FOR IMMEDIATE RELEASE **1 September 2026**

PENNANT INTERNATIONAL GROUP PLC
("Pennant", the "Company" or the "Group")

Interim Results & Investor Presentation

Pennant International Group plc (AIM: PEN), the systems support software and training solutions company, announces its Interim Results for the six months ended 30 June 2026 (the "**First Half**", the "**Period**", or "**H1 2026**").

Commenting on the results, Chief Executive, Phil Walker, said:

"The Group has made significant progress in the early stages of executing its three-year strategic plan, delivering on our commitments to investors while making substantial strides towards profitability and a net cash position.

Our focused investment in the Auxilium software suite over recent years is now delivering tangible results as the Integrated Product Support (IPS) market continues to mature. Pennant's products and services are well positioned to support the defence sector's increasing emphasis on operational readiness, data standardisation, and equipment availability, providing customers with the capabilities needed to manage complex assets more effectively throughout their lifecycle."

Financial Highlights:

- Group revenues of £5.8 million (H1 2025: £4.5 million);
- Annual Recurring Revenue[(2)] ("ARR") of £2.6 million from Auxilium software products (H1 2025: £2.1 million), growing to £2.9 million as of today;
- Gross profit margin of 54% (H1 2025: 44%);
- Adjusted[(1)] EBITDA of £0.5 million (H1 2025: loss of £1.1 million);
- Adjusted[(1)] loss before tax of £0.3 million (H1 2025: loss of £2.0 million);
- Continued investment in the Auxilium suite of £0.7 million (H1 2025: £0.7 million); and
- Net debt at 30 June 2026 of £1.0 million (H1 2025: £2.1 million), stated after one off payments, including the repayment of shareholder loan (£0.3m) and redundancy costs (£0.4m).

Operational Highlights:

- Auxilium Phase 3 software successfully released in June: delivering customers with a significant product upgrade that provides users with an Integrated Product Support environment across the three applications – GenS, Analyzer and R4i;
- Partner channels to market bearing fruit: first sale of Auxilium - GenS via the Group's global Siemens Digital Industries partnership to North American defence end users;
- Awarded multi-year Auxilium services contract with the Canadian Department for National Defence: for the use and optimisation of Pennant's Auxilium suite of software to support multiple maritime programs; Potential circa C$35 million of sales value across fully extended 11-year term;
- New S1000D technical publication conversion services capability launched: ConvertWise released in partnership with OnePoint Consulting (a UK based technology partner) including the first sale to a North American based military customer;
- New Training Systems long term contract awarded: with an initial order valued at £1.0m for the supply of a virtual training simulator developed specifically for a UK manufacturer of air defence applications. The framework agreement provides opportunities for repeatable revenues; and
- Successful delivery of operational milestones on major training systems engineering contracts.

Post period end

- Auxilium contract for Asia-Pacific operations of global shipbuilding organisation worth circa £0.2 million ARR;
- Further sales through the Siemens Digital Industries partner channel into US defence sector contributed circa £0.1 million to ARR, which stands at £2.9 million at the date of announcement versus a target to exit the year in excess of £3.0 million ARR;
- Continued growth in our global channel partners via entry into a teaming agreement with a leading Australian IPS services organisation, which has already delivered an order for our new conversion services capability (ConvertWise) post period end.
- Overdraft facility temporarily increased to £1.4 million to support working capital fluctuations and the continued cost management program.

Outlook:

The Company is on track to achieve full year 2026 market expectations(3). With new Auxilium software products and services opportunities fueled by the H1 software release and launch of ConvertWise, growth in contracted revenue from Canadian Department for Defence (DND) services, and increased levels of activity on contracted Engineered Training programmes (including in respect of the virtual training simulator contract described above), the second half of the year is expected to be stronger than the first half.

Commenting on the outlook, Chief Executive Officer, Phil Walker, said:

"The first half of 2026 demonstrates the progress Pennant is making both strategically and financially as we execute our growth strategy. Revenue, margin and profitability have all improved significantly, while the successful launch of Auxilium Phase 3 and a number of strategic contract wins have strengthened our position in key markets. With growing recurring revenues, increasing demand for our solutions and a solid pipeline of opportunities, we enter the second half of the year with confidence and remain on track to meet full-year market expectations. Importantly, our order book already provides approximately 80% coverage of analyst revenue forecasts for FY2027, giving us strong visibility and underpinning confidence in the Group's future growth prospects."

(1) The loss before taxation is stated prior to £0.5 million (2024 £0.2m) of exceptional costs related to restructuring. See note 4 for further information with regard to this alternative profit measure including details of re-presentation of the interim adjusted loss before tax and adjusted EBITDA.

(2) Annual Recurring Revenue (ARR) is the annualised revenue generated from Auxilium software product subscriptions and maintenance contracts (it does not include repeatable revenues from Auxilium software services).

(3) Market expectations are taken from analyst coverage consensus:

	FY26	**FY27**
Revenue	£13.0m	£14.5m
Adjusted(1) EBITDA	£1.6m	£2.1m
Adjusted(1) PBT	£0.0m	£0.6m
Net debt	£0.5m	£0.1m

Investor Presentation: 11.00am on Tuesday 1 September 2026

Management will hold an investor presentation to cover the Interim Results at 11.00am on Tuesday 1 September 2026.

The presentation will be hosted through the digital platform Investor Meet Company. Investors can sign up to Investor Meet Company and add to meet Pennant via the following link https://www.investormeetcompany.com/pennant-international-group-plc/register-investor.
For those investors who have already registered and added to meet the Company, they will automatically be invited.

Questions can be submitted pre-event to Pennant@walbrookpr.com or in real time during the presentation via the "Ask a Question" function.

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Notes to editors:

Pennant International Group plc (AIM: PEN) is a technology driven, leading global provider of system support software and services, technical services, and training solutions. It supports its global customer base in the design, development, operation, maintenance, and training of complex assets, to maximise operational and maintenance efficiency.

Its key markets include Aerospace, Defence and Rail, and adjacent safety-critical markets such as Shipping, Nuclear and Space.

The Group addresses the market through three key business divisions:

- Auxilium software: a key generator of recurring revenues through the provision of a suite of software tools designed to help clients: manage and use complex data; ensure equipment availability at optimal cost; and comply with industry standards. Its Integrated Product Support (IPS) and Integrated Logistics Support (ILS) software and services equip customers with powerful market-leading toolsets to manage, model and utilise complex equipment data.

- Technical Services: drives repeatable revenues through expert support for users of Pennant and third-party solutions including consultancy, support and maintenance, training and bespoke development.

- Training Systems: project-based revenue relating to the design and build of hardware, software and virtual training solutions for maintainers and operators of aircraft, ships and land systems.

Pennant is strategically focused on sustainable recurring and repeatable revenues and profitability growth, shifting its model towards high margin software and services. Against a climate of rising defence budgets and the burgeoning technological complexity of military, aviation and rail platforms, the demand for these solutions is expected to grow substantially.

Headquartered in Cheltenham, UK, the Group operates worldwide, with offices in the UK, North America and Asia-Pacific, serving markets with high barriers to entry often in regulated industries.

Pennant International Group plc

Interim Report for the six months ended 30 June 2026

Chief Executive's Report

Financial Results

The Group recorded revenues for the six-month period ended 30 June 2026 of £5.8 million (H1 2025: £4.5 million), generating an adjusted[(1)] EBITDA of £0.5 million (H1 2025: adjusted[(1)] EBITDA loss of £1.1 million) and an adjusted[(1)] loss before tax of £0.3 million (H1 2025: £2.0 million adjusted[(1)] loss). The gross profit margin for the Period was 54% (H1 2025: 44%). The basic loss per share for H1 2026 was 1.87p (H1 2025: 5.21p basic loss per share).

Administrative costs for the Period were £4.2 million (H1 2025: £4.1 million), including £0.5 million of exceptional restructuring costs (H1 2025: £0.2 million) as part of a continued focus on cost management, which will continue through to the year end as our cash position allows.

Other income of £0.3 million (H1 2025: £0.1 million) includes the proceeds from an operating related insurance claim, and credits arising from claims under the UK Research and Development Expenditure (RDEC) scheme.

Net debt at Period end, excluding lease liabilities, stood at £1.0 million (H1 2025: £2.1 million) with cash and cash equivalents of £0.1 million at 30 June 2026 (H1 2025: £0.7 million). Net debt at 31 December 2025 was £0.5 million. The Group is operating within its HSBC overdraft facility limit of £1.0 million. Post Period end the overdraft has temporarily been increased to £1.4 million to support short-term working capital requirements and the Company continues to manage cash requirements through the remainder of Q3 2026. Contracted milestone payments expected to be received during Q4 are such that the Group's cash flow performance is expected to be stronger in the second half.

Net assets at Period end stood at £6.1 million (H1 2025: £6.3 million), including a contract liability of £1.9 million from customer advances on engineered projects in the Training Systems segment (H1 2025: £0).

The Group carries forward unrelieved tax losses of £7.8 million (H1 2025: £7.0 million) and continues to benefit from R&D tax credit claims in the UK, Canada and Australia.

The Directors have concluded that it is in the best interests of the Company and its shareholders to retain cash at this time and therefore will not be declaring an interim dividend.

Performance Review

An analysis of the Group's revenue by operating segment is as follows:

Revenue by operating segment	**H1 2026 £m**	**H1 2025 £m**
Systems Support Software	1.4	1.2
Technical Services	2.5	2.7
Sub-total Software and Services	**3.9**	**3.9**
Engineered Training Solutions	1.8	0.4
Generic Training Products	0.1	0.2
Sub-total Training Systems	**1.9**	**0.6**
Total	**5.8**	**4.5**

Software and Services

Revenue from Systems support software products increased 17% versus H1 2025 to a total of £1.4 million (2025: £1.2 million) – driven by an increase of 9% in licensed users of the Auxilium suite of products across the last 12 months and arising from sales to 15 new customers across the defence,

maritime and space sectors. Sales were under a mix of perpetual and subscription contracts (mostly subscription).

At the time of this interim results announcement, Annual Recurring Revenues ("ARR"), the annualised revenue generated from software subscriptions and maintenance contracts, has grown to £2.9 million, a new high for the Group. With opportunities amplified by the successful release of the fully integrated Auxilium suite in Q2, we are very confident of meeting our target of exiting 2026 with an ARR exceeding £3.0 million.

Technical Services revenues were weaker than expected in H1 2026 due to the delayed award of a multi-year IPS services contract from the Canadian Department for National Defence ("DND"). Following announcement of the award on 12 June 2026, H2 is expected to deliver stronger segmental revenue compared to H1 such that full year revenue from Technical Services will exceed 2025 as we move towards our strategic target of exceeding £7m of revenue from this segment in FY 2028.

During H1, we were pleased to announce the launch of a new S1000D technical publication conversion services capability: ConvertWise, in partnership with OnePoint Consulting (a UK based technology partner) including the first sale to a North America-based military customer, accentuating our optimism for a strong H2 revenue performance in this segment.

Training Systems

Total revenue from the Training Systems segment more than tripled to £1.9 million, following strong order intake over the last 12 months and solid progress in the delivery of 'engineered to order' programs where recognition is based on the percentage of activity completion. Two programs have contributed most of the revenue in the Period – namely, the GenFly refresh program on behalf of the UK MOD and the ARIT program on behalf of BAE Australia. Delivery of GenFly and ARIT will continue into 2027.

During H1, we announced a new Training Systems long term contract award: with an initial order valued at £1.0m for the supply of a virtual training simulator developed specifically for a UK manufacturer of air defence applications, the contract provides the framework for repeatable production orders and we expect to make further announcements in the coming months.

Following the restructuring exercise announced and executed in 2024/2025, the Training Systems business continues to focus on delivering modifications, retrofits and overhauls to its installed base and has an active pipeline of opportunities which are expected to contribute to our strategic objective of maintaining a deliverable order book exceeding £5 million.

As at 30 June 2026 the deliverable order book in the Training Systems segment stood at £9.6 million.

The revenue generated by each region and business line during the Period is shown in the tables below:

Revenue by Region	**H1 2026 £m**	**H1 2025 £m**
EMEA	2.7	1.6
Americas	1.5	1.6
APAC	1.6	1.3
Total	**5.8**	**4.5**

The EMEA region has benefitted from the progress in delivery on 'engineered to order' programs in the Training Systems segment while the Americas region has experienced delays to contract awards with the Canadian DND in the Technical Services segment. The APAC region is benefiting from the long term management services contract with BAE Systems where our success in high-quality delivery is yielding incremental tasks and revenue generating opportunities. We expect all regions to outperform 2025 revenue for the full year.

Auxilium Development

The Board is pleased with the progress in executing our Auxilium strategy. During the Period we successfully completed the integration of R4i (our technical publications software), and the new fully integrated suite was released to market in Q2. We expect development expenditure to run at £1.0 million - £1.4 million per annum for the foreseeable future as we remain committed to ensuring that our market leading Integrated Product Support ("IPS") software products continue to offer exceptional value to existing and prospective licensees.

During the year to date, we have sold Auxilium products into several new customers contributing to an ARR of £2.9 million, a new high for the Group. We were pleased to announce the first sales through our OEM partner agreement with Siemens Digital Industries, via its market leading Teamcenter software solution, as well as continued successes through our direct channels including the post Period sale of £0.2 million new licenses to a new ship-building customer in our Asia Pacific region.

Post Period end, we have added to our group of sales channel partners by entering into a teaming agreement with a leading Australian IPS organisation, continuing our strategy of targeting specific areas of the IPS market with regional or subject matter experts.

As the global defence industry increases its awareness of the need for strong IPS process and systems, Pennant is well positioned to support, all of which drives confidence in meeting our three year strategic target to exceed £4.0 million ARR in 2028.

Outlook

As at the date of this announcement, the Group has contracted revenue for the full year of approximately £12.6 million (including the revenues recognised for the first half of £5.8 million), and the Board has a high level of confidence of generating full year revenues of not less than £13.0 million.

The Board therefore considers that the Group is currently trading in line with current market expectations.

With new Auxilium software products and services opportunities fueled by the H1 software release and launch of ConvertWise, growth in contracted revenue from Canadian DND services, and increased levels of activity on contracted Engineered Training programmes (including in respect of the virtual training simulator contract described above), the second half of the year is expected to be stronger than the first half.

(1) See note 4 for further information with regard to this alternative profit measure including details of re-presentation of the interim adjusted loss before tax and adjusted EBITDA.

PENNANT INTERNATIONAL GROUP plc
CONSOLIDATED INCOME STATEMENT for the six months ended 30 June 2026

	Notes	Six months ended 30 June 2026 Unaudited	Six months ended 30 June 2025 Unaudited	Year ended 31 December 2025 Audited
		£000s	£000s	£000s
Revenue		5,816	4,493	9,662
Cost of sales		(2,696)	(2,505)	(4,898)
Gross profit		**3,120**	**1,988**	**4,764**
Exceptional costs	4	(490)	(176)	(414)
Share based payments	4	(40)	(18)	(30)
(Loss)/Profit on sale of property, plant, and equipment	4	(6)	98	86
Other administrative expenses		(3,687)	(3,976)	(6,845)
Total administrative expenses		(4,223)	(4,072)	(7,203)
Other income		329	53	199
Operating loss		**(774)**	**(2,031)**	**(2,240)**
Finance costs		(102)	(174)	(325)
Finance income		-	-	1
Loss before taxation		**(876)**	**(2,205)**	**(2,564)**
Taxation		-	(40)	310
Loss for the period		**(876)**	**(2,245)**	**(2,254)**
Loss per share				
Basic	2	(1.87p)	(5.21p)	(5.04p)
Diluted	2	(1.87p)	(5.21p)	(5.04p)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
for the six months ended 30 June 2026

	Six months ended 30 June 2026 Unaudited £000s	Six months ended 30 June 2025 Unaudited £000s	Year ended 31 December 2025 Audited £000s
(Loss) attributable to equity holders of the parent	(876)	(2,245)	(2,254)
Other comprehensive income / (loss)			
Exchange differences on translation of foreign operations	(15)	66	(87)
Deferred tax credit - property, plant, and equipment	-	77	-
(Loss) attributable to equity holders of the parent	**(891)**	**(2,102)**	**(2,341)**

PENNANT INTERNATIONAL GROUP plc
CONSOLIDATED STATEMENT OF FINANCIAL POSITION as at 30 June 2026

	Six months ended 30 June 2026 Unaudited £000s	Six months ended 30 June 2025 Unaudited £000s	Year ended 31 December 2025 Audited £000s
Non-current assets			
Goodwill	2,486	2,455	2,481
Other intangible assets	5,079	4,155	4,861
Property plant and equipment	348	396	346
Right of use asset	631	513	845
Deferred tax asset	663	639	644
Total non-current assets	**9,207**	**8,158**	**9,177**
Current assets			
Inventories	662	652	686
Trade and other receivables	2,853	1,743	1,454
Current tax receivable	369	447	377
Assets held for sale	-	1,113	-
Cash and cash equivalents	147	674	466
Total current assets	**4,031**	**4,629**	**2,983**
Total assets	**13,238**	**12,787**	**12,160**
Current liabilities			
Trade and other payables	5,389	3,145	3,335
Bank overdraft	1,111	2,734	679
Loans	-	-	323
Current tax payable	-	-	6
Lease liabilities	205	167	228
Total current liabilities	**6,705**	**6,046**	**4,571**
Net current liabilities	**(2,674)**	**(1,417)**	**(1,588)**
Non-current liabilities			
Lease liabilities	460	412	675
Warranty provisions	5	69	5
Total non-current liabilities	465	481	680
Total liabilities	**7,170**	**6,527**	**5,251**
Net assets	**6,068**	**6,260**	**6,909**
Equity			
Share capital	2,382	2,162	2,378
Share premium	7,123	6,457	7,117
Capital redemption reserve	200	200	200
Retained earnings	(3,450)	(2,598)	(2,614)
Translation reserve	(187)	(19)	(172)
Revaluation reserve	-	58	-
Total equity	**6,068**	**6,260**	**6,909**

PENNANT INTERNATIONAL GROUP plc
CONSOLIDATED STATEMENT OF CASH FLOWS for the six months ended 30 June 2026

	Six months ended 30 June 2026 Unaudited £000s	Six months ended 30 June 2025 Unaudited £000s	Year ended 31 December 2025 Audited £000s
Net cash generated from / (used in) operating activities	**610**	**(837)**	**101**
Investing activities			
Interest received	-	-	1
Deferred consideration paid in respect of prior year acquisition	-	(411)	(318)
Investment in intangible assets	(772)	(612)	(1,681)
Purchase of property plant and equipment	(75)	(26)	(43)
Proceeds from disposal of property, plant, and equipment	-	2,038	3,163
Net cash (used in) / generated from investing activities	**(847)**	**989**	**1,122**
Financing activities			
Proceeds from issue of ordinary shares	-	-	876
Proceeds from Shareholder Loan	-	-	320
Repayment of shareholder loan	(320)	-	-
Repayment of lease liabilities	(168)	(26)	(254)
Net cash (used in) / generated from financing activities	**(488)**	**(26)**	**942**
Net (decrease) /increase in cash and cash equivalents	**(725)**	**126**	**2,165**
Cash and cash equivalents at beginning of period	(213)	(2,285)	(2,285)
Effect of foreign exchange rates	(26)	99	(93)
Cash and cash equivalents at end of period	**(964)**	**(2,060)**	**(213)**

Cash and cash equivalents consists of Cash at bank of £147k net of short-term borrowings (bank overdraft) of £1,111k.

PENNANT INTERNATIONAL GROUP plc
STATEMENT OF CHANGES IN EQUITY for the six months ended 30 June 2026

	Share capital	Share premium	Capital redemption reserve	Retained earnings	Translation reserve	Revaluation reserve	Total equity
At 1 January 2026	**2,378**	**7,117**	**200**	**(2,614)**	**(172)**	**-**	**6,909**
Loss for the period	-	-	-	(876)	-	-	(876)
Other comprehensive loss	-	-	-	-	(15)	-	(15)
	-	**-**	**-**	**(876)**	**(15)**	**-**	**(891)**
Issue of new ordinary shares	4	6	-	-	-	-	10
Recognition of share-based payment	-	-	-	40	-	-	40
At 30 June 2026	**2,382**	**7,123**	**200**	**(3,450)**	**(187)**	**-**	**6,068**

	Share capital	Share premium	Capital redemption reserve	Retained earnings	Translation reserve	Revaluation reserve	Total equity
At 1 January 2025	**2,162**	**6,457**	**200**	**(495)**	**(85)**	**105**	**8,344**
Loss for the period	-	-	-	(2,245)	-	-	(2,245)
Other comprehensive Income	-	-	-	-	66	77	143
	-	**-**	**-**	**(2,245)**	**66**	**77**	**(2,102)**
Recognition of share-based payment	-	-	-	18	-	-	18
Transfer from revaluation reserve	-	-	-	124	-	(124)	-
At 30 June 2025	**2,162**	**6,457**	**200**	**(2,598)**	**(19)**	**58**	**6,260**

	Share capital	Share premium	Capital redemption reserve	Retained earnings	Translation reserve	Revaluation reserve	Total equity
At 1 January 2025	**2,162**	**6,457**	**200**	**(495)**	**(85)**	**105**	**8,344**
Loss for the year	-	-	-	(2,254)	-	-	(2,254)
Other comprehensive loss	-	-	-	-	(87)	-	(87)
	-	**-**	**-**	**(2,254)**	**(87)**	**-**	**(2,341)**
Issue of new ordinary shares	216	714	-	**-**	-	-	930
Issue costs	-	(54)	-	**-**	-	-	(54)
Recognition of share-based payment	-	-	-	30	-	-	30
Transfer from revaluation reserve	-	-	-	105	-	(105)	-
At 31 December 2025	**2,378**	**7,117**	**200**	**(2,614)**	**(172)**	**-**	**6,909**

PENNANT INTERNATIONAL GROUP plc
NOTES TO THE FINANCIAL INFORMATION for the six months ended 30 June 2026

1. Basis of preparation

This condensed set of financial statements has been prepared using accounting policies expected to be adopted for the year ending 31 December 2026.

The interim financial information in this report has been prepared using accounting policies consistent with International Financial Reporting Standards (IFRS) as adopted by the United Kingdom.

The comparative figures for the year ended 31 December 2025 set out in this Interim Report are not statutory accounts within the meaning of section 434 of the Companies Act 2006 ("the Act"). A copy of the statutory accounts for that year has been delivered to the Registrar of Companies. The auditors reported on those accounts; their report was unqualified and did not contain a statement under s498 (2) or s498(3) of the Companies Act 2006. The audit report drew attention by way of emphasis to a material uncertainty relating to going concern.

AIM-quoted companies are not required to comply with IAS34 'Interim Financial Reporting', and the Group has taken advantage of this exemption.

Going Concern

The Directors have, as part of the interim results process, undertaken an assessment of the future prospects of the Company and its subsidiary undertakings (the 'Group'), taking into account the Group's current position and principal risks. This review considered both the Group's prospects and also its ability to continue in operation and to meet its liabilities as they fall due over the eighteen-month period following approval of these interim financial statements.

The Directors have prepared cash flow projections to 31 December 2027 to support their decision to use the going concern basis and these projections rely on future cash flows from new business which is not yet secured and for which timings are uncertain. The Directors have concluded that there are scenarios whereby the levels of forecast new business converted, or the timings of conversion are delayed which represents a material uncertainty that may cast significant doubt upon the Group's ability to continue as a going concern – scenarios under which the Group may be unable to realise its assets and discharge its liabilities in the normal course of business.

Nevertheless, after making enquiries and considering the uncertainties described above, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Should the Group not achieve budgeted revenue projections, management would look to address its cash costs and/or raise capital from several different funding options. For these reasons, we continue to adopt the going concern basis of accounting in preparing the interim financial statements

2. Loss per share

Basic loss per share is calculated by dividing the loss for the period attributable to the shareholders by the weighted average number of shares in issue. The calculation of diluted loss per share does not consider the potentially diluting effect of share options as this impact would be antidilutive to the losses attributable to equity shareholders.

	Six months ended 30 June 2026 Unaudited	Six months ended 30 June 2025 Unaudited	Year ended 31 December 2025 Audited
	£000s	£000s	£000s
Loss			
Loss attributable to equity shareholders	(876)	(2,245)	(2,254)
Number of shares	Number	Number	Number
Weighted average number of ordinary shares	46,861,300	43,086,205	44,675,257
Diluting effect of share options	-	-	-
Weighted average number of ordinary shares for the purpose of dilutive loss per share	46,861,300	43,086,205	44,675,257
Loss per share (basic)	(1.87p)	(5.21p)	(5.04p)
Loss per share (diluted)	(1.87p)	(5.21p)	(5.04p)

3. Cash generated from operations

	Six months ended 30 June 2026 Unaudited	Six months ended 30 June 2025 Unaudited	Year ended 31 December 2025 Audited
	£000s	**£000s**	**£000s**
Loss for the period	**(876)**	**(2,245)**	**(2,254)**
Finance income	-	-	(1)
Finance costs	102	174	325
Tax charge / (credit)	-	40	(310)
Depreciation of property, plant, and equipment	93	100	164
Depreciation of right-of-use assets	126	73	189
Profit on disposal of property	-	(98)	(94)
Loss on disposal of right of use assets	6	-	6
Amortisation of other intangible assets	555	675	1,038
Other income – RDEC	(65)	(53)	(165)
Share-based-payment	40	18	30
Operating cash flows before movement in working capital	**(19)**	**(1,316)**	**(1,072)**
(Increase) / decrease in receivables	(1,399)	612	901
Decrease / (increase) in inventories	24	(35)	(69)
Increase / (decrease) in payables and provisions	2,055	(106)	(3)
Cash generated from / (used in) operations	**661**	**(845)**	**(243)**
Tax received	8	182	749
Interest paid	(59)	(174)	(405)
Net cash generated from / (used in) from operations	**610**	**(837)**	**101**

4. Reconciliation of statutory to adjusted loss before tax for the period

The 'adjusted' income statement excludes exceptional items, share-based payment charges, gains on disposal of property, plant and equipment, and acquired intangible amortisation, and has been presented to aid understanding of our recurring trade and operations.

Certain incomes and expenditures are presented as an 'exceptional item' on the face of the consolidated income statement as they are seen by the Board as non-recurring transactions or one-off in nature.

	Six months ended 30 June 2026 Unaudited			**Six months ended 30 June 2025 Unaudited**			**Year Ended 31 December 2025 Audited**		
	Statutory	**Adjusting Items**	**Adjusted**	**Statutory**	**Adjusting Items**	**Adjusted**	**Statutory**	**Adjusting Items**	**Adjusted**
	£000s	**£000s**	**£000s**	**£000s**	**£000s**	**£000s**	**£000s**	**£000s**	**£000s**
Revenue	5,816	-	**5,816**	4,493	-	**4,493**	9,662	-	**9,662**
Gross profit	3,120	-	**3,120**	1,988	-	**1,988**	4,764	-	**4,764**
Gross profit %	54%	-	**54%**	44%	-	**44%**	49%	-	**49%**
Other income	329	-	**329**	53	-	**53**	199	-	**199**
Administrative costs	(4,223)	590	**(3,633)**	(4,072)	211*	**(3,861)**	(7,203)	588	**(6,615)**
Net interest costs	(102)	-	**(102)**	(174)	-	**(174)**	(324)	-	**(324)**
Loss before tax	**(876)**	**590**	**(286)**	**(2,205)**	**211**	**(1,994)**	**(2,564)**	**588**	**(1,976)**
Amortisation	555	(54)	**501**	675	(115)*	**560**	1,038	(230)	**808**
Depreciation	219	-	**219**	173	-	**173**	353	-	**353**
Interest costs	102	-	**102**	174	-	**174**	324	-	**324**
EBITDA	-	**536**	**536**	**(1,183)**	**96**	**(1,087)**	**(849)**	**358**	**(491)**

Adjusting items comprise exceptional costs, share-based payments, disposal gains or losses and acquired intangible amortisation. See the detailed reconciliation below.

Details of adjusted items	**Six months ended 30 June 2026 Unaudited**	**Six months ended 30 June 2025 Unaudited**	**Year ended 31 December 2025 Audited**
	£000s	**£000s**	**£000s**
Exceptional items - Restructuring costs	416	156	295
Exceptional items - Legal, professional & advisory costs	74	20	119
Share-based payment	40	18	30
Profit from disposal of available for sale assets	-	(96)	(86)
Loss/(profit) from disposal of property, plant and equipment	6	(2)	-
Acquired intangible asset amortisation	54	115*	230
Total of Adjusting items	**590**	**211 ***	**588**

**Following management review there has been a reduction of amortisation of £146k to align with the underlying accounting records, there is no impact on the statutory loss before tax or EBITDA.*