturing facility in the US. These initiatives are driving improved manufacturing productivity and strengthening the Group's competitive position. Kromek has dedicated teams focusing on optimising every stage of the manufacturing process, directly boosting yield, which will support scalable, profitable growth.

Kromek remains committed to innovation. During the year, three new patent applications were filed, and seven patents were granted, reinforcing Kromek's technology leadership and protecting critical intellectual property - bringing the total number of patent applications held as at 30 April 2026 to over 190. This ongoing investment in manufacturing excellence and IP development underpins the Group's ability to meet growing market demand.

Financial Review

Revenue increased by 2% year-on-year to £27.1m (2025: £26.5m). Whilst the Enablement Agreement was a significant contributor to total revenue, excluding this and the contribution from the non-recurring major sale in H2 2026, Group revenue grew by 39% to £13.9m in 2026 (2025: £10.0m) reflecting increased demand for Kromek's products across both the Advanced Imaging and CBRN Detection divisions as described above. The split between product sales, revenue from R&D contracts and revenue from licensing (the Enablement Agreement) is as follows:

	2026		**2025**	
	£'000		**£'000**	
Product*	**£13,795**	**51%**	£7,006	27%
R&D	**£3,302**	**12%**	£3,006	11%
Licensing	**£10,018**	**37%**	£16,494	62%
Total	**£27,115**	**100%**	£26,506	100%

* Included in product revenue is non-recurring revenue from a major new sale to an existing customer (see note 5)

Gross margin was lower, as expected, at 62.8% (2025: 80.9%) due to the reduced contribution to revenue from the high-margin Enablement Agreement. On an underlying basis, the gross margins of the two divisions were maintained compared with the prior year and the Group expects margins to remain relatively stable, subject to changes in sales mix. Gross profit was £17.0m (2025: £21.4m).

Distribution and administrative expenses were reduced to £14.1m (2025: £16.7m) and therefore accounted for a lower proportion of revenue at 52% (2025: 63%). The decrease in expenses is substantially the net result of:

- a decrease of £1.2m in bad debt provision compared with 2025 (all remaining debtor balances are considered recoverable);
- a £1.7m reduction in one-off fees and expenses relating to the Enablement Agreement to £0.1m (2025: £1.8m);
- a £0.5m increase in property and IT related expenditure;
- a decrease of £0.4m in share-based payments expense;
- a decrease of £0.1m of capitalised R&D costs;
- a £0.1m increase in FX charges;
- a £0.1m increase in travel related expenditure; and
- a £0.1m net increase relating to all other expenses.

Profit before tax was £2.5m (2025: £3.1m). This is slightly ahead of market expectations, which reflects slightly lower-than-expected costs and a higher-than-expected R&D tax credit of £0.8m (2025: £0.6m), which is recognised within administrative expenses. The profit before tax is comprised of £1.7m from the Advanced Imaging division (2025: £6.9m) and £0.8m from CBRN Detection (2025: £3.8m loss). The reduction in Advanced Imaging is due to the exceptional contribution from the Enablement Agreement to 2025, which is higher margin. The improvement in CBRN Detection reflects increased revenue from the division and strong cost control measures.

Adjusted EBITDA was £8.1m for 2026 compared with £10.3m for the prior year as set out in the table below:

	2026 £'000	**2025 £'000**
Revenue	27,115	26,506
Gross profit	17,035	21,431
Gross margin (%)	62.8%	80.9%
Profit before tax	2,542	3,079
EBITDA Adjustments:		
Net interest	365	1,658
Depreciation of property, plant & equipment and right-of-use assets	1,535	1,612
Amortisation	3,038	2,956
Share-based payments	607	1,028
Adjusted EBITDA*	**8,087**	**10,333**

**Adjusted EBITDA is defined as earnings before interest, taxation, depreciation, amortisation and share-based payments. The change in the value of financial derivatives and share-based payments are adjusted for when calculating the Group's adjusted EBITDA as these items have no direct cash impact on financial performance. Adjusted EBITDA is considered a key metric to the users of the financial statements as it represents a useful milestone that is reflective of the performance of the business resulting from movements in revenue, gross margin and the costs of the business.*

Included within adjusted EBITDA are £nil (2025: £1.4m) one-off costs relating to the Enablement Agreement (with total costs being £0.1m (2025: £1.8m) as described above). In addition, there is a net charge of £0.1m (2025:

£1.3m charge) relating to bad debt provisions. Excluding these one-off costs, adjusted EBITDA would be £8.2m (2025: £13.0m).

The Group recorded a net tax charge to the income statement of £1.8m for the year (2025: £0.7m credit). This primarily relates to a non-cash deferred tax charge of £1.7m (2025: £0.6m credit) due to changes in the Group's deferred tax attributes as described in note 16 to the financial statements, and which is expected to unwind over future years. There is a £0.1m corporation tax charge for the year (2025: £nil), which will be offset by the cash receipt of the £0.8m UK Research and Development Tax Credit that is expected to be received in FY 2027.

The Group's recognised deferred tax liability at the year-end in the statement of financial position was £0.7m (2025: £0.5m asset), with the movement primarily reflecting the deferred tax charge of £1.7m. In addition, the Group has an unrecognised US deferred tax asset of £14.2m (2025: £11.6m). The Board believes that the deferred tax asset will be utilised in the short to medium term and will capitalise such assets in due course when it is deemed appropriate to do so.

Profit after tax was £0.7m (2025: £3.8m) due to the lower profit before tax and £1.7m deferred tax charge as described above. On an adjusted basis, to exclude the deferred tax charge, net profit is £2.4m (2025: £3.2m).

Earning per shares ("EPS") for the year on a basic and diluted basis was 0.1p per share compared with 0.6p per share in 2025 reflecting the reduced profit and the non-cash deferred tax charge. Adjusted EPS excluding the non-cash deferred tax charge is 0.4p (2025: 0.5p).

The Group invested £4.3m in the year (2025: £4.4m) in technology and product developments that were capitalised on the balance sheet, reflecting the continued investment in new products, applications and platforms for the future growth of the business. This expenditure is 16% of revenue (2025: 17%) and was capitalised in accordance with IAS38 to the extent that it related to projects in the later stage (development phase) of the project life cycle. This investment is comprised of £3.3m within administrative costs and £1.0m within gross profit (2025: £3.4m and £1.0m respectively).

Amortisation of capitalised development costs in the year was £2.8m (2025: £2.7m), which results in a net cost of £1.5m from capitalised development costs (2025: £1.7m).

During the year, the Group undertook expenditure on patents and trademarks of £0.2m (2025: £0.1m).

Capital expenditure in the year, comprising property, plant and equipment and investments in patents, trademarks and other intangibles amounted to £0.7m (2025: £0.3m). The expenditure primarily relates to modest capital expenditure across plant equipment and computer equipment, IT and manufacturing projects.

In September 2025, the Group negotiated a three-year, £6.0m revolving credit facility ("RCF") with HSBC bank to support and assist working capital requirements. The RCF carries interest of 2.75% over the Bank of England base rate. In addition, HSBC is providing a £0.5m asset finance facility to support limited capital expenditure within the Group.

In June 2025, the Group repaid £0.7m of accrued interest on a repaid secured term loan facility with Polymer N2 Ltd, an existing and significant shareholder in the Company, via the issue of new ordinary shares of 1p each in the Company. This resulted in the issue of 13,440,514 new ordinary shares.

At 30 April 2026, the Group had total borrowings of £5.7m (2025: £0.5m), which primarily relate to drawdowns on the RCF to fund working capital requirements. Of the total, £0.1m (2025: £0.5m) relates to Covid-related

Economic Injury Disaster Loans that the Group's US operations were eligible to apply for in 2020 and 2021, after a £0.4m repayment in October 2025. Further information can be found in note 19 to the financial statements.

In addition, post year-end, the Group has successfully negotiated a £3.0m extension to the RCF to support and assist working capital requirements, and anticipates signing the increased facility documents prior to the end of September 2026.

Cash and cash equivalents were £4.2m as of 30 April 2026 (30 April 2025: £1.7m). The increase was due to the combination of the following cash inflows and outflows:

- Cash generated in operations, including changes in working capital, of £3.1m;
- investment in product development and other intangible assets, with capitalised development costs of £(4.3)m and other additions, including IP, of £(0.3)m;
- capital expenditure of £(0.3)m;
- interest received of £0.1m;
- net cash generated from financing activities of £4.5m (£6.0m proceeds of new borrowings, less £1.5m of repayment of borrowings, lease repayments financing costs and loan interest payments); and
- effect of foreign exchange rate changes of £(0.2)m.

At 30 April 2026, the Group had net debt (excluding lease liabilities) of £1.5m (30 April 2025: net cash of £1.2m). Certain payments totalling £1.04m that expected to be received prior to year end were received shortly after year end. Without these timing differences, net debt excluding lease liabilities would have been £0.5m. The difference compared with the prior year primarily reflects investment in working capital to support growth in Advanced Imaging.

Outlook

The new financial year is progressing well, with a healthy commercial pipeline and order book. This provides good visibility over the coming months and, combined with continued strong customer engagement across both divisions, the Board expects to deliver further growth in FY 2027 and the Group continues to trade in line with market expectations.

In Advanced Imaging, revenue growth will be driven primarily by a ramp up in delivery to Spectrum Dynamics as it continues the commercial roll-out of its SPECT scanners, supply to other existing customers, alongside initial revenues from sales of CZT detectors for inclusion in PCCT scanners. During the year, Kromek also expects revenues under its supply agreement with Siemens Healthineers as well as recognising further revenue from the Enablement Agreement. Together, these represent an important step in the transition of the division towards volume commercial supply as the adoption of CZT detectors in SPECT and PCCT continues to accelerate.

In CBRN Detection, the Group expects increased revenues from European government agencies, the strong opportunity pipeline across Asia and the delivery of contracts under the UK and US government framework agreements to drive revenue growth. Demand continues to be underpinned by the heightened prioritisation of national and global security strategies, and the Group anticipates further opportunities as governments formalise their approach to CBRN threats.

Gross margins are expected to return to the mid-50s, consistent with the level prior to the Enablement Agreement. This underlines the levels of IP in the business and the strength and quality of the Group's underlying product margins, with margin performance now driven by growing commercial product sales across both divisions. The Group continues to maintain tight control of costs, supporting the sustainability of underlying profit margins and the Group's cash position while enabling continued investment in key growth areas.

With a growing order book, increased revenue visibility, operational momentum across both divisions and a disciplined approach to costs, the Board looks forward to significant underlying growth in FY 2027 as the Group builds a sustainable and profitable business.

Group statement of comprehensive income
For the year ended 30 April 2026

	Note	2026 £'000	2025 £'000
Continuing operations			
Revenue	4	**27,115**	26,506
Cost of sales		**(10,080)**	(5,075)
Gross profit		**17,035**	21,431
Other operating income		**30**	-
Distribution costs		**(460)**	(470)
Administrative expenses		**(13,698)**	(16,224)
Operating profit		**2,907**	4,737
Finance income		**68**	107
Finance costs	7	**(433)**	(1,765)
Profit before tax	5	**2,542**	3,079
Tax (charge)/credit	8	**(1,809)**	675
Profit for the year from continuing operations		**733**	3,754
Profit per share	9		
- basic (p)		**0.1**	0.6
- diluted (p)		**0.1**	0.6
Adjusted profit per share (a non-GAAP measurement)			
- adjusted basic (p)		**0.4**	0.5
- adjusted diluted (p)		**0.4**	0.5

The accompanying notes part of these financial statements.

Group statement of other comprehensive income

For the year ended 30 April 2026

	2026 £'000	2025 £'000
Profit for the year	**733**	3,754
Items that are or may be subsequently reclassified to profit or loss:		
Exchange loss on translation of foreign operations	**(342)**	(1,988)
Total comprehensive profit for the year	**391**	1,766

The accompanying notes part of these financial statements.

Consolidated statement of financial position

As at 30 April 2026

	Note	2026 £'000	2025 £'000
Non-current assets			
Goodwill	10	**1,275**	1,275
Other intangible assets	11	**34,830**	33,422
Property, plant and equipment	12	**5,022**	7,066
Right-of-use assets	13	**2,760**	2,778
Deferred tax assets	16	**-**	474
		43,887	45,015
Current assets			
Inventories	14	**11,654**	12,108
Trade and other receivables	15	**9,936**	6,436
Current tax assets	15	**633**	608
Cash and bank balances		**4,164**	1,704
		26,387	20,856

Total assets		**70,274**	65,871
Current liabilities			
Trade and other payables	17	**(5,082)**	(8,821)
Borrowings	19	**(5,558)**	(12)
Lease obligation	18	**(399)**	(387)
		(11,039)	(9,220)
Net current assets		**15,348**	11,636
Non-current liabilities			
Deferred income	17	**(718)**	(819)
Lease obligation	18	**(3,293)**	(3,173)
Borrowings	19	**(107)**	(481)
Deferred tax liability	16	**(687)**	-
		(4,805)	(4,473)
Total liabilities		**(15,844)**	(13,693)
Net assets		**54,430**	52,178
Equity			
Share capital		**6,551**	6,415
Share premium account		**82,118**	81,511
Merger reserve		**21,853**	21,853
Translation reserve		**(425)**	(83)
Accumulated losses		**(55,667)**	(57,518)
Total equity		**54,430**	52,178

The accompanying notes form part of these financial statements.

Consolidated statement of changes in equity

For the year ended 30 April 2026

	Share capital £'000	Share premium account £'000	Merger reserve £'000	Translation reserve £'000	Retained losses £'000	Total equity £'000
Balance at 1 May 2024	**6,410**	**81,480**	**21,853**	**1,905**	**(62,294)**	**49,354**
Profit for the year	-	-	-	-	3,754	3,754
Exchange difference on translation of foreign operations	-	-	-	(1,988)	-	(1,988)
Total comprehensive (loss)/gain for the year	**-**	**-**	**-**	**(1,988)**	**3,754**	**1,766**
Conversion of CLN	5	31	-	-	-	36

Credit to equity for equity-settled share-based payments	-	-	-	-	1,028	1,028
Deferred tax movement	-	-	-	-	(6)	(6)
Balance at 30 April 2025	**6,415**	**81,511**	**21,853**	**(83)**	**(57,518)**	**52,178**
Profit for the year	-	-	-	-	733	**733**
Exchange difference on translation of foreign operations	-	-	-	(342)	-	(342)
Total comprehensive (loss)/gain for the year	**-**	**-**	**-**	**(342)**	**733**	**391**
Issue of shares	136	607	-	-	-	743
Credit to equity for equity-settled share-based payments	-	-	-	-	607	607
Deferred tax movement	-	-	-	-	511	511
Balance at 30 April 2026	**6,551**	**82,118**	**21,853**	**(425)**	**(55,667)**	**54,430**

The accompanying notes form part of these financial statements.

Consolidated statement of cash flows
For the year ended 30 April 2026

	Note	2026 £'000	2025 £'000
Net cash generated from operating activities	20	**3,059**	15,901

Investing activities			
Interest received		**68**	107
Purchases of property, plant and equipment	12	**(338)**	(186)
Purchases of patents, trademarks and other intangibles	11	**(320)**	(106)
Capitalisation of development costs	11	**(4,285)**	(4,369)
Net cash used in investing activities		**(4,875)**	(4,554)
Financing activities			
New borrowings	21	**6,000**	4,400
Payment of borrowings	21	**(889)**	(11,438)
Payment of lease liability	18	**(550)**	(660)
Interest paid	7	**(78)**	(1,440)
Financing costs		**(45)**	(55)
Net proceeds on issue of shares		**2**	-
Net cash generated from/(used in) financing activities		**4,440**	(9,193)
Net increase in cash and cash equivalents		**2,624**	2,154
Cash and cash equivalents at beginning of year		**1,704**	466
Effect of foreign exchange rate changes		**(164)**	(916)
Cash and cash equivalents at end of year		**4,164**	1,704

The accompanying notes form part of these financial statements.

Notes to the consolidated financial statements
For the year ended 30 April 2026

1. General information

Kromek Group plc is a company incorporated and domiciled in the United Kingdom under the Companies Act 2006. These financial statements are presented in pounds sterling because that is the currency of the primary economic environment in which the Group operates. Foreign operations are included in accordance with the policies set out in note 2.

The Group prepares its consolidated financial statements in accordance with UK-adopted IFRS.

The Board is currently evaluating the impact of the adoption of all other standards, amendments and interpretations but does not expect them to have a material impact on the Group's operation or results.

New and amended IFRS Accounting Standards that are effective for the current year

There are a number of standards and amendments to standards which have been issued by the IASB that are effective in future accounting periods that have not been adopted early. The following standards are effective for annual reporting periods beginning on or after 1 January 2025:

- Guidance on the exchange rate to use when a currency is not exchangeable (Amendments to IAS 21)

- Accounting treatment for the sale or contribution of assets (Amendments to IFRS 10 and IAS 28)

No new standards or amendments that became effective in the financial year had a material impact in preparing these financial statements.

New and revised IFRS Accounting Standards in issue but not yet effective

The following amendments are effective for annual reporting periods beginning on or after 1 January 2026:

- Amendments to the classification and measurement of financial instruments (Amendments to IFRS 7 and IFRS 9)
- Contracts referencing Nature-dependent Electricity (Amendments to IFRS 7 and IFRS 9)
- Annual improvements to IFRS Standards - Volume 11 (covering amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7)
- Practice Statement 1 Management Commentary (Amendments to IFRS 1)
- Disclosures about uncertainties in the Financial Statements.

The following standards are effective for annual reporting periods beginning on or after 1 January 2027:

- IFRS 18 Presentation and Disclosure in Financial Statements
- IFRS 19 Subsidiaries without Public Accountability: Disclosures
- Translation to a Hyperinflationary Presentation Currency (Amendments to IAS 21)

Beyond the information above, it is not practicable to provide a reasonable estimate of the effect of these standards until a detailed review has been completed.

2. Significant accounting policies

Basis of preparation

The Group's financial statements have been prepared in accordance with IFRS and International Financial Reporting Interpretations Committee ("IFRIC").

The financial statements have been prepared on the historical cost basis modified for assets recognised at fair value on acquisition. Historical cost is generally based on the fair value of the consideration given in exchange for the assets. The principal accounting policies adopted are set out below.

Basis of consolidation

The consolidated financial statements incorporate the results and net assets of the Group and entities controlled by the Group (its subsidiaries) made up to 30 April each year. Control is achieved where the Group has the power to govern the financial and operating policies of an investee entity so as to obtain benefits from its activities.

The results of subsidiaries acquired during the year are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate. Where necessary, adjustments are made to results of subsidiaries to bring the accounting policies used into line with those used by the Group. All intra-Group transactions, balances, income and expenses, and profits are eliminated on consolidation.

Going concern

As at 30 April 2026, the Group had net current assets of £15.3m (30 April 202: £11.6m) and cash and cash equivalents of £4.2m (30 April 2025: £1.7m) as set out in the consolidated statement of financial position. The Group made a profit before tax of £2.5m in the year (2025: £3.1m).

During the prior year, the completion of the Siemens Healthineers Enablement Agreement resulted in a $25m cash payment to the Group. Subsequently, a further $5m cash payment was made to the Group under the agreement during the current year. At 30 April 2026, total borrowings were £5.7m (2025: £0.5m), which primarily relate to drawdowns on the Group's revolving credit facility with HSBC to fund working capital requirements. Of the total, £0.1m (2025: £0.5m) relates to Covid-related Economic Injury Disaster Loans that the Group's US operations were eligible to apply for in 2020 and 2021.

The Directors have prepared detailed forecasts of the Group's financial performance over the next twelve months from the date of this report. Given the rapidly changing macroeconomic landscape and the Group's forecast financial performance for the next twelve months, management also prepared financial forecasts based on sensitised and severe but plausible scenarios. It should be noted that in each scenario, the Board has specifically excluded any significant upsides from these scenarios or mitigating cost reductions.

Post year-end, the Group has successfully negotiated a £3.0m extension to the revolving credit facility with HSBC to support and assist working capital requirements. The increased facility documents are anticipated to be signed prior to the end of September 2026.

As a consequence, the Board is confident that the Group will have sufficient resources and working capital to meet its present and foreseeable obligations for a period of at least twelve months from approval of these financial statements. Accordingly, the Board continues to adopt the going concern basis in preparing the Group financial statements.

Business combinations

The Group financial statements consolidate those of the Company and its subsidiary undertakings. Subsidiaries are entities controlled by the Group. Control exists when the Group has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that are currently exercisable or convertible are taken into account. The financial information of subsidiaries is included from the date that control commences until the date that control ceases. Intra-Group balances and transactions, and any unrealised income and expenses arising from intra-Group transactions, are eliminated in preparing the consolidated financial information.

Acquisitions on or after 1 May 2010

For acquisitions on or after 1 May 2010, the Group measures goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- the fair value of the existing equity interest in the acquiree; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, the negative goodwill is recognised immediately in profit or loss. Costs related to the acquisition, other than those associated with the issue of debt or equity securities, are expensed as incurred.

Goodwill

Goodwill arising in a business combination is recognised as an asset at the date that control is acquired (the acquisition date). Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest (if any) in the entity over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

If, after reassessment, the Group's interest in the fair value of the acquiree's identifiable net assets exceeds the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Goodwill is not amortised but is reviewed for impairment at least annually. For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

On disposal of a subsidiary, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

Contracts with customers

The Group recognises revenue in line with IFRS 15 'Revenue from contracts with customers'. Revenue represents income derived from contracts for the provision of goods and services by the Group to customers in exchange for consideration in the ordinary course of the Group's activities.

The Board disaggregates revenue by sales of goods or services, grants and contract customers. Sales of goods and services typically include the sale of product on a run rate or ad-hoc basis. Grants include technology development with parties such as Innovate UK. Customer contracts represent agreements that the Group has entered into that typically span a period of more than 12 months.

Performance obligations

Upon approval by the parties to a contract, the contract is assessed to identify each promise to transfer either a distinct good or service or a series of distinct goods or services that are substantially the same and have the same pattern of transfer to the customer. Goods and services are distinct and accounted for as separate performance obligations if the customer can benefit from them either on their own or together with other resources that are readily available to the customer, and they are separately identifiable in the contract.

Transaction price

At the start of the contract, the total transaction price is estimated as the amount of consideration to which the Group expects to be entitled in exchange for transferring the promised goods and services to the customer, excluding sales taxes. Variable consideration, such as price escalation and early settlements, is included based on the expected value or most likely amount only to the extent that it is highly probable that there will not be a reversal in the amount of cumulative revenue recognised. The transaction price does not include estimates of consideration resulting from contract modifications, such as change orders, until they have been approved by the parties to the contract. The total transaction price is allocated to the performance obligations identified in the contract in proportion to their relative standalone selling prices.

Given the bespoke nature of many of the Group's products and services, which are designed and/or manufactured under contract to the customer's individual specifications, there are sometimes no observable standalone selling prices. Instead, standalone selling prices are typically estimated based on expected costs plus contract margin consistent with the Group's pricing principles or based on market knowledge of selling prices relating to similar product.

Revenue and profit recognition

Revenue is recognised as performance obligations are satisfied as control of the goods and services is transferred to the customer.

For each performance obligation within a contract, the Group determines whether it is satisfied over time or at a point in time. The Group has determined that the performance obligations of the majority of its contracts are satisfied at a point in time. Performance obligations are satisfied over time if one of the following criteria are satisfied:

- The customer simultaneously receives and consumes the benefits provided by the Group's performance as it performs.

- The Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced.

- The Group's performance does not create an asset with an alternative use to the Group, and it has an enforceable right to payment for performance completed to date.

For each performance obligation to be recognised over time, the Group primarily recognises revenue using an input method, based on costs incurred in the period. Revenue and attributable margin are calculated by reference to reliable estimates of transaction price and total expected costs, after making suitable allowances for technical and other risks. Revenue and associated margin are therefore recognised progressively as costs are incurred, and as risks have been mitigated or retired. However, for certain performance obligations to be recognised over time, the Group also recognises revenue using an output method when appropriate, based on the value received by the customer. This is particularly the case for intellectual property licensing agreements signed by the Group. The Group has determined that these methods faithfully depict the Group's performance in transferring control of the goods and services to the customer.

If the over-time criteria for revenue recognition are not met, revenue is recognised at the point in time that control is transferred to the customer, which is usually when legal title passes to the customer, and the business has the right to payment. Kromek's standard terms of delivery are FCA Delivery Location (Incoterms 2020), unless otherwise stated.

The Group's contracts that satisfy the over-time criteria are typically product development contracts where the customer simultaneously receives and consumes the benefit provided by the Group's performance. In some specific arrangements, due to the highly specific nature of the contract deliverables tailored to the customer requirements and the breakthrough technology solutions that Kromek provides, the Group does not create an asset with an alternative use but retains an enforceable right to payment and recognises revenue over time on that basis.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised immediately as an expense.

Contract modifications

The Group's contracts are sometimes amended for changes in customers' requirements and specifications. A contract modification exists when the parties to the contract approve a modification that either changes existing, or creates new, enforceable rights and obligations. The effect of a contract modification on the transaction price and the Group's measure of progress towards the satisfaction of the performance obligation to which it relates, is recognised:

(a) prospectively as an additional, separate contract;

(b) prospectively as a termination of the existing contract and creation of a new contract; or

(c) as part of the original contract using a cumulative catch up.

The majority of the Group's contract modifications are treated under either (a) (for example, the requirement for additional distinct goods or services) or (b) (for example, a change in the specification of the distinct goods or services for a partially completed contract), although the facts and circumstances of any contract modification are considered individually as the types of modifications will vary contract-by-contract and may result in different accounting outcomes.

Costs to obtain a contract

The Group expenses pre-contract bidding costs that are incurred regardless of whether a contract is awarded. The Group does not typically incur costs to obtain contracts that it would not have incurred had the contracts not been awarded.

Costs to fulfil a contract

Contract fulfilment costs in respect of over-time contracts are expensed as incurred. No such costs have been incurred in the year under review or in previous years. Contract fulfilment costs in respect of point-in-time contracts are accounted for under IAS 2, Inventories.

Sale of Inventories

Inventories include raw materials, work-in-progress and finished goods recognised in accordance with IAS 2 in respect of contracts with customers that have been determined to fulfil the criteria for point-in-time revenue recognition under IFRS 15. The performance obligation is fulfilled under IFRS 15 for the sale of inventories when control of the goods passes to the customer, which is normally in accordance with Incoterms or receipt by the customer.

Included also are inventories for which the Group does not have a contract. This is often because fulfilment costs have been incurred in expectation of a contract award. The Group does not typically build inventory to stock. Inventories are stated at the lower of cost, including all relevant overhead and net realisable

value. The Group continued to adopt the policy of valuing its recyclable material. In accordance with the standard, this is valued at the lower of cost and net realisable value, less the cost required to bring the material back into use.

Contract receivables

Contract receivables represent amounts for which the Group has an unconditional right to consideration in respect of unbilled revenue recognised at the balance sheet date and comprises costs incurred plus attributable margin. The Group does not plan, anticipate or offer extended payment terms within its contractual arrangements unless express payment interest charges are applied and represent a value over and above that contracted or invoiced with the customer.

Contract liabilities

Contract liabilities represent the obligation to transfer goods or services to a customer for which consideration has been received, or consideration is due, from the customer.

Leases

The Group recognises a right-of-use ("ROU") asset and a lease liability at the lease commencement date. The ROU asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred, and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The ROU asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the ROU or the end of the lease term. The estimated useful lives of the ROU assets are determined on the same basis as those of property and equipment. In addition, the ROU is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease, or, if that rate cannot be readily determined, the Group's incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise fixed payments.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the ROU asset, or is recorded in profit or loss if the carrying amount of the ROU has been reduced to zero.

The Group has elected not to recognise ROU assets and lease liabilities for short-term leases of machinery that have a lease term of 12 months or less and leases of low value assets, including IT equipment and leased cars. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Foreign currencies

The individual results of each Group company are presented in the currency of the primary economic environment in which it operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each Group company are expressed in pounds sterling, which is the functional currency of the Company and the presentation currency for the consolidated financial statements. The Directors have applied IAS 21 The Effects of Changes in Foreign Exchange Rates and have concluded that the intra-Group loans held by Kromek Limited substantially form part of the net investment in Kromek USA (Kromek Inc, eV Products, Inc. and Nova R&D, Inc.), and so any gain or loss arising on intra-Group loan balances are recognised as other comprehensive income in the period.

In preparing the results of the individual companies, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the average exchange rate for the month to which the transaction relates. At each statement of financial position date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences are recognised in profit or loss in the period in which they arise.

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 statement of financial position date. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rate at the date of transaction is used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity. On consolidation, the results of overseas operations are translated into pounds sterling at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations, including goodwill arising on the acquisition of those operations, are translated at the rate ruling at the statement of financial position date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised directly in other comprehensive income and are credited/(debited) to the retranslation reserve.

Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants towards job creation and growth are normally recognised as income over the useful economic life of the capital expenditure to which they relate.

Government grants are recognised in the income statement so as to match them with the related expenses that they are intended to compensate. Grants that relate to capital expenditure are offset against related depreciation costs. Where grants are received in advance of the related expenses, they are initially recognised in the balance sheet and released to match the related expenditure. Non-monetary grants are recognised at fair value.

Operating result

Operating profit is stated as profit before tax, finance income and costs.

Exceptional items

Exceptional items are those items that, in the judgement of management, need to be disclosed separately by virtue of their nature, size or incidence.

Retirement benefit costs

The Group operates two defined contribution pension schemes for UK employees, one of which is an auto-enrolment workplace pension scheme established following the UK Pensions Act 2008. The employees of the Group's subsidiaries in the US are members of a state-managed retirement benefit scheme operated by the US Government.

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due. For these schemes, the assets are held separately from those of the Group in independently administered funds. Payments made to US state-managed retirement benefit schemes are dealt with as payments to defined contribution schemes where the Group's obligations under the schemes are equivalent to those arising in a defined contribution retirement benefit scheme.

Taxation

The tax expense represents the sum of the tax currently payable and deferred tax. Tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity. The UK R&D tax credit is calculated using the current rules as set out by HMRC and is recognised in the income statement during the period in which the R&D programmes occurred.

i) Current tax

The tax credit is based on the taxable profit or loss for the year. Taxable profit or loss differs from net profit or loss as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted at the date of the statement of financial position.

ii) Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the consolidated statement of financial position and the corresponding tax bases used in the computation of taxable profit and is accounted for using the statement of financial position 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 against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each statement of financial position date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

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, based on tax laws and rates that have been enacted or substantively enacted at the date of the statement of financial position. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited in other comprehensive income, in which case the deferred tax is also dealt with in other comprehensive income. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation and any recognised impairment loss.

Depreciation is recognised so as to write off the cost or valuation of assets (other than land and properties under construction) less their residual values over their useful lives, using the straight-line method, on the following bases:

Plant and machinery	6% to 25%
Fixtures, fittings and equipment	15%
Computer equipment	25%
Lab equipment	6% to 25%

The gain or loss arising on the disposal or scrappage of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset, and is recognised in income.

Internally-generated intangible assets - research and development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from the Group's product development is recognised only if all of the following conditions are met:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale.
- Its intention to complete the intangible asset and use or sell it.
- Its ability to use or sell the intangible asset.
- How the intangible asset will generate probable future economic benefits. Among other things, the entity can demonstrate the existence of a market for the output of the intangible asset or the intangible asset itself or, if it is to be used internally, the usefulness of the intangible asset.
- The availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset.
- Its ability to measure reliably the expenditure attributable to the intangible asset during its development.

Research expenditure is written off as incurred. Development expenditure is also written off, except where the Directors are satisfied as to the technical, commercial and financial viability of individual projects. In such cases, the identifiable expenditure is deferred and amortised over the period during which the Group is expected to benefit. This period normally equates to the life of the products to which the development expenditure relates. Where expenditure relates to developments for use rather than direct sales of

product, the cost is amortised straight-line over a 2-15-year period. Assets that have been developed are not amortised until they are available for use and commercial sale. Provision is made for any impairment.

Amortisation of the intangible assets recognised on the acquisitions of Nova R&D, Inc. and eV Products, Inc. are recognised in the income statement on a straight-line basis over their estimated useful lives of between five and fifteen years.

Patents and trademarks

Patents and trademarks are measured initially at purchase cost and are amortised on a straight-line basis over their estimated useful lives.

Impairment of tangible and intangible assets, excluding goodwill

At each statement of financial position date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash generating unit ("CGU") to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual CGUs, or otherwise they are allocated to the smallest group of CGUs for which a reasonable and consistent allocation basis can be identified.

An intangible asset with an indefinite useful life is tested for impairment at least annually and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate of 10.65% for Advanced Imaging and 14.21% for CBRN and Biological Threat Detection (2025: 8.93% and 12.24% respectively) that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. See note 10 for further detail.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or CGU) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or CGU) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Inventories

Inventories are stated at the lower of cost and net realisable value. The Group continues to adopt a policy of valuing recyclable material. Costs comprise direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated in the statement of financial position at standard cost, which approximates to

historical cost determined on a first in, first out basis. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution. Work in progress costs are taken as production costs, which include an appropriate proportion of attributable overheads.

Provision is made for obsolete, slow moving or defective items where appropriate. This is reviewed by operational finance at least every six months. Given the nature of the products and the gestation period of the technology, commercial rationale necessitates that this provision is reviewed on a case-by-case basis.

Provisions for liabilities

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated. Such provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the balance sheet date. The discount rate used to determine the present value reflects current market assessments of the time value of money. Provisions are not recognised for future operating losses.

Financial instruments

(i) Recognition and initial measurement

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at Fair Value Through Profit or Loss ("FVTPL"), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

(ii) Classification and subsequent measurement

Financial assets

(a) Classification

On initial recognition, a financial asset is classified as measured at: amortised cost; Fair Value through Other Comprehensive Income ("FVOCI") - debt investment; FVOCI - equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions:

- It is held within a business model whose objective is to hold assets to collect contractual cash flows.
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in Other Comprehensive Income. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL.

Investments in subsidiaries are carried at cost less impairment.

Cash and cash equivalents comprise cash balances and call deposits.

(b) Subsequent measurement and gains and losses

Financial assets at FVTPL - these assets (other than derivatives designated as hedging instruments) are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Financial assets at amortised cost - these assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Financial liabilities and equity

Financial instruments issued by the Group are treated as equity only to the extent that they meet the following two conditions:

(a) They include no contractual obligations upon the Group to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Group.

(b) Where the instrument will or may be settled in the Group's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Group's own equity instruments or is a derivative that will be settled by the Group exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that these conditions are not met, the proceeds of the issue are classified as a financial liability. Where the instrument so classified takes the legal form of the Group's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held for trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

Where a financial instrument that contains both equity and financial liability components exists, these components are separated and accounted for individually under the above policy.

Intra-Group financial instruments

Where the Group enters into financial guarantee contracts to guarantee the indebtedness of other companies within its Group, the Group considers these to be insurance arrangements and accounts for them as such. In this respect, the Group treats the guarantee contract as a contingent liability until such time as it becomes probable that the Group will be required to make a payment under the guarantee.

(iii) Impairment

The Group recognises loss allowances for expected credit losses ("ECLs") on financial assets measured at amortised cost, debt investments measured at FVOCI and contract assets (as defined in IFRS 15).

The Group measures loss allowances at an amount equal to lifetime ECL, except for other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition, which are measured as twelve-month ECL.

Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime ECL. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

The Group assumes that the credit risk on a financial asset may have increased if it is more than 120 days past due. This is assessed on a case-by-case basis, taking into consideration the commercial relationship and historical pattern of payments.

The Group considers a financial asset to be at risk of default when:

- the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- the financial asset is more than 120 days past due, subject to management discretion and commercial relationships.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

Twelve-month ECLs are the portion of ECLs that result from default events that are possible within 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

Measurement of ECLs

Credit losses are measured and assessed on an individual balance-by-balance basis. In calculating, the Group uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses. The general approach incorporates a review for any significant increase in counterparty credit risk since inception.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit impaired. A financial asset is "credit impaired" when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Write-offs

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. If there is recovery of the financial asset, a reversal will be recognised in the profit and loss.

Share-based payments

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date and spread over the period during which the employees become unconditionally entitled to the options, which is based on a period of employment of three years from the grant date. In accordance with IFRS 2, from a single entity perspective, Kromek Group plc recognises an increase in investment and corresponding increase in equity to represent the settlement.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest. The vesting date is determined based on the date an employee is granted options, usually three years from date of grant. At each statement of financial position date, the Group revises its estimate of the number of equity instruments expected to vest as a result of the effect of non-market-based vesting conditions and taking into account the average time in employment across the year. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to equity reserves.

Cash

Cash, for the purposes of the statement of cash flows, comprises cash in hand and term deposits repayable between one and twelve months from balance sheet date, less overdrafts repayable on demand.

3. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group's accounting policies, which are described in note 2, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

Critical judgements in applying the Group's accounting policies

The following are the critical judgements that the Directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

Development costs

As described in note 2, Group expenditure on development activities is capitalised if it meets the criteria as per IAS 38. Management have exercised and applied judgement when determining whether the criteria of IAS 38 is satisfied in relation to development costs. As part of this judgement process, management establish the future total addressable market relating to the product or process, evaluate the operational plans to complete the product or process and establish where the development is positioned on the Group's technology road map and asses the costs against IAS 38 criteria. This process involves input from the operational, financial and commercial functions and is based upon detailed project cost analysis of both time and materials.

Performance obligations arising from customer contracts

As described in note 2, the Group recognises revenue as performance obligations are satisfied when control of the goods and services is transferred to the customer. Management have exercised and applied judgement in determining what the performance obligations are and whether they are satisfied over time or at a point in time. In applying this judgement, management considers the nature of the overall contract deliverable, legal form of the contract and economic resources required for the performance obligation to be satisfied. Management disaggregate revenues by sales of goods and services, revenue from development grants (such as Innovate UK) and revenue from contract customers. Typically, revenue from the sales of goods and services is recognised at a point in time. Revenue from development grants and contract customers is recognised either over time or at a point in time depending on the characteristics of the specific contract when applying IFRS 15.

In the prior financial year, the Group announced the signing of an Enablement Agreement and Patent Licensing Agreement with Siemens Healthineers. Under the Enablement Agreement, the Group will be paid a total of $37.5m in cash in four instalments over a four-year period. As described above and in note 2, the Group recognises revenue as performance obligations are satisfied when control of the goods and services is transferred to the customer. Therefore, management have exercised and applied judgement in determining what the performance obligations are and whether they are satisfied over time or at a point in time. In applying this judgement, management had to consider the initial value received by the customer upon signing of the agreement by virtue of patent licensing, the value received by the customer over the four-year period under the Enablement Agreement, an allocation of the $37.5m to the multiple performance obligations identified under the Enablement Agreement and the economic resources required for these performance obligations to be satisfied in full. Management engaged an independent firm of Chartered accountants to provide an independent review of the cash and revenue flows of the contract.

Cash Generating Units

Management have exercised judgement in determining the number of CGUs. As set out in note 10, an asset's CGU is the smallest identifiable group of assets that includes the asset and generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. An asset or group of assets must be identified as a CGU where an active market exists for the output produced by that asset or group of assets, even if some or all of the output is used internally. This is because the asset or group of assets could generate cash inflows that would be largely independent of the cash inflows from other assets or group of assets. The smallest identifiable group of assets identified by management can be split into three markets: advanced imaging, CBRN and biological-threat detection. CGUs are not necessarily consistent with the way management monitors the business. Management continues to oversee and monitor the business as two separate operating segments - UK and US - and as three separate CGUs as noted above.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the statement of financial position date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

i) Development costs

The key source of estimation uncertainty relates to the estimation of the asset's recoverable amount, which involves assumptions in relation to future uncertainties including discount rates and growth rates. For further details, see note 10.

As disclosed in note 11, development costs are capitalised in accordance with the accounting policy noted above. These capitalised assets are amortised over the period during which the Group is expected to benefit.

ii) Contract revenue

This policy requires forecasts to be made of the outcomes of long-term contracts, which include assessments and judgements on changes in expected costs, progress measurement and the value received by the customer. A change in the estimate of total forecast contract costs would impact the stage of completion of those contracts and the level of revenue recognised thereon, which could have a material impact on the results of the Group.

iii) R&D tax credit

The R&D tax credit is calculated using the current rules as prescribed by HMRC. The estimation is based on the actual UK R&D projects that qualify for the scheme that have been carried out in the period. Management estimates the tax credit on a prudent basis and then obtains additional professional input from the Group's tax advisers prior to submission of the claim to HMRC. The Group has assumed 100% of the R&D tax credit is recoverable. If only 95% of the claim were to be accepted by HMRC, this would have the effect of reducing the tax receivable and corresponding tax credit by £39k to £731k.

iv) Recoverability of receivables and amounts recoverable on contract ("AROC")

Management judges the recoverability at the balance sheet date and makes a provision for impairment where appropriate. The resultant provision for impairment represents management's best estimate of losses incurred in the portfolio at the balance sheet date, assessed on the customer risk scoring and commercial discussions. Further, management estimates the recoverability of any AROC balances relating to customer contracts. This estimate includes an assessment of the probability of receipt, exposure to credit loss and the value of any potential recovery. Management bases this estimate using the most recent and reliable information that can be reasonably obtained at any point of review. A material change in the facts and circumstances could lead to a reversal of impairment proportional to the expected cash inflows supported by this information.

v) Impairment reviews

Management conducts annual impairment reviews of the Group's non-current assets on the consolidated statement of financial position. This includes goodwill annually, development costs where IAS 36 requires it, and other assets as the appropriate standards prescribe. Any impairment review is conducted using the Group's future growth targets regarding its key markets of nuclear detection, medical imaging, biological-threat detection and security screening. The current carrying value of this class of assets is £44,361k as set out on the Group's consolidated statement of financial position. Sensitivities are applied to the growth

assumptions to consider any potential long-term impact of current economic conditions. Provision is made where the recoverable amount is less than the current carrying value of the asset. Further details as to the estimation uncertainty and the key assumptions are set out in note 10.

vi) Calculation of share-based payment charges

The charge related to equity-settled transactions with employees is measured by reference to the fair value of the equity instruments at the date they are granted, using an appropriate valuation model selected according to the terms and conditions of the grant. The simplest option pricing model is the Black-Scholes model, which tends to be suitable for simple forms of share awards, in particular where there are no market-based performance conditions. More complex share schemes require the use of a more complex model such as the Monte Carlo Model. Judgement is applied in determining the most appropriate valuation model and estimates are used in determining the inputs to the model. The Group engaged a third-party expert in FY 2024 to value the LTIPs granted in the year using the Monte Carlo Model. Management believes an external valuation should be carried out every two to three years.

4. Operating segments

Products and services from which reportable segments derive their revenues

For management purposes, the Group is organised into two geographical operating segments from which the Group currently operates (US and UK). Whilst there are two operating segments (US and UK), the Group recognises three CGUs (CBRN Detection, Advanced Imaging and Biological-threat Detection) on the basis that operating segments can consist of multiple CGUs. Both operating segments serve the three principal key markets. However, typically, the US business unit focuses principally on Advanced Imaging and the UK focuses on CBRN Detection and Biological-threat Detection. However, this arrangement is flexible and can vary based on the geographical location of the Group's customer.

The chief operating decision maker is the Board of Directors, which assesses the performance of the operating segments using the following key performance indicators: revenues, gross profit and operating profit. The amounts provided to the Board with respect to assets and liabilities are measured in a way consistent with the financial statements.

Analysis by geographical area

A geographical analysis of the revenue from the Group's customers, by destination, is as follows:

	2026 **£'000**	**2025** **£'000**
United Kingdom	**8,317**	6,055
North America	**14,706**	18,134
Asia	**987**	118
Europe	**3,105**	2,178
Other	**-**	21
Total revenue	**27,115**	26,506

Analysis by business segment

The Group has aggregated its CGUs, being Radiation and Nuclear Detection, Biological-threat Detection and Advanced Imaging, into two reporting segments being CBRN and Advanced Imaging. The Board currently

considers this to be the most appropriate aggregation due to the main markets that are typically addressed by the business units and the necessary skillsets and expertise.

A business segmental analysis of the Group's performance is as follows:

Year ended 30 April 2026:

	Advanced Imaging £'000	CBRN £'000	Total for Group £'000
Revenue from sales			
Revenue by segment:			
-Sale of goods and services	9,619	4,048	13,667
-Revenue from grants	216	353	569
-Revenue from contract customers	10,018	2,861	12,879
Total sales	19,853	7,262	27,115
Segment result - operating profit	1,960	947	2,907
Interest received	55	13	68
Interest expense	(302)	(131)	(433)
Profit before tax	1,713	829	2,542
Tax charge	(995)	(814)	(1,809)
Profit for the year	718	15	733
Reconciliation to Adjusted EBITDA:			
Net interest	247	118	365
Tax	995	814	1,809
Depreciation of PPE and right-of-use assets	1,301	234	1,535
Amortisation of intangible assets	1,871	1,167	3,038
Share-based payment charge	359	248	607
Adjusted EBITDA	**5,491**	**2,596**	**8,087**
Other segment information			
Property, plant and equipment	4,908	114	5,022
Right-of-use assets	2,369	391	2,760
Intangible assets	14,626	20,204	34,830
Trade receivables	6,788	3,148	9,936

Year ended 30 April 2025:

	Advanced Imaging £'000	CBRN £'000	Total for Group £'000
Revenue from sales			
Revenue by segment:			
-Sale of goods and services	3,467	3,686	7,153
-Revenue from grants	313	189	502
-Revenue from contract customers	16,494	2,357	18,851
Total sales	20,274	6,232	26,506
Segment result - operating profit/(loss)	7,760	(3,023)	4,737
Interest received	103	4	107
Interest expense	(980)	(785)	(1,765)
Profit/(loss) before tax	6,883	(3,804)	3,079
Tax credit	356	319	675
Profit/(loss) for the year	7,239	(3,485)	3,754

Reconciliation to Adjusted EBITDA:			
Net interest	877	781	1,658
Tax	(356)	(319)	(675)
Depreciation of PPE and right-of-use assets	1,384	228	1,612
Amortisation of intangible assets	1,832	1,124	2,956
Share-based payment charge	715	313	1,028
Adjusted EBITDA	11,691	(1,358)	10,333
Other segment information			
Property, plant and equipment	6,972	94	7,066
Right-of-use assets	2,427	351	2,778
Intangible assets	15,185	18,237	33,422
Trade receivables	1,990	2,286	4,276

Inter-segment sales are charged on an arms-length basis.

The accounting policies of the reportable segments are the same as the Group's accounting policies described in note 2. Segment result represents the result reported by each segment. This is the measure reported to the Group's Chief Executive for the purpose of resource allocation and assessment of segment performance.

Revenues from major products and services

The Group's revenues from its major products and services were as follows:

	2026 £'000	**2025 £'000**
Product revenue	**13,795**	7,006
Research and development revenue	**3,302**	3,006
Licensing revenue	**10,018**	16,494
Consolidated revenue	**27,115**	26,506

Information about major customers

Included in product revenue is £3,175k (2025: £nil) of non-recurring revenue from a major new sale to an existing customer. Included in revenues arising from Advanced Imaging operations are revenues of £14,095k (2025: £16,494k) that arose from the Group's largest commercial customer. Included in revenues arising from CBRN/Bio operations are revenues of approximately £1,499k (2025: £2,300k) that arose from a major commercial customer of the Group and the largest commercial customer of the CBRN operations.

5. Profit before tax for the year

Profit before tax for the year has been arrived at after charging/(crediting):

	2026 £'000	**2025 £'000**
Net foreign exchange losses/(gains)	**27**	(34)
Research and development costs recognised as an expense	**1,032**	1,012
Depreciation of property, plant and equipment (see note 12)	**1,060**	1,141
Release of capital grant	**(44)**	(44)

Amortisation of internally-generated intangible assets (see note 11)	**3,038**	2,956
Cost of inventories recognised as an expense (see note 14)	**8,779**	2,846
Staff costs (see note 6)	**11,575**	11,944

6. Staff costs

The average monthly number of employees (excluding Non-Executive Directors) was:

	2026 Number	**2025 Number**
Directors (Executive)	**3**	3
Research and development, production	**139**	136
Sales and marketing	**8**	7
Administration	**16**	16
	166	162

Their aggregate remuneration comprised:

	2026 £'000	**2025 £'000**
Wages and salaries	**9,346**	9,323
Social security costs	**901**	815
Pension scheme contributions	**721**	778
Share-based payments	**607**	1,028
	11,575	11,944

The total Directors' emoluments (including Non-Executive Directors) was £1,147k (2025: £1,795k). The aggregate value of contributions paid to money purchase pension schemes was £49k (2025: £54k) in respect of four Directors (2025: three Directors). During the year ended 30 April 2026, Executives or Non-Executive Directors exercised 110,000 share options (2025: nil) and therefore a gain on exercise was recognised of £7k (2025: £nil).

The highest paid Director received emoluments of £420k (2025: £566k), including an amount paid to a money purchase pension scheme of £14k (2025: £4k).

Key management compensation:

	2026 £'000	**2025 £'000**
Wages and salaries and other short-term benefits	**986**	1,676
Social security costs	**111**	145
Pension scheme contributions	**51**	39
Share-based payment expense	**542**	967
	1,690	2,827

Key management comprise the Executive Directors, Non-Executive Directors and senior operational staff. There were three Executive Directors in 2026 (2025: three); three Non-Executive Directors in 2026 (2025: four) and one senior operational staff in 2026 (2025: two).

7. Finance costs

	2026 £'000	2025 £'000
Interest on bank overdrafts, loans and borrowings	**176**	1,551
Interest expense for lease arrangements	**240**	214
Other interest expense	**17**	-
Total interest expense	**433**	1,765

8. Tax

Recognised in the income statement

	2026 £'000	2025 £'000
Current tax:		
UK corporation tax on profits in the year	**(137)**	-
Adjustment in respect of previous periods	**-**	38
Total current tax	**(137)**	38
Deferred tax:		
Origination and reversal of timing differences	**(1,977)**	719
Adjustment in respect of previous periods	**305**	(82)
Total deferred tax	**(1,672)**	637
Total tax (charge)/credit in income statement	**(1,809)**	675

The main rate of UK corporation tax for the financial year was 25% (2025: 25%) whilst the US federal corporate tax rate was 21% (2025: 21%). The deferred tax liability at 30 April 2026, which has been recognised, has been calculated at 25% (2025: 25%). Further details of deferred tax are given in note 26. There are no tax items charged to other comprehensive income.

Tax payable in the year of £137k (2025: £nil) will be offset with the £770k R&D tax credit (2025: £608k) included within administrative expenses, resulting in a net repayment due to the Group of £633k (2025: £608k). This is included within trade and other receivables, see note 15 for further details.

Reconciliation of tax (charge)/credit

The charge for the year can be reconciled to the profit in the income statement as follows:

	2026 £'000	2025 £'000
Profit before tax	**2,542**	3,079
Tax at the UK corporation tax rate of 25% (2025: 25%)	**(635)**	(770)
Non-taxable income/expenses not deductible	**118**	573
Effect of R&D	**5**	(39)

Effect of other tax rates	**(207)**	(158)
Unrecognised movement on deferred tax	**(1,003)**	888
Adjustment in respect of previous periods	**305**	(44)
Income not taxable for tax purposes	**92**	-
Chargeable losses	**(312)**	(42)
Effects of overseas tax rates	**339**	261
Deferred tax credited/(charged) directly to equity	**(511)**	6
Total tax (charge)/credit for the year	**(1,809)**	675

The effect of R&D is the tax impact of capitalised development costs being deducted in the year in which they are incurred.

The rate of UK corporation tax for the year is 25% (2025: 25%). The other tax jurisdiction that the Group currently operates in is the US. Any deferred tax arising from the US operations is calculated at 29% (2025: 31%), which represents the federal plus state tax rate.

9. Earnings per share

As the Group is profit making, dilution has the effect of reducing the earnings per share. The calculation of the earnings per share is based on the following data:

Profit for the year	**2026 £'000**	**2025 £'000**
Profit for the purposes of basic and diluted earnings per share being net profit attributable to owners of the Group	**733**	3,754

Number of shares	**2026 Number**	**2025 Number**
Weighted average number of ordinary shares for the purposes of basic earnings per share	**653,454,994**	641,488,404
Effect of dilutive potential ordinary shares:		
Share options	**23,029,564**	1,050,353
Weighted average number of ordinary shares for the purposes of diluted earnings per share	**676,484,558**	642,538,757

	2026	**2025**
Basic earnings per share (p)	**0.1**	0.6
Diluted earnings per share (p)	**0.1**	0.6
Adjusted basic earnings per share (p)	**0.4**	0.5
Adjusted diluted earnings per share (p)	**0.4**	0.5

Basic earnings per share is calculated by dividing the profit attributable to shareholders by the weighted average number of ordinary shares in issue during the year. IAS 33 requires presentation of diluted EPS when a company could be called upon to issue shares that would decrease earnings per share or increase the loss per share. For a loss-making company with outstanding share options, net loss per share would be decreased by the exercise of options. Therefore, the anti-dilutive potential ordinary shares are disregarded in the calculation of diluted EPS.

Adjusted basic and diluted earnings per share are non-GAAP alternative performance measurements, the profit attributable to shareholders from continuing operations is £2.4m (2025: £3.1m) after adding back non-cash deferred tax charges of £1.7m (2025: £0.6m credit).

10. Intangible assets including goodwill

	£'000
Cost	
At 1 May 2025 and 30 April 2026	1,275
Accumulated impairment losses	
At 1 May 2025 and 30 April 2026	-
Carrying amount	
At 1 May 2025 and 30 April 2026	**1,275**

Goodwill acquired in a business combination is allocated, at acquisition, to the CGUs that are expected to benefit from that business combination. Before recognition of impairment losses, the carrying amount of goodwill had been allocated as follows:

	Goodwill	Intangibles
CGU	**£'000**	**£'000**
Advanced Imaging	1,275	13,730
CBRN Detection	-	4,228
Biological-Threat Detection	-	15,590
Total	**1,275**	**33,548**

The goodwill arose on the acquisition of Nova R&D, Inc. in 2010, and represents the excess of the fair value of the consideration given over the fair value of the identifiable assets and liabilities acquired.

Goodwill has been allocated to the Advanced Imaging CGU.

Impairment tests

The Group tests goodwill annually for impairment or more frequently if there are indications that goodwill might be impaired, by comparing the carrying value of the goodwill to its value in use on a discounted cash flow basis.

The Group tests intangible assets with finite lives for impairment if an indicator exists. In undertaking the impairment test, management considered both internal and external sources of information. The impairment testing did not identify any impairments in each of the CGUs.

Forecast cash flows

Management have prepared cash flow forecasts for 10 years (CBRN Detection/Biological-threat Detection) and 20 years (Advanced Imaging) plus a perpetuity. This exceeds the five years as set out in IAS 36 but has been used on the basis that the entities are in the early stage of their maturity and will not have reached steady state after five years. Management have visibility over contracts in place and in the pipeline that enable it to forecast accurately and the cash flows are based on the useful economic life of the 'know how', which is considered to be the essential asset.

Advanced Imaging

The key assumptions to the value-in-use calculations are set out below:

- *Growth rate*. The 2026 model includes a prudent revenue growth rate in years 1 and 2. This growth rate comprises increases in raw material to finished product efficiencies, factoring in existing contracts and those in the pipeline that are considered to be probable and is reflective of historical growth rates as well as the Group's share of the overall markets the Advanced Imaging CGU operates in.
- *Discount rates*. Management have derived a pre-tax discount rate of 10.65% (2025: 8.93%) using the latest market assumptions for the risk-free rate, the equity premium and the net cost of debt, which are all based on publicly available sources, as well as adjustments for forecasting risk for which management considered the historical growth of the entity as well as the visibility of cash flows from a contracted perspective, which are all based on publicly available sources. The discount rate is higher than that used in 2025. The key drivers of this change are the changes in market assumptions for US corporate bond yields and risk-free rates.

The Challenge Model Base Case incorporates the following into the Advanced Imaging forecast:

- Revised year 1 and year 2 cash flows to match the severe but plausible budget conducted as part of the Going Concern review.
- Modelled a smoother increase in revenues from the year 1 and year 2 budgets to year 20 whilst taking into consideration potential capacity constraints.

CBRN Detection

- *Growth rate*. The 2026 model includes a growth rate of 20% per annum, which is reflective of recent growth in this particular sector of the business. This growth rate considers existing contracts and those in the pipeline that are considered to be probable and is reflective of historical growth rates as well as the Group's share of the overall markets the CBRN Detection CGU operates in. No growth is assumed after 10 years.
- *Discount rates*. Management have derived a pre-tax discount rate of 14.21% (2025: 12.24%) using the latest market assumptions for the risk-free rate, the equity premium and the net cost of debt, which are all based on publicly available sources, as well as adjustments for forecasting risk for which management considered the historical growth of the entity as well as the visibility of cash flows from a contracted perspective. The discount rate is higher than that used in 2025. The key drivers of this change are the changes in market assumptions for UK corporate bond yields and risk-free rates.

The Challenge Model Base Case scenarios incorporates the following into the CBRN Detection forecast:

- Revised year 1, 2 and 3 cash flows to match the severe but plausible budget conducted as part of the Going Concern review.
- Modelled a smoother increase in revenues from the year 1 and year 2 budgets to year 10.

Biological-Threat Detection

- *Growth rate*. The 2026 model is based on management's assumption of future programme revenue and product delivery. The forecast revenue consists of known revenue opportunities across four key areas. For prudency, additional upside revenue from other known opportunities has been excluded.
- *Discount rates*. Management have derived a pre-tax discount rate of 14.21% (2025: 12.24%) using the latest market assumptions for the risk-free rate, the equity premium and the net cost of debt, which are all based on publicly available sources, as well as adjustments for forecasting risk for which management considered the historical growth of the entity as well as the visibility of cash flows from a contracted perspective. The discount rate is higher than that used in 2025. The key drivers of this change are the changes in market assumptions for UK corporate bond yields and risk-free rates.

The Challenge Model Base Case scenarios incorporates the following into the Biological-threat Detection forecast:

- Modelled a smoother increase in revenues from the year 1 and year 2 budgets to year 10.

Sensitivities

The headroom in the base case model for each CGU are noted below:

	Advanced Imaging headroom	CBRN Detection headroom	Biological-Threat Detection headroom
Base model	£22,386k	£57,735k	£92,760k
Combination of Discount Rate +2% and Challenge model	£16,287k	£50,707k	£80,622k
Combination of Discount Rate -2% and Challenge model	£29,910k	£65,926k	£106,866k

The table below sets out the headroom in the challenge base model for each CGU:

	Advanced Imaging headroom	CBRN Detection headroom	Biological-Threat Detection headroom
Challenge base model	£4,732k	£35,584k	£40,870k
Combination of Discount Rate +2% and Challenge model	£1,187k	£30,858k	£35,004k
Combination of Discount Rate -2% and Challenge model	£9,102k	£41,082k	£47,632k

The Directors have reviewed the recoverable amount of each CGU and do not consider there to be any impairment in 2026 or 2025.

11. Other intangible assets

	Development costs £'000	Patents, trademarks & other intangibles £'000	Total £'000
Cost			
At 1 May 2025	48,590	8,195	56,785
Additions	4,285	320	4,605
Exchange differences	(245)	(52)	(297)
At 30 April 2026	52,630	8,463	61,093
Amortisation			
At 1 May 2025	16,390	6,973	23,363
Charge for the year	2,785	253	3,038
Exchange differences	(93)	(45)	(138)
At 30 April 2026	19,082	7,181	26,263
Carrying amount			
At 30 April 2026	**33,548**	**1,282**	**34,830**
At 30 April 2025	**32,200**	**1,222**	**33,422**

The Group amortises capitalised development costs on a straight-line basis over a period of 2-15 years rather than against product sales directly relating to the development expenditure. Any impairment of development costs are recognised immediately through the profit and loss.

Patents and trademarks are amortised over their estimated useful lives, which is on average 10 years.

The carrying amount of acquired intangible assets arising on the acquisitions of Nova R&D, Inc. and eV Products, Inc. as at 30 April 2026 was £166k (2025: £169k), with amortisation to be charged over the remaining useful lives of these assets.

The amortisation charge on intangible assets is included in administrative expenses in the consolidated income statement.

Further details on impairment testing are set out in note 10.

12. Property, plant and equipment

	Lab equipment £'000	Computer equipment £'000	Plant and machinery £'000	Fixtures and fittings £'000	Total £'000
Cost or valuation					
At 1 May 2025	210	1,526	17,902	681	20,319
Additions	1	66	261	10	338
Disposals	-	-	(2,117)	-	(2,117)
Transfer between classes	-	(9)	9	-	-
Exchange differences	-	(8)	(88)	(5)	(101)
At 30 April 2026	211	1,575	15,967	686	18,439
Accumulated depreciation and impairment					
At 1 May 2025	201	1,407	11,166	479	13,253
Charge for the year	9	51	956	44	1,060
Disposals	-	-	(841)	-	(841)
Exchange differences	-	(7)	(45)	(3)	(55)
At 30 April 2026	210	1,451	11,236	520	13,417
Carrying amount At 30 April 2026	**1**	**124**	**4,731**	**166**	**5,022**
At 30 April 2025	**9**	**119**	**6,736**	**202**	**7,066**

13. Right-of-use assets

Details of the Group's right-of-use assets and their carrying amount are as follows:

	£'000
Cost	
Cost at 1 May 2025	5,781
Additions	483
Effect of movements in exchange rates	(45)
Cost at 30 April 2026	6,219
Depreciation	
Depreciation at 1 May 2025	3,003
Charge for the year	475
Exchange differences	(19)
Depreciation at 30 April 2026	3,459
Carrying amount	
At 30 April 2026	**2,760**
At 30 April 2025	2,778

14. Inventories

	2026 £'000	2025 £'000
Raw materials	**3,438**	2,681
Work-in-progress	**7,856**	8,682
Finished goods	**360**	745
	11,654	12,108

The cost of inventories recognised as an expense during the year in respect of continuing operations was £8,779k (2025: £2,846k).

The write-down of inventories to net realisable value amounted to £588k (2025: £1,225k). The reversal of write-downs amounted to £186k (2025: £166k).

15. Amounts recoverable on contracts and trade and other receivables

Trade and other receivables

	2026 £'000	2025 £'000
Amount receivable for the sale of goods	**5,687**	4,276
Other receivables	**627**	1,466
Prepayments and accrued income	**3,622**	694
Current tax assets	**633**	608
	10,569	7,044

Amount receivable for the sale of goods

Trade receivables disclosed above are classified as financial assets at amortised cost.

The average credit period taken on sales of goods is 55 days. The Group reviews the recoverability of receivables over 120 days every six months and on an individual balance by balance basis. This impairment review seeks evidence of recoverability, most notably, where specific support is being provided to strategic

partners in the marketing of new products. The Group's commercial and finance functions will then determine if the Group should recognise an impairment allowance. When considering the impairment allowance, strategic and commercial relationships are taken into account.

Before accepting any new customer, the Group uses an external credit scoring system to assess the potential customer's credit quality and defines credit limits by customer.

The Group does not hold any collateral or other credit enhancements over any of its trade receivables, with the exception of stock recovered from customers in respect of the doubtful debts disclosed below.

Management assessed the requirement for a general bad debt provision under IFRS 9. The expected loss rates are based on the combination of the Group's historical credit losses experienced over a year period coupled with forward looking information. Management also note that the Group generally has a consistent recovery rate on trade and other receivables due to a significant amount of work being completed for reputable businesses. However, management does note that dealings with businesses can be difficult at times to recover funds owed and, as such, provisions have been raised on historic knowledge of each customer's credit risk. During the year, the Group provided for certain accounts receivable balances where the collection of the outstanding amounts is uncertain.

In determining the recoverability of a trade receivable, the Group considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the reporting date.

The Directors consider that the carrying amount of trade and other receivables is approximately equal to their fair value.

At 30 April 2026, trade receivables are shown net of an impairment allowance of £1,311k (2025: £1,469k) arising from the ordinary course of business as follows:

	2026 £'000	**2025 £'000**
Balance at 1 May	**1,469**	2,548
Provided during the year	**1,123**	1,244
Released during the year	**(1,057)**	(2,112)
Impact of foreign exchange	**(224)**	(211)
Balance at 30 April	**1,311**	1,469

The doubtful debt provision records impairment losses unless the Group is satisfied that no recovery of the amount owing is possible, at which point the amounts considered irrecoverable are written off against the trade receivables directly.

The £1.1m (2025: £2.1m) of the doubtful bad debt provision released during the year was deemed irrecoverable and written off in full against the trade receivable directly.

During the year, management elected to write off £nil (2025: £0.3m) of unprovided trade receivables.

As at 30 April 2026, the lifetime expected loss provision for trade receivables was:

	Current £'000	More than 30 days past due £'000	More than 60 days past due £'000	More than 90 days past due £'000	More than 120 days past due £'000	Total £'000
Expected loss rate	0%	0%	0%	0%	87%	
Gross carrying amount	5,038	280	177	-	1,503	6,998
Loss provision	-	-	-	-	1,311	1,311

As at 30 April 2025, the lifetime expected loss provision for trade receivables was:

	Current £'000	More than 30 days past due £'000	More than 60 days past due £'000	More than 90 days past due £'000	More than 120 days past due £'000	Total £'000
Expected loss rate	6%	11%	16%	0%	33%	
Gross carrying amount	1,098	513	136	-	3,998	5,745
Loss provision	66	56	22	-	1,325	1,469

16. Deferred tax

The following are the major deferred tax liabilities and assets recognised by the Group and movements thereon during the current and prior reporting period:

	Fair value revaluation of acquired intangibles £'000	Accelerated capital allowances £'000	Short-term timing differences £'000	Tax losses £'000	Share-based payments £'000	Total £000
At 1 May 2025	389	7,749	(3,231)	(5,205)	(176)	(474)
Charge to profit or loss	-	496	150	963	63	1,672
(Credit) to equity	-	-	-	-	(511)	(511)
At 30 April 2026	**389**	**8,245**	**(3,081)**	**(4,242)**	**(624)**	**687**

Deferred tax assets and liabilities are offset where the Group has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	2026 £'000	2025 £'000
Deferred tax liabilities	**8,634**	8,138
Deferred tax assets	**(7,947)**	(8,612)
	687	(474)

At the statement of financial position date, the Group has unused tax losses of £50,683k (2025: £52,270k) available for offset against future profits. A deferred tax asset has been recognised in respect of £16,968k

(2025: £20,820k) of such losses. The asset is considered recoverable because it can be offset to reduce future tax liabilities arising in the Group. All losses may be carried forward indefinitely subject to a significant change in the nature of the Group's trade with US losses having a maximum life of 20 years.

To comply with IAS 12, the Group will only recognise deferred tax assets when it is certain that the subsidiary will recognise future taxable profits in the short term. Conversely deferred tax liabilities are always recognised when the book value of an asset exceeds its tax base creating a potential future tax obligation. Whilst the Board believe that the deferred tax asset will be utilised in the short to medium term no deferred tax asset has been recognised in respect of the remaining £33,715k (2025: £31,450k) unused tax losses. The unrecognised deferred tax asset calculated is £14.2m (2025: £11.6m). Consequently, had the deferred tax asset been recognised there would have been more than sufficient tax asset to offset the current year deferred tax liability charge.

17. Trade and other payables

Payable within one year:

	2026 £'000	**2025 £'000**
Trade payables and accruals	**4,945**	5,200
Deferred income	**137**	3,621
	5,082	8,821

Payable in more than one year:

	2026 £'000	**2025 £'000**
Deferred income	**718**	819
	718	819

Trade payables and accruals principally comprise amounts outstanding for trade purchases and ongoing costs. The average credit period taken for trade purchases is 60 days. For all suppliers, no interest is charged on the trade payables. The Group has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.

Included within trade payables and accruals in 2025 is £0.74m of accrued interest that was converted into shares in June 2025.

The Directors consider that the carrying amount of trade payables approximates to their fair value.

Deferred income movement schedule:

	2026 £'000	**2025 £'000**
Balance at 1 May	**4,440**	1,050
Cash received, or conditioned to be received in advance of performance	**3,714**	15,999
Released to the Income statement	**(7,299)**	(12,609)
Balance at 30 April	**855**	4,440

Deferred income relates to government grants received that have been deferred until the conditions attached to the grants are met and cash received under the Siemens Enablement Agreement that has been deferred until the conditions attached to the Agreement are met. Included within the £7,299k deferred income released to the Income statement in the period is £3,491k that was included in the liability at the beginning of the period.

18. Lease obligation

The Group has measured lease liabilities at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rate at the date of initial application. Details of the Group's liability in respect of right-of-use assets and their carrying amount are as follows:

	2026 £'000	2025 £'000
Opening lease liability at 1 May	**3,560**	4,188
New leases entered into during the year	**483**	-
Finance costs	**240**	214
Payments made during the year	**(550)**	(660)
Foreign exchange gain	**(41)**	(182)
At 30 April	**3,692**	3,560
Presented as:		
Lease liability payable within 1 year	**399**	387
Lease liability payable in more than 1 year	**3,293**	3,173
At 30 April	**3,692**	3,560

Rental charges associated with other low value leased assets that fall within the expedient threshold have been expensed to the profit and loss accounts, amounting to £36k (2025: £46k).

19. Borrowings

	2026 £'000	2025 £'000
Secured borrowing at amortised cost		
Revolving credit facility	**5,555**	-
Other borrowings	**110**	493
	5,665	493
Total borrowings		
Amount due for settlement within 12 months	**5,558**	12
Amount due for settlement after 12 months	**107**	481

In September 2025, the Group successfully secured a £6.0m revolving credit facility with HSBC to support and assist working capital requirements. The facility is for a 36-month period. The facility is secured by a debenture and a composite guarantee across the Group. The interest rate on the RCF is Bank of England Base Rate +2.75%. In addition, the Group has secured a £0.5m asset finance facility with HSBC. This facility is to support capital expenditure.

Other borrowings only relate to Covid-related Economic Injury Disaster Loans that the Group's US operations were eligible to apply for in 2020 and 2021. A loan of £0.1m was approved and secured in June 2020 and a further loan of £0.4m was approved and secured in August 2021. These loans attract interest at a rate of 3.75% per annum and the maturity date is 30 years from the date of the loan. In October 2025, the £0.4m loan secured in August 2021 was re-paid in full.

Finance lease liabilities are secured by the assets leased. The borrowings are at a fixed interest rate with repayment periods not exceeding five years.

The weighted average interest rates paid during the year were as follows:

	2026 %	2025 %
Revolving credit facility	5.51	-
Term loan facility	-	8.34
Other borrowing facilities	2.28	3.03

20. Notes to the statement of cash flows

	2026 £'000	2025 £'000
Profit for the year	**733**	3,754
Adjustments for:		
Finance income	**(68)**	(107)
Finance costs	**433**	1,765
Income tax credit	**(121)**	(640)
Deferred tax movement	**1,161**	(630)
Capitalisation and amortisation of loan fees	**-**	135
Depreciation of property, plant and equipment and ROU	**1,535**	1,612
Amortisation of intangible assets	**3,038**	2,955
Disposal of fixed assets	**1,276**	435
Share-based payment expense	**607**	1,028
Operating cash flow before movements in working capital	**8,594**	10,307
Decrease/(Increase) in inventories	**454**	(1,813)
(Increase)/Decrease in receivables	**(3,500)**	6,547
(Decrease)/Increase in payables	**(3,097)**	469
Cash generated from operations	**2,451**	15,510
Income taxes received	**608**	391
Net cash from operating activities	**3,059**	15,901

Cash and cash equivalents

	2026 £'000	2025 £'000
Cash and bank balances	**4,164**	1,704

Cash and cash equivalents comprise cash and term bank deposits repayable between one and twelve months from balance sheet date, net of outstanding bank overdrafts. The carrying amount of these assets

is approximately equal to their fair value.

In June 2025, the Group exercised its option to pay £0.74m accrued interest on the re-paid £5.5m secured term loan facility with Polymer N2 Ltd, an existing and significant shareholder in the Company, via the issue of new ordinary shares of 1p each in the Company. As no cash was exchanged, this transaction has been excluded from the statement of cash flows.

21. Reconciliation of liabilities arising from financing activities

	Borrowings £'000	Lease liability £'000
Balance at 1 May 2025	**493**	**3,560**
Cash flows		
- Repayments of borrowings	**(889)**	**-**
- Repayments of interest	**(112)**	**(550)**
- Additions and modifications	**6,000**	**-**
Non-cash		
- Additions and modifications	**-**	**483**
- Effect of exchange rates	**(3)**	**(41)**
- Interest applied	**176**	**240**
Balance at 30 April 2026	**5,665**	**3,692**

22. Events after the balance sheet date

Post year-end, the Group has successfully negotiated a £3.0m extension to the revolving credit facility with HSBC to support and assist working capital requirements. The increased facility documents are anticipated to be signed prior to the end of September 2026.

23. Analysis of net debt

	2026 £'000	2025 £'000
Cash and cash equivalents	**4,164**	1,704
Borrowings	**(5,665)**	(493)
Net (debt)/cash excluding lease liabilities	**(1,501)**	1,211
Lease liabilities	**(3,692)**	(3,560)
Net debt	**(5,193)**	(2,349)

Reconciliation of cash flow to movement in net debt

	2026 £'000	2025 £'000

Increase in cash and cash equivalents	**2,624**	2,154
(Increase)/decrease in borrowings	**(5,172)**	7,606
(Increase)/decrease in lease liabilities	**(132)**	628
Exchange differences	**(164)**	(916)
Movement in net debt	**(2,844)**	9,472
Opening net debt	**(2,349)**	(11,821)
Closing net debt	**(5,193)**	(2,349)

The breakdown of the movement in borrowings and lease liabilities can be found in note 21.

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