16 September 2025

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

Final Results

Profit before tax significantly ahead of market expectations

Kromek (AIM: KMK), a leading developer of radiation and bio-detection technology solutions for the advanced imaging and CBRN detection segments, announces its final results for the year ended 30 April 2025.

Financial Highlights

- Revenue increased 37% to £26.5m (2024: £19.4m)
  - Advanced Imaging revenue of £20.3m (2024: £9.0m)
  - CBRN Detection revenue of £6.2m (2024: £10.4m)
- Gross margin improved to 81% (2024: 55%)
- Adjusted EBITDA increased to £10.3m (2024: £3.1m)*
- Profit before tax was significantly ahead of market expectations at £3.1m (2024: £3.5m loss), which is positive for the first time in the history of Kromek
- £5.5m term loan facility and £5.9m short-term loan facilities were repaid in February 2025
- Cash and cash equivalents at 30 April 2025 were £1.7m (30 April 2024: £0.5m) with $5m received post year end and an undrawn credit facility of £6.0m plus a £0.5m asset finance facility to ensure there is sufficient capital to drive further growth

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

Operational Highlights

Advanced Imaging

- Substantial growth as a result of landmark agreements signed with Siemens Medical Solutions USA, Inc. ("Siemens Healthineers") to enable the production of cadmium zinc telluride ("CZT") detectors for single photon emission computed tomography ("SPECT") application
  - Received the initial payment of $25.0m during the year, out of a total of $37.5m, and a further $5.0m post year end
- Sustained delivery under collaboration contracts and other component supply agreements, with customers including recognised Tier 1 OEMs, Analogic Corporation and Spectrum Dynamics
- Continued to make progress under the ultra-low dose molecular breast imaging programme funded by Innovate UK

CBRN Detection

Nuclear Security

- Demand in H1 was subdued as a result of the elections in the UK and US and consequent impact on government spending, but a strong recovery in H2
- Awarded a contract worth £2.0m from the UK Ministry of Defence ("MoD") for the supply of the D5 RIID along with Alpha Beta Probe attachment and ancillary products
- Selected under two new UK Government frameworks, each lasting four years, designed to enhance the UK's systems and capabilities for ensuring public safety and security:
  - The UK Government's Resilience Framework, with a first order received from Merseyside Fire & Rescue Service during the year
  - The UK Government's Radiological Nuclear Detection Framework, with a first order received, post year end, worth £1.7m

- Further Nuclear Security orders received post year end amounting to c. £2.9m, with the vast majority to be delivered in the current financial year, from customers across the UK and Europe, the US, Japan and Canada

Biological-Threat Detection

- Continued to progress the development of biological-threat detection systems under contracts with a UK Government department and the US Department of Homeland Security
- Received a contract, post year end, from the MoD's Defence Science and Technology Laboratory, 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 four new patents and had one patent granted, with the total number of patents held being in excess of 180

Dr Arnab Basu, CEO of Kromek, said: "This year has been pivotal for Kromek, marked by our maiden profit, which exceeded market expectations, and a significant reduction in debt. These achievements were driven by a landmark agreement with Siemens Healthineers, showcasing the strength of our Advanced Imaging division. While the CBRN Detection division had a slower start, the second half saw a sharp acceleration in momentum due to contract awards under UK Government frameworks, US federal contracts and a healthy international sales pipeline.

"Looking ahead to FY 2026, we expect to deliver further revenue growth and profitability, in line with market expectations. The CBRN Detection division is on track for a strong year-on-year revenue increase, while Advanced Imaging is set to deliver growth on a like-for-like basis. With a strengthened balance sheet and strong operational momentum, we are well-positioned to capitalise on growth opportunities across both divisions and drive sustained, long-term profitable growth."

Enquiries

Kromek Group plc
Arnab Basu, CEO — +44 (0)1740 626 060
Claire Burgess, CFO

Cavendish Capital Markets Limited (Nominated Adviser and Broker)
Geoff Nash/Giles Balleny/Seamus Fricker – Corporate Finance — +44 (0)20 7220 0500
Tim Redfern – ECM
Michael Johnson – Sales

Gracechurch Group (Financial PR)
Harry Chathli/Claire Norbury/Henry Gamble — +44 (0)20 4582 3500

Investor Webinar

Arnab Basu, CEO, and Claire Burgess, CFO, will be hosting an online Q&A session for investors at 5.00pm on Monday 22 September 2025 on the Investor Meet Company platform. A recording of the results presentation will be uploaded to the Investor Meet Company platform ahead of the webinar by midday on Friday 19 September 2025.

Questions can be submitted pre-webinar via the Investor Meet Company platform or at any time during the live webinar. Investors can sign up to Investor Meet Company for free and register to attend the Kromek Q&A session via: https://www.investormeetcompany.com/kromek-group-plc/register

Operational Review

The year ended 30 April 2025 was transformational for Kromek, marked by a substantial increase in revenue, the achievement of profitability for the first time and a significantly improved financial position through debt reduction.

This progress was driven by a landmark agreement with Siemens Healthineers in the Advanced Imaging division. The Group received an initial payment of $25.0m during the year, a material portion of which has been recognised as revenue as outlined below. The Group also made major strategic strides in its CBRN Detection division, including selection under two new four-year UK Government frameworks focused on enhancing national public safety and security capabilities.

As Kromek's operations continue to grow, the Group is evolving its reporting to reflect the two core divisions: Advanced Imaging and CBRN Detection. For the first time, Kromek is pleased to provide a P&L breakdown for FY 2025 by division to offer greater clarity on business performance and value creation paths. While FY 2025 revenue was weighted towards Advanced Imaging due to the Siemens Healthineers agreement, the Group expects both divisions to deliver significant future growth.

Advanced Imaging

Revenue in the Advanced Imaging division more than doubled to £20.3m (2024: £9.0m), reflecting the transformational impact of the Group's agreement with Siemens Healthineers. While discussions leading to this agreement temporarily affected regular sales activity, Kromek is now seeing renewed commercial momentum returning across this division, including ramping up deliveries under the contract with Spectrum Dynamics and demonstrating commercial traction beyond the Siemens Healthineers agreement.

The market is entering 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.

Medical Imaging

The standout development in Kromek's Medical Imaging business during the year was the signing of multi-year agreements with Siemens Healthineers, announced on 30 January 2025. These agreements mark a major commercial milestone for Kromek, encompassing a Patent Licensing Agreement and an Enablement Agreement – providing non-exclusive rights to the Group's intellectual property, know-how, furnaces and support services – as well as a multi-year Supply Agreement for CZT-based detector tiles.

The Enablement Agreement is valued at $37.5m over four years, with $25.0m received during the year and an additional $5.0m since year end. These agreements validate both the robustness of the Group's CZT technology and growing market demand. Importantly, they are non-exclusive and focused solely on the SPECT segment, allowing the Group to pursue further opportunities with other OEMs – particularly in the much larger computed tomography ("CT") imaging market.

The Group continues to make good progress in the CT market, especially in photon-counting CT ("PCCT"), which is an advanced form of CT. The Group advanced key collaboration programmes initiated in prior years with a blue-chip Tier 1 health technology OEM and three other companies in this segment. Technical progress in these projects enabled the transition of the Group's PCCT detector development into early-stage

commercialisation. Engagements with leading OEMs in both medical and industrial imaging are progressing toward device validation and initial adoption.

The Group is rapidly enabling the shift to PCCT by supplying the detector capability essential for next-generation imaging platforms. While device and production optimisation remains ongoing, the foundational work completed this year significantly strengthens the Group's position in the CT segment.

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, 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. This technology aims to improve screening and diagnostics for women with dense breast tissue, where mammography is less effective. Development of the full-size detector system remains on schedule for completion by the end of calendar year 2025.

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 the Group's collaboration agreement with Analogic Corporation.

CBRN Detection

In the CBRN Detection division, the Group generated revenue of £6.2m (2024: £10.4m). The reduction reflects the first half of the year being subdued, primarily as a result of the elections in the UK and the US and the consequent impact on government spending. In the second half of FY 2025, the CBRN Detection division demonstrated a clear recovery with revenues in H2 2025 being more than double those of H1 2025, albeit from a low base. This momentum has continued into FY 2026 as detailed below.

Nuclear Detection

FY 2025 was a strategically important year for the CBRN Detection division, marked by multiple contract wins and increasing adoption and selection of Kromek's nuclear security solutions by key government and international customers.

The Group secured significant milestone agreements with UK Government entities, including a £2.0m contract from the MoD – a key strategic customer for Kromek – for the delivery of the Group's D5 RIID and Alpha Beta Probe. This award followed a competitive tender process and was successfully delivered within the year.

Kromek's D3M personal radiation detector was officially designated under the UK Government's Resilience Framework. The first order under this framework came from Merseyside Fire & Rescue Service, which will deploy the D3M across its detection, identification and monitoring vehicles – marking an important step in broadening end-user adoption across UK emergency services.

Additionally, Kromek was selected as a supplier under the UK Government's Radiological Nuclear Detection Framework. This framework, led by the Home Office, facilitates the procurement of radiological detection equipment and services, with a combined potential value of £84.0m over four years. Kromek is pre-qualified in three key categories: handheld, wearable and large-volume static detectors. Post period, the Group secured its first order under this framework – worth £1.7m – for the supply of Kromek's D3S-ID wearable detector, along with training and maintenance. The majority of revenue from this order will be recognised in the year to 30 April 2026.

Momentum has continued beyond the year end. The Group has received additional nuclear security orders totalling approximately £2.9m from customers across the UK, Europe, the US, Japan and Canada.

These orders are predominantly scheduled for delivery within the current financial year and reflect growing global demand for Kromek's mission-critical detection solutions. This, alongside continued delivery on the Group's pre-existing orders and its strong institutional relationships, positions Kromek for strong growth in Nuclear Security in the current year.

These wins also 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. Notably, the Raymon device – launched last year and offering advanced spectroscopic detection and identification – has been well received by distribution partners. Its versatility across a broad range of civil nuclear applications is driving continued interest and supporting Kromek's position in this important market segment.

Biological-threat Detection

During the year, the Group continued to meet key milestones and deliver successfully under the Group's multi-year contracts with a UK Government agency and the US Department of Homeland Security, focused on developing agent-agnostic biological-threat detection systems. Post period, Kromek secured a third programme – an 18-month, £0.25m contract from the MoD's Defence Science and Technology Laboratory, funded via the UK Government's Defence and Security Accelerator. This 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.

The projects in Biological-threat Detection continue on budget. As the technology reaches 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 Group believes these contracts offer significant short- and medium-term opportunities for Kromek.

Manufacturing and Intellectual Property

Kromek made strong progress in driving continuous improvement programmes across the Group's manufacturing plants. Further enhancements were made in process automation, with significant advancements at the Group's CZT manufacturing facility in the US. These initiatives are driving improved manufacturing productivity and delivering meaningful cost efficiencies, strengthening the Group's competitive position. Dedicated teams focus on optimising every stage of the manufacturing process, directly boosting yield and reducing costs, which will support scalable, profitable growth.

Kromek's commitment to innovation remains robust. During the year, Kromek filed four new patent applications, and one patent was granted, reinforcing the Group's technology leadership and protecting critical intellectual property. The total number of patents held at 30 April 2025 was in excess of 180. This ongoing investment in manufacturing excellence and IP development underpins Kromek's ability to meet growing market demand.

Financial Review

As outlined above, 2025 was a transformational year for Kromek. Securing the Enablement Agreement with Siemens Healthineers and receiving the first $25.0m in cash has significantly strengthened the balance sheet and enabled the delivery of positive PBT for the first time in the Group's history – and ahead of market expectations.

Revenue

Revenue increased by 37% year-on-year to £26.5m (2024: £19.4m). This was driven by the significant Siemens Healthineers agreement, with revenue recognised in the year relating to the contract being $20.5m (£16.5m). The remaining revenue will be recognised over the following three years in line with milestone achievements. The second milestone in the contract was achieved post year end with a further $5.0m cash being received in July 2025. The Group anticipates the Enablement Agreement revenue in the year to 30 April 2026 to be $11.7m. Kromek is progressing towards the third milestone in the contract and anticipates this being complete within the year to 30 April 2027 when a further $2.5m payment will be received.

Total Advanced Imaging revenue was £20.3m (2024: £9.0m). On a like-for-like basis, to exclude the significant contribution from Siemens Healthineers, revenue in Advanced Imaging was £3.8m, which reflects existing OEMs pausing ongoing business and new programmes slowing down while the Group undertook negotiations with Siemens Healthineers. In the CBRN Detection division, revenue was £6.2m (2024: £10.4m), which reflects the UK and US elections delaying contracts.

Gross Margin

Gross margin improved substantially to 81% (2024: 55%). With the increase in revenue, this enabled gross profit to double to £21.4m (2024: £10.7m). The increase in gross margin is attributable to the contribution from the Enablement Agreement with Siemens Healthineers. On an underlying basis, the gross margins of the two divisions were comparable with the prior year. Note 4 to the financial statements provides further information on the financial performance of the Advanced Imaging and CBRN Detection divisions. The Group expects gross margin in FY 2026 to continue to be elevated, in line with market expectations, due to the Enablement Agreement – albeit lower than in FY 2025 commensurate with the reduced contribution to revenue from that agreement as detailed above – and to return to normalised levels in FY 2027.

Distribution and Administrative Expenses

Distribution and administrative expenses increased to £16.7m (2024: £12.6m), but accounted for a slightly lower proportion of revenue at 63% (2024: 65%). The increase in expenses is substantially the net result of:

- the receipt in the prior year of a credit of £1.0m relating to a US IRS Employee Retention Credit, which was netted off staff costs and presented within other receivables at 30 April 2024;
- an increase of £1.2m in a bad debt provision compared with 2024 resulting from the impact of macro conditions on certain distributors. All remaining debtor balances are considered recoverable;
- £1.8m of one-off fees and expenses relating to the Siemens Healthineers Enablement Agreement (of this, £413k relates to share-based payments as described below);
- a £0.1m increase in other share-based payments relating to options issued to new employees;
- a decrease of £0.6m of capitalised R&D costs;
- a £0.4m increase in the RDEC tax credit; and
- a net decrease of £0.2m relating to all other expenses.

Profitability

As a result of the increase in revenue and gross margin – combined with a stable cost base as a proportion of revenue – profit before tax increased substantially to £3.1m (2024: £3.5m loss), and which is significantly ahead of market expectations. This better-than-expected performance reflects slightly lower-than-expected costs and slightly higher-than-expected revenue recognition associated with the Siemens Healthineers agreement; the impact on depreciation of the Siemens Healthineers agreement, which is lower than anticipated; and a higher-than-expected R&D tax credit of £0.6m (2024: £0.2m).

Adjusted EBITDA was £10.3m for 2025 compared with £3.1m for the prior year as set out in the table below:

	2025 £'000	2024 £'000
Revenue	26,506	19,403
Gross profit	21,431	10,710
Gross margin (%)	80.9%	55.2%
Profit/(loss) before tax	3,079	-3,455
EBITDA Adjustments:		
Net interest	1,658	1,834
Depreciation of PPE and Right-Of-Use assets	1,612	1,751
Amortisation	2,956	2,758
Share-based payments	1,028	490
Change in fair value of derivative	-	-517
Exceptional item	-	246
Adjusted EBITDA*	**10,333**	**3,107**

**Adjusted EBITDA is defined as earnings before interest, taxation, depreciation, amortisation, exceptional items, early settlement discounts, the change in fair value of financial derivatives 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 £1.4m of one-off costs relating to the Siemens Healthineers agreement (with total costs being £1.8m as described above). In addition, there are costs of £1.3m relating to bad debt provisions. Excluding these one-off costs, adjusted EBITDA would be £13.1m.

Tax

The Group recorded a net tax credit to the income statement of £0.7m for the year (2024: £0.2m credit). The tax benefit in 2025 represented a net deferred tax credit in the year of £0.65m and an adjustment in respect of the prior period of £0.05m.

The Group benefits from the UK Research and Development Tax Credit regime as it continues to invest in developments of technology and exercises the option of surrendering tax losses in the years that qualify for cash credit, rather than carrying forward the tax losses to set against future taxable profits. The £0.6m tax credit is recognised within administrative expenses.

The Group's deferred tax asset for the year was £0.5m (2024: £0.2m liability). The movement on deferred tax for the year was a £0.6m credit (2024: £0.2m), which reflects a deferred tax provision of £1.8m in respect of accelerated capital allowances and tax losses less the recognition of a deferred tax asset of £2.4m in respect of short-term timing differences and share-based payments.

Earnings per Share ("EPS")

Due to the profit after tax, EPS for the year on a basic and diluted basis was 0.6p profit per share compared with 0.6p loss per share (after excluding exceptional items) in 2024.

Share-based payments – grant of options

Following the successful completion of the Siemens Healthineers agreement, a special conditional bonus was granted to the Executive Directors amounting to £400k each. The award of the bonus is to be paid in four instalments dependent on the delivery of the four milestones, and the receipt by the Group of the associated cash payment, and subject to the individual remaining an employee of the Group. To support the cash position of the Group, the Executive Directors have elected to receive a significant proportion of the bonus as options over Ordinary Shares in the Company as detailed below.

On 30 April 2025 (the "Grant Date"), Arnab Basu, CEO, and Berry Beumer, COO and President of the Advanced Imaging Division, were granted 4,306,578 and 4,098,195 options, respectively, following the completion of delivery of the first milestone and the receipt of the initial payment under the Enablement Agreement. The options vested upon issue and expire on the tenth anniversary of the Grant Date. The options have an exercise price of 1p per Ordinary Share and the number of options was calculated based on a price of 5.65p per Ordinary Share, being the average price of the Company's Ordinary Shares on AIM for the three months preceding and three months following the announcement of the Siemens Healthineers transaction on 30 January 2025.

In relation to the above options, the Group recorded a £0.4m non-cash expense in respect of the grant of options to the Executive Directors. In addition, there were further share-based payments of £0.6m relating to options issued to new employees during the year.

As at 30 April 2025, the Group had options outstanding over a total of 35,234,074 Ordinary Shares. This included the following options held by Directors:

Director	Number of options at 30 April 2025	Date of grant	Exercise price (p)	Expiry date
Arnab Basu	1,000,000	20 November 2011	20.0	20 November 2026
Arnab Basu	1,250,000	14 December 2020	12.0	14 December 2030
Arnab Basu	110,000	29 April 2021	1.0	30 April 2026
Arnab Basu	400,000	1 May 2021	1.0	1 May 2031
Arnab Basu	750,000	18 March 2024	5.9	18 March 2034
Arnab Basu	4,306,578	30 April 2025	1.0	30 April 2035
Berry Beumer[1]	180,000	1 January 2016	27.0	1 January 2026
Berry Beumer[1]	1,250,000	14 December 2020	12.0	14 December 2030
Berry Beumer	150,000	29 April 2021	1.0	30 April 2026
Berry Beumer	150,000	1 May 2021	1.0	1 May 2031
Berry Beumer	750,000	18 March 2024	5.9	18 March 2034
Berry Beumer	4,098,195	30 April 2025	1.0	30 April 2035
Paul Farquhar[2]	1,000,000	15 October 2020	12.0	15 October 2030
Paul Farquhar[2]	150,000	1 May 2021	1.0	1 May 2031
Paul Farquhar[2]	750,000	18 March 2024	5.9	18 March 2034

[1] Awarded to Mr Beumer prior to him being appointed as a Director
[2] Mr Farquhar retired as a Director, post year end, on 1 June 2025

Post year end, the Group granted, on 12 May 2025 (the "Grant Date"), 1,000,000 options over Ordinary Shares to Claire Burgess, who became an Executive Director and CFO of the Group on 1 June 2025. The options have an exercise price of 6p per Ordinary Share, being the closing price of the Company's Ordinary Shares on AIM on the day immediately prior to the Grant Date. The options vest in two equal tranches on the second and third anniversaries of the Grant Date and expire on the tenth anniversary of the Grant Date.

As at 16 September 2025, the Company has 36,286,141 options outstanding, representing 5.5% of the Company's issued share capital.

Capitalised Development

The Group invested £4.4m in the year (2024: £4.6m) in technology and product developments that were capitalised on the balance sheet, reflecting the continuing investment in new products, applications and platforms for the future growth of the business. This expenditure is 16.5% of revenue (2024: 23.9%) 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. It should be noted that within the accounts £3.4m of this capitalisation is shown within administrative costs and £1.0m within gross profit (2024: £4.0m and £0.6m respectively).

Amortisation of capitalised development costs in the year was £2.7m (2024: £2.5m), which results in a £1.7m net impact on the income statement from capitalised development costs (2024: £2.1m).

Capital Expenditure

Capital expenditure in the year, comprising property, plant and equipment and investments in patents and trademarks, amounted to £0.3m (2024: £0.4m). The expenditure primarily relates to modest capital expenditure across lab and computer equipment, IT and manufacturing projects.

Financing Activities

During the year, prior to the completion of the Siemens Healthineers agreement, the Group received £4.4m of additional working capital support from Polymer N2 Ltd in the form of short-term loans. These were subsequently repaid in February 2025 alongside £1.5m of short-term loans received in the prior year and the £5.5m secured term loan facility. Total repayment inclusive of interest and fees of the short-term loans was £12.9m.

Post year end, the Group repaid £0.7m of accrued interest on the £5.5m secured term loan facility with Polymer N2 Ltd through the issue of new ordinary shares of 1p each in the Company ("Ordinary Shares"). This resulted in the issue of 13,440,514 new Ordinary Shares. Further information can be found in note 22 to the financial statements.

The remaining convertible loan notes of £34k were converted into shares during the year.

At 30 April 2025, the Group had total borrowings of £0.5m (30 April 2024: £8.1m). These relate to the COVID-related Economic Injury Disaster Loans that the Group's US operations were eligible to apply for in 2020 and 2021.

Post year end, the Group negotiated a three-year, £6.0m revolving credit facility ("RCF") with HSBC bank. 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 capex within the Group. At the date of signing of these accounts, the facility documents have been signed and the Group anticipates completion of the security documents

prior to the end of September 2025. The RCF will provide a stable platform for growth and underpins the working capital requirements of the Group for the foreseeable future. Further details on the Group's borrowings are available in notes 19 and 21 to the financial statements.

Cash Balance

Cash and cash equivalents were £1.7m as of 30 April 2025 (30 April 2024: £0.5m). The increase was due to the combination of the following cash inflows and outflows:

- Cash generated in operations, including changes in working capital, of £15.9m.
- Investment in product development and other intangible assets, with capitalised development costs of £(4.4)m and IP additions of £(0.1)m.
- Capital expenditure of £(0.2)m.
- Interest received of £0.1m from the US Employee Retention credit.
- Net cash used in financing activities of £(9.2)m (£4.4m net proceeds of new borrowings, less £13.6m of repayment of borrowings, lease repayments financing costs and loan interest payments).
- Effect of foreign exchange rate changes of £(0.9)m.

Outlook

The Group expects further revenue growth and profitability in FY 2026, in line with market expectations, reflecting sustained progress across both the Advanced Imaging and CBRN Detection divisions.

The CBRN Detection division is positioned for strong year-on-year growth, driven by awards under UK Government framework agreements, continued execution on key contracts and rising global demand amid evolving security challenges. This sustained interest reflects the strategic importance and long-term market potential of the Group's solutions.

The Advanced Imaging division continues to perform well. It is expected to deliver good growth on a like-for-like basis when excluding the exceptional contribution from Siemens Healthineers under the Enablement Agreement. Revenue generation under the Group's contract with Spectrum Dynamics is expected to be higher than the previous year as well as from other OEM agreements that have resumed following the completion of the Siemens Healthineers transaction.

With a significantly strengthened balance sheet and good operational momentum, the Group is confident in leveraging the positive dynamics in both divisions to drive sustained, profitable growth.

Kromek Group plc
Group statement of comprehensive income
For the year ended 30 April 2025

	Note	2025 £'000	2024 £'000
Continuing operations			
Revenue	4	**26,506**	19,403
Cost of sales		**(5,075)**	(8,693)
Gross profit		**21,431**	10,710
Distribution costs		**(470)**	(456)
Administrative expenses		**(16,224)**	(12,146)
Change in fair value of derivative		**-**	517
Operating profit/(loss) (before exceptional items)		**4,737**	(1,375)
Exceptional refinancing costs		**-**	(246)
Operating results (post exceptional items)		**4,737**	(1,621)
Finance income		**107**	40
Finance costs	7	**(1,765)**	(1,874)
Profit/(Loss) before tax	5	**3,079**	(3,455)
Tax credit	8	**675**	162
Profit/(Loss) for the year from continuing operations		**3,754**	(3,293)
Profit/(Loss) per share	9		
- basic (p)		**0.6**	(0.6)
- diluted (p)		**0.6**	(0.6)

The accompanying notes form part of these financial statements.

Kromek Group plc
Group statement of other comprehensive income
For the year ended 30 April 2025

	2025 £'000	2024 £'000
Profit/(Loss) for the year	**3,754**	(3,293)
Items that are or may be subsequently reclassified to profit or loss:		
Exchange (loss)/gain on translation of foreign operations	**(1,988)**	8
Total comprehensive profit/(loss) for the year	**1,766**	(3,285)

The accompanying notes form part of these financial statements.

Kromek Group plc
Consolidated statement of financial position
As at 30 April 2025

	Note	2025 £'000	2024 £'000
Non-current assets			
Goodwill	10	**1,275**	1,275
Other intangible assets	11	**33,422**	32,726
Property, plant and equipment	12	**7,066**	8,675
Right-of-use assets	13	**2,778**	3,400
Deferred tax assets	16	**474**	-
		45,015	46,076
Current assets			
Inventories	14	**12,108**	10,295
Trade and other receivables	15	**6,436**	12,983
Current tax assets	15	**608**	372
Cash and bank balances		**1,704**	466
		20,856	24,116
Total assets		**65,871**	70,192
Current liabilities			
Trade and other payables	17	**(8,821)**	(7,475)
Borrowings	19	**(12)**	(7,573)
Lease obligation	18	**(387)**	(452)
		(9,220)	(15,500)
Net current assets		**11,636**	8,616
Non-current liabilities			
Deferred income	17	**(819)**	(920)
Lease obligation	18	**(3,173)**	(3,736)
Borrowings	19	**(481)**	(526)
Deferred tax liability	16	**-**	(156)
		(4,473)	(5,338)
Total liabilities		**(13,693)**	(20,838)
Net assets		**52,178**	49,354
Equity			
Share capital		**6,415**	6,410
Share premium account		**81,511**	81,480
Merger reserve		**21,853**	21,853
Translation reserve		**(83)**	1,905
Accumulated losses		**(57,518)**	(62,294)
Total equity		**52,178**	49,354

The accompanying notes form part of these financial statements.

Kromek Group plc
Consolidated statement of changes in equity
For the year ended 30 April 2025

	Share capital £'000	Share premium account £'000	Merger reserve £'000	Translation reserve £'000	Retained losses £'000	Total equity £'000
Balance at 1 May 2023	**4,319**	**72,943**	**21,853**	**1,897**	**(59,488)**	**41,524**
Loss for the year	-	-	-	-	(3,293)	(3,293)
Exchange difference on translation of foreign operations	-	-	-	8	-	8
Total comprehensive gain/(loss) for the year	**-**	**-**	**-**	**8**	**(3,293)**	**(3,285)**
Issue of shares less issuance costs[1]	1,606	5,873	-	-	-	7,479
Conversion of CLN	485	2,664	-	-	(11)	3,138
Deferred tax movement	-	-	-	-	8	8
Credit to equity for equity-settled share-based payments	-	-	-	-	490	490
Balance at 30 April 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**

[1] The fees associated with issue of shares were £549k

The accompanying notes form part of these financial statements.

Kromek Group plc
Consolidated statement of cash flows
For the year ended 30 April 2025

	Note	2025 £'000	2024 £'000
Net cash generated from/(used in) operating activities	20	**15,901**	(2,802)
Investing activities			
Interest received		**107**	40
Purchases of property, plant and equipment	12	**(186)**	(146)
Purchases of patents and trademarks	11	**(106)**	(252)
Capitalisation of development costs	11	**(4,369)**	(4,644)
Net cash used in investing activities		**(4,554)**	(5,002)
Financing activities			
New borrowings	21	**4,400**	7,000
Payment of borrowings	21	**(11,438)**	(5,822)
Payment of lease liability	18	**(660)**	(678)
Interest paid	7	**(1,440)**	(699)
Financing costs		**(55)**	(102)
Net proceeds on issue of shares		**-**	7,479
Net cash (used in)/generated from financing activities		**(9,193)**	7,178
Net increase/(decrease) in cash and cash equivalents		**2,154**	(626)
Cash and cash equivalents at beginning of year		**466**	1,097
Effect of foreign exchange rate changes		**(916)**	(5)
Cash and cash equivalents at end of year		**1,704**	466

The accompanying notes form part of these financial statements.

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 2024:

- Classification of liabilities as current or non-current (Amendments to IAS 1)
- Deferred tax related to assets and liabilities arising from a single transaction (Amendments to IAS 12)
- Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)
- Classification of Financial Instruments (Amendments to IFRS 9)
- Non-current liabilities with covenants (Amendments to IAS 1)
- Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)

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 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)

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 9 and IFRS 7)
- Annual improvements to IFRS Standards 2022 – 2024 Cycle (covering amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7)

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

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 2025, the Group had net current assets of £11.6m (30 April 2024: £8.6m) and cash and cash equivalents of £1.7m (30 April 2024: £0.5m) as set out in the consolidated statement of financial position. The Group made a profit before tax of £3.1m in the year (2024: £3.5m loss before tax).

During the year the completion of the Siemens Healthineers Enablement Agreement resulted in a $25m cash payment to the Group. This payment resulted in repayment in full of the loans from Polymer N2 Ltd. At 30 April 2025, total borrowings were £0.5m (2024: £8.1m), these borrowings relate 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 a detailed forecast 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 secured a £6.0m revolving credit facility with HSBC to support and assist working capital requirements. In addition, the Group has secured a £0.5m asset finance facility with HSBC. This facility will be used to support capital expenditure. 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 in the contract 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. Also included 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. Exceptional items in the prior year, associated with refinancing costs, have been classified separately in order to draw them to the attention of the reader of the accounts and, in the opinion of the Board, to show more accurately the underlying results of the Group. There are no exceptional items in the current year.

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 8.93% for Advanced Imaging and 12.24% for CBRN and Biological Threat Detection (2024: 9.13% and 11.85% 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.

Convertible loan notes

The convertible loan issued by the Group is a hybrid financial instrument, whereby a debt host liability component and an embedded derivative liability component were determined at initial recognition. The conversion option did not satisfy the fixed-for-fixed equity criterion (fixed number of shares and fixed amount of cash). Conversion features that are derivative liabilities are accounted for separately from the host instrument. The embedded derivative is accounted for as a financial instrument through profit or loss and is initially measured at fair value, and changes therein are recognised in profit or loss. The debt host liability is accounted for at amortised cost. In the case of a hybrid financial instrument, IFRS 9 requires that the fair value of the embedded derivative is calculated first and the residual value (residual proceeds) is assigned to the host financial liability. The initial recognition of the embedded derivative conversion feature has been recognised

as a liability on the balance sheet with any changes to the fair value of the derivative recognised in the income statement. It has been fair valued using a Black Scholes simulation which was performed at the transaction date and the period end date.

The debt host liability will be accounted for using the amortised cost basis with an effective interest rate of 5.67%. The Group will recognise the unwinding of the discount at the effective interest rate, until the maturity date. The carrying amount at the maturity date will equal the cash payment required to be made.

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 current 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 £30k to £578k.

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 £45,015k 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 year using the Monte Carlo Model. Management believes an external valuation should be carried out every two to three years.

vii) Convertible loan notes

In August 2022, the Group issued £2.8m of convertible loan notes. The convertible loan is a hybrid financial instrument, whereby a debt host liability component and an embedded derivative liability component was determined at initial recognition. The conversion option did not satisfy the fixed-for-fixed equity criterion (fixed number of shares and fixed amount of cash).

During the period, the one remaining noteholder converted their convertible loan holdings, as well as the interest accrued on that holding, into equity. This resulted in the issue of 527,092 new ordinary shares during the period.

For convertible notes with embedded derivative liabilities, the fair value of the embedded derivative liability is determined first, and the residual amount is assigned to the debt host liability.

The embedded derivative has been fair valued using a Black Scholes simulation that was performed at the transaction date and the period end date. The future expected market share price of the Group and the volatility of the share price are the key estimates that are critical in the determination of the fair value of the embedded derivative and subsequently the debt host liability of the convertible loan notes.

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:

	2025 £'000	**2024 £'000**
United Kingdom	**6,055**	3,023
North America	**18,134**	5,937
Asia	**118**	1,374
Europe	**2,178**	8,950
Other	**21**	119
Total revenue	**26,506**	19,403

Analysis by business segment

The Group has aggregated its CGUs, being CBRN Detection, Advanced Imaging and Biological-threat Detection, into two reporting segments being CBRN/Biological-threat Detection 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 2025:

	Advanced Imaging £'000	CBRN/Bio £'000	Total for Group £'000
Revenue from sales			
-Sale of goods and services	11,026	5,117	16,143
-Revenue from grants	313	189	502
-Revenue from contract customers	16,494	2,357	18,851
Total sales by segment	27,833	7,663	35,496
Removal of inter-segment sales	(7,559)	(1,431)	(8,990)
Total external sales	20,274	6,232	26,506
Segment result – operating profit/(loss) before exceptional items	7,760	(3,023)	4,737
Interest received	103	4	107
Interest expense	(980)	(785)	(1,765)
Exceptional items	-	-	-
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
Change in fair value of derivative	-	-	-
Share-based payment charge	715	313	1,028
Exceptional items	-	-	-
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

Year ended 30 April 2024:

	Advanced Imaging £'000	CBRN/Bio £'000	Total for Group £'000
Revenue from sales			
-Sale of goods and services	17,148	10,616	27,764
-Revenue from grants	445	137	582
-Revenue from contract customers	-	2,478	2,478
Total sales by segment	17,593	13,231	30,824
Removal of inter-segment sales	(8,572)	(2,849)	(11,421)
Total external sales	9,021	10,382	19,403
Segment result – operating loss/(profit) before exceptional items	(4,291)	2,916	(1,375)
Interest received	20	20	40
Interest expense	(1,056)	(818)	(1,874)
Exceptional items	(123)	(123)	(246)
Loss/(profit) before tax	(5,450)	1,995	(3,455)
Tax credit	76	86	162
Loss/(profit) for the year	(5,374)	2,081	(3,293)
Reconciliation to adjusted EBITDA:			
Net interest	1,036	798	1,834
Tax	(76)	(86)	(162)
Depreciation of PPE and right-of-use assets	1,473	278	1,751
Amortisation of intangible assets	1,695	1,063	2,758
Change in fair value of derivative	(258)	(259)	(517)
Share-based payment charge	320	170	490
Exceptional items	123	123	246
Adjusted EBITDA	(1,061)	4,168	3,107
Statement of financial position			
Property, plant and equipment	8,511	164	8,675
Right-of-use assets	2,893	507	3,400
Intangible assets	15,878	16,848	32,726
Trade receivables	5,538	4,614	10,152

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:

	2025 £'000	2024 £'000
Product revenue	**7,006**	16,351
Research and development revenue	**3,006**	3,052
Licensing revenue	**16,494**	-
Consolidated revenue	**26,506**	19,403

Information about major customers

Included in revenue is £16,494k (2024: £nil) arising from the Enablement Agreement with Siemens Healthineers signed in the period. Included in revenues arising from Advanced Imaging operations are revenues of £16,494k (2024: £4,878k) that arose from the Group's largest commercial customer. Included in revenues arising from CBRN/Bio operations are revenues of approximately £2,300k (2024: £2,121k) 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):

	2025 £'000	2024 £'000
Net foreign exchange gains	**(34)**	(26)
Research and development costs recognised as an expense	**1,012**	793
Depreciation of property, plant and equipment (see note 12)	**1,416**	1,751
Release of capital grant	**(44)**	(44)
Amortisation of internally-generated intangible assets (see note 11)	**2,956**	2,758
Cost of inventories recognised as expense (see note 14)	**2,846**	5,590
Exceptional items	**-**	246
Staff costs (see note 6)	**11,944**	10,051

6. Staff costs

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

	2025 Number	2024 Number
Directors (Executive)	**3**	3
Research and development, production	**136**	136
Sales and marketing	**7**	8
Administration	**16**	15
	162	162

Their aggregate remuneration comprised:

	2025 £'000	2024 £'000
Wages and salaries	**9,323**	8,176
Social security costs	**815**	747
Pension scheme contributions	**778**	638
Share-based payments	**1,028**	490
	11,944	10,051

The total Directors' emoluments (including Non-Executive Directors) was £1,796k (2024: £1,044k). The aggregate value of contributions paid to money purchase pension schemes was £29k (2024: £27k) in respect of three Directors (2024: four Directors). There has been no exercise of share options by the Directors in the period and therefore no gain recognised in the year (2024: £nil).

The highest paid Director received emoluments of £566k (2024: £313k), including an amount paid to a money purchase pension scheme of £4k (2024: £4k).

Key management compensation:

	2025 £'000	2024 £'000
Wages and salaries and other short-term benefits	**1,676**	1,184
Social security costs	**145**	117
Pension scheme contributions	**39**	36
Share-based payment expense	**967**	456
	2,827	1,793

Key management comprise the Executive Directors, Non-Executive Directors and senior operational staff. There were three Executive Directors in 2025 (2024: three); four Non-Executive Directors in 2025 (2024: four) and two senior operational staff in 2025 (2024: two).

7. Finance costs

	2025 £'000	2024 £'000
Interest on bank overdrafts, loans and borrowings	**1,551**	1,277
Interest expense for lease arrangements	**214**	244
Interest on convertible loan notes	**-**	353
Total interest expense	**1,765**	1,874

8. Tax

Recognised in the income statement

	2025 £'000	2024 £'000
Current tax credit:		
UK corporation tax on losses in the year	**-**	278
Adjustment in respect of previous periods	**38**	58
Foreign taxes paid	**-**	(10)
Total current tax	**38**	326
Deferred tax:		
Origination and reversal of timing differences	**719**	(164)
Adjustment in respect of previous periods	**(82)**	-
Total deferred tax	**637**	(164)
Total tax credit in income statement	**675**	162

The main rate of UK corporation tax for the financial year was 25% (2024: 25%) whilst the US federal corporate tax rate was 21% (2024: 21%). The deferred tax asset at 30 April 2025, which has been recognised, has been calculated at 25% (2024: 25%).

Reconciliation of tax credit

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

	2025 £'000	2024 £'000
Profit/(loss) before tax	**3,079**	(3,455)
Tax at the UK corporation tax rate of 25% (2024: 25%)	**(770)**	864
Non-taxable income/expenses not deductible	**573**	(148)
Effect of R&D	**(39)**	737
Effect of other tax rates/credits	**(158)**	(58)
Unrecognised movement on deferred tax	**888**	(1,379)
Adjustment in respect of previous periods	**(44)**	58
Chargeable losses	**(42)**	-
Effects of overseas tax rates	**261**	96
Deferred tax credited/(charged) directly to equity	**6**	(8)
Total tax credit for the year	**675**	162

Further details of deferred tax are given in note 16. There are no tax items charged to other comprehensive income.

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% (2024: 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 31% (2024: 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	**2025 £'000**	**2024 £'000**
Profit/(loss) for the purposes of basic and diluted earnings per share being net profit/(loss) attributable to owners of the Group	**3,754**	(3,293)

Number of shares	**2025 Number**	**2024 Number**
Weighted average number of ordinary shares for the purposes of basic earnings per share	**641,488,404**	595,404,643
Effect of dilutive potential ordinary shares:		
Share options	**1,050,353**	1,018,796
Weighted average number of ordinary shares for the purposes of diluted earnings per share	**642,538,757**	596,423,439

	2025	**2024**
Basic earnings/(loss) per share (p)	**0.6**	(0.6)
Diluted earnings/(loss) per share (p)	**0.6**	(0.6)

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.

10. Intangible assets including goodwill

	£'000
Cost	
At 1 May 2024 and 30 April 2025	1,275
Accumulated impairment losses	
At 1 May 2024 and 30 April 2025	-
Carrying amount	
At 1 May 2024 and 30 April 2025	**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:

CGU	Goodwill £'000	Intangibles £'000
Advanced Imaging	1,275	14,053
CBRN Detection	-	4,929
Biological-Threat Detection	-	13,218
Total	**1,275**	**32,200**

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 15 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 2025 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 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 8.93% (2024: 9.13%) 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 lower than that used in 2024. 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 15 whilst taking into consideration potential capacity constraints.

CBRN Detection

- *Growth rate.* The 2025 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 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 12.24% (2024: 11.85%) 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 2024. 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 2025 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 12.24% (2024: 11.85%) 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 2024. 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	£13,941k	£31,480k	£91,796k
Combination of Discount Rate +2% and Challenge model	£10,887k	£26,672k	£79,658k
Combination of Discount Rate -2% and Challenge model	£17,431k	£37,139k	£105,954k

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	£9,588k	£24,926k	£35,226k
Combination of Discount Rate +2% and Challenge model	£6,448k	£20,731k	£29,921k
Combination of Discount Rate -2% and Challenge model	£13,330k	£29,860k	£41,373k

The Directors have reviewed the recoverable amount of each CGU and do not consider there to be any impairment in 2025 or 2024.

11. Other intangible assets

	Development costs £'000	Patents, trademarks & other intangibles £'000	Total £'000
Cost			
At 1 May 2024	45,394	8,363	53,757
Additions	4,369	106	4,475
Exchange differences	(1,173)	(274)	(1,447)
At 30 April 2025	48,590	8,195	56,785
Amortisation			
At 1 May 2024	14,106	6,925	21,031
Charge for the year	2,676	280	2,956
Exchange differences	(392)	(232)	(624)
At 30 April 2025	16,390	6,973	23,363
Carrying amount			
At 30 April 2025	**32,200**	**1,222**	**33,422**
At 30 April 2024	**31,288**	**1,438**	**32,726**

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 2025 was £169k (2024: £180k), with amortisation to be charged over the remaining useful lives of these assets, which is between 3 and 13 years.

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 2024	210	1,495	18,983	636	21,324
Additions	-	74	52	60	186
Disposals	-	(3)	(628)	-	(631)
Transfer between classes	-	-	(8)	8	-
Exchange differences	-	(40)	(497)	(23)	(560)
At 30 April 2025	210	1,526	17,902	681	20,319
Accumulated depreciation and impairment					
At 1 May 2024	159	1,383	10,656	451	12,649
Charge for the year	42	60	996	43	1,141
Disposals	-	-	(196)	-	(196)
Exchange differences	-	(36)	(290)	(15)	(341)
At 30 April 2025	201	1,407	11,166	479	13,253
Carrying amount					
At 30 April 2025	**9**	**119**	**6,736**	**202**	**7,066**
At 30 April 2024	**51**	**112**	**8,327**	**185**	**8,675**

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 2024	6,017
Additions	-
Effect of movements in exchange rates	(236)
Cost at 30 April 2025	5,781
Depreciation	
Depreciation at 1 May 2024	2,617
Charge for the year	471
Exchange differences	(85)
Depreciation at 30 April 2025	3,003
Carrying amount	
At 30 April 2025	**2,778**
At 30 April 2024	3,400

14. Inventories

	2025 £'000	2024 £'000
Raw materials	**2,681**	2,167
Work-in-progress	**8,682**	7,914
Finished goods	**745**	214
	12,108	10,295

The cost of inventories recognised as an expense during the year in respect of continuing operations was £2,846k (2024: £5,590k).

The write-down of inventories to net realisable value amounted to £1,225k (2024: £1,292k). The reversal of write-downs amounted to £166k (2024: £123k).

15. Amounts recoverable on contracts and trade and other receivables

Trade and other receivables

	2025 £'000	2024 £'000
Amount receivable for the sale of goods	**4,276**	10,152
Other receivables	**1,466**	416
Prepayments and accrued income	**694**	2,415
Current tax assets	**608**	372
	7,044	13,355

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 81 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 2025, trade receivables are shown net of an impairment allowance of £1,469k (2024: £2,548k) arising from the ordinary course of business as follows:

	2025 £'000	**2024 £'000**
Balance at 1 May	**2,548**	2,496
Provided during the year	**1,244**	106
Released during the year	**(2,112)**	(61)
Impact of foreign exchange	**(211)**	7
Balance at 30 April	**1,469**	2,548

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 £2.1m (2024: £0.1m) 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 £0.3m (2024: £0.1m) of unprovided trade receivables.

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

As at 30 April 2024, 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	4%	13%	51%	0%	54%	
Gross carrying amount	7,894	807	3	-	3,996	12,700
Loss provision	302	105	2	-	2,139	2,548

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 2024	389	7,477	(822)	(6,764)	(124)	156
(Credit)/charge to profit or loss	-	272	(2,409)	1,559	(58)	(636)
(Credit)/charge to equity	-	-	-	-	6	6
At 30 April 2025	**389**	**7,749**	**(3,231)**	**(5,205)**	**(176)**	**(474)**

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:

	2025 £'000	2024 £'000
Deferred tax liabilities	**8,136**	6,917
Deferred tax assets	**(8,610)**	(6,761)
	(474)	156

At the statement of financial position date, the Group has unused tax losses of £52,270k (2024: £58,465k) available for offset against future profits. A deferred tax asset has been recognised in respect of £20,820k (2024: £27,056k) of such losses. The asset is considered recoverable because it can be offset to reduce future tax liabilities arising in the Group. No deferred tax asset has been recognised in respect of the remaining £31,450k (2024: £31,409k) as it is not yet considered sufficiently certain that there will be future taxable profits available. 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.

17. Trade and other payables

Payable within one year:

	2025 £'000	2024 £'000
Trade payables and accruals	**5,200**	7,345
Deferred income	**3,621**	130
	8,821	7,475

Payable in more than one year:

	2025 £'000	2024 £'000
Deferred income	**819**	920
	819	920

Trade payables and accruals principally comprise amounts outstanding for trade purchases and ongoing costs. The average credit period taken for trade purchases is 113 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 is £0.74m (2024: £nil) of accrued interest that was converted into shares post year end. Please see note 22 for further details.

Deferred income relates to government grants received that have been deferred until the conditions attached to the grants are met.

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

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:

	2025 £'000	2024 £'000
Opening lease liability at 1 May	**4,188**	4,494
New leases entered into during the year	**-**	118
Finance costs	**214**	244
Payments made during the year	**(660)**	(678)
Foreign exchange (gain)/loss	**(182)**	10
At 30 April	**3,560**	4,188
Presented as:		
Lease liability payable within 1 year	**387**	452
Lease liability payable in more than 1 year	**3,173**	3,736
At 30 April	**3,560**	4,188

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 £46k (2024: £38k).

19. Borrowings

	2025 £'000	2024 £'000
Secured borrowing at amortised cost		
Term loan facility	**-**	5,767
Other borrowings	**493**	2,298
Convertible loan notes	**-**	34
	493	8,099
Total borrowings		
Amount due for settlement within 12 months	**12**	7,573
Amount due for settlement after 12 months	**481**	526

During the period, the Group repaid in full the £5.5m secured term loan facility with Polymer N2 Ltd, an existing and significant shareholder in the Company. The facility had a repayment date for the principal sum of 27 March 2025. It carried a fixed interest rate of 9.5%, which was payable quarterly, and Kromek had the option to pay the interest through the issue of new ordinary shares of 1p each in the Company at the trailing 10-day volume weighted average price of the Company's ordinary shares on the date that payment fell due. Kromek exercised this option and issued 13,440,514 new ordinary shares post year-end.

In 2025, other borrowings only related 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.

During the period, the Group received a short-term £2.5m loan in June 2024, a short-term £0.4m loan in September 2024, a short-term £0.5m loan in October 2024 and a short-term £1.0m loan in December 2024 to aid with working capital requirements. These were subsequently repaid in February 2025 alongside £1.5m of short-term loans received in the prior year.

The remaining convertible loan notes of £34k were converted into shares in the period.

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:

	2025	2024
	%	%
Term loan facility	8.34	6.38
Other borrowing facilities	3.03	2.73

20. Notes to the cash flow statement

	2025	2024
	£'000	£'000
Profit/(Loss) for the year	**3,754**	(3,293)
Adjustments for:		
Finance income	**(107)**	(40)
Finance costs	**1,765**	1,874
Change in fair value of derivative	**-**	(203)
Income tax credit	**(640)**	(322)
Deferred tax movement	**(630)**	-
Capitalisation and amortisation of loan fees	**135**	-
Depreciation of property, plant and equipment and ROU	**1,612**	1,751
Amortisation of intangible assets	**2,955**	2,758
Disposal of fixed assets	**435**	35
Share-based payment expense	**1,028**	490
Operating cash flow before movements in working capital	**10,307**	3,050
(Increase)/Decrease in inventories	**(1,813)**	599
Decrease/(Increase) in receivables	**6,547**	(7,454)
Increase/(Decrease) in payables	**469**	(62)
Cash generated/(used) in operations	**15,510**	(3,867)
Income taxes received	**391**	1,065
Net cash from/(used in) operating activities	**15,901**	(2,802)

Cash and cash equivalents

	2025	2024
	£'000	£'000
Cash and bank balances	**1,704**	466

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.

21. Reconciliation of liabilities arising from financing activities

	Borrowings £'000	Lease liability £'000
Balance at 1 May 2024	**8,099**	4,188
Cash flows		
- Repayments of borrowings	**(11,438)**	-
- Repayments of interest	**(1,387)**	(660)
- Additions and modifications	**4,400**	-
Non-cash		
- Conversions	**(776)**	-
- Effect of exchange rates	**(34)**	(182)
- Interest applied	**1,629**	214
Balance at 30 April 2025	**493**	3,560

22. Events after the balance sheet date

Post year-end, the Group exercised its option to repay the total accrued interest on the £5.5m secured term loan facility with Polymer N2 Ltd through the issue of new Ordinary Shares at the trailing 10-day volume weighted average price of the Company's Ordinary Shares on the date that payment fell due. This resulted in the issue of 13,440,514 new ordinary shares.

The Group has 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 will be 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 will be used to support capital expenditure.