

Annual Report and Accounts 2025



Where we outperform the market



Greater
connectivity



Higher
performance



High
frequency



Low
latency



Large
bandwidth

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History of Innovation

1970	1977 Company founded by Professor David Rhodes at Leeds University.	1979 First employees recruited.	1980	1989 Filtronic components receive a Queens award for technology. Wireless infrastructure business established.	1990	1992 Filtronic Comtek established to focus on 2G – global systems for (GSM).	1994 Filtronic Comtek plc listed on the UK stock exchange.	
1990	1999 Acquisition of Fujitsu Silicon plant in Newton Aycliffe to produce GaAs (Gallium Arsenide) wafers.	2000	2002 Triton chipset, transmit and receive multi-function MMICs developed for mobile backhaul.	2003 Company reorganises into three divisions: Wireless Infrastructure, Handset Products and Integrated Products.	2010	2011 Development of mmWave capabilities, including Theseus, Orpheus and Morpheus II.	2013 Headquarters relocate to NETPark science park in Sedgefield, County Durham.	2015 Company listing moves to the AIM stock market.
2010	2017 Launch of contract manufacturing services, principally for aerospace and defence.	2020	2020 Launched Morpheus II, market leading transceiver product and Tower Top Amplifier range.	2021 Awarded Queen's Award for Enterprise: International Trade.	2022 Launched Hades E-band Active Diplexer and extended range of Cerus high-power amplifiers.	2023 Launched Morpheus X2, Taurus and Hades X2	2023 Awarded King's Award for Enterprise: Innovation	
2020	2023 ESA funded project	2023 DTEP Funding	2023 Leonardo - Supplier Innovation Award	2024 Strategic partnership with Space X	2025 Part of ESA/ Viasat D2D project			

Our Values and Purpose

Integrity

Act with integrity; being honest, always keeping our promises.

Respect

Be respectful to all; it is the foundation of our culture.

Excellence

Strive for excellence; it is what our customers and colleagues expect and what we endeavour to deliver.

Our purpose

To be the trusted provider of innovative RF solutions.

Our vision

Enabling the future of RF, Microwave and mmWave communication.

Our mission

Creating value for our customers through technology leadership.

New contract wins in the year include



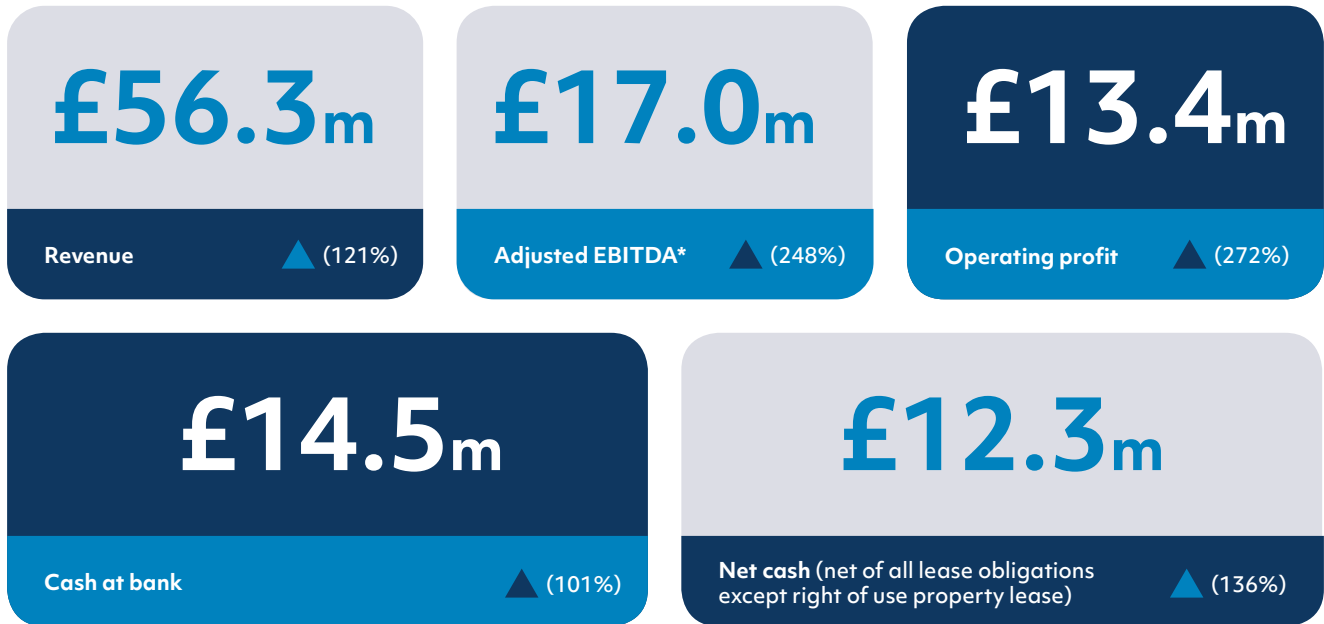
LEONARDO

Viasat

AIRBUS

Operational Highlights

Financial highlights



*Adjusted EBITDA is earnings before interest, taxation, depreciation, amortisation, share-based payments and share warrant charge

Operational highlights

Strong execution against growth strategy

- Transformational performance reflecting successful delivery against Filtronic's growth strategy and of project milestones with the Group's key strategic partner providing the foundations for continued close relationship and further contract expansion.
- Strengthened go to market capability with new leadership team appointments, restructured the commercial team to better align with prime contractors and opened a new Cambridge office attracting top-tier RF and software engineering talent.
- Move to a new custom-built facility in Sedgefield underway for completion H1 FY2026, doubling the Group's UK manufacturing footprint, to meet growing demand for the Group's products.

Expanding engagement across Space and Aerospace and Defence markets

- Record order intake in the Space sector, including a landmark agreement with SpaceX, and new contract awards with Viasat, European Space Agency and Airbus.
- Strengthening position in the Defence sector, demonstrated by the recent airborne radar application contract with Leonardo and progress made with the QinetiQ and BAE Maritime Systems programmes.

Continued innovation to support scaling

- Expanded development into higher-frequency RF bands, notably V-band, unlocking new market opportunities and achieved an important milestone with the successful launch of Prometheus, the highest-power Solid State Power Amplifier on the market.
- Accelerated transition from Gallium Arsenide (GaAs) to Gallium Nitride (GaN) technology enabling higher performance for satellite and defence systems with the GaN based product range to be launched in 2026.



Chairman's statement

Dear fellow shareholder

For the year ended 31 May 2025

FY2025 has been an excellent year for Filtronic plc, marked by exceptional operational execution, accelerated growth, and strategic wins across our core markets. Building on the momentum established in FY2024, we entered this year with conviction—and have delivered record-breaking performance across multiple fronts.

Financial review

Trading in the second half of the year materially exceeded expectations, driven by our ability to consistently meet and exceed project milestones with our key customer. This enabled deeper engagement with them, providing us with the funding and products to replicate this success more widely in future years.

With our expanded manufacturing capacity now fully operational, the Group delivered revenue of £56.3m (FY2024: £25.4m), operating profit of £13.4m (FY2024: £3.6m) and adjusted EBITDA of £17.0m (FY2024: £4.9m)—more than double and triple the previous year's results, respectively.

We ended the year in a strong financial position with £14.5 million of cash at bank (FY2024: £7.2m) and £12.3 million in net cash (FY2024: £5.2m), providing a solid foundation for further investment and strategic growth.

Operational review

Filtronic operates in complex, fast-evolving markets—ranging from aerospace and defence to space and critical communications. While we anticipate continued macroeconomic and geopolitical volatility in the coming 12 months, the underlying demand for advanced RF and mmWave solutions remains strong.

We have a clear five-year product and technology roadmap and have made targeted investments in our customer-facing functions to ensure close alignment with client needs. These efforts are already yielding greater market insight, sharper product focus, and promising new business opportunities.

Innovation remains central to our strategy, driving the development of advanced technologies that enhance secure, high-performance connectivity across diverse domains and platforms. We anticipate the newly launched Prometheus V band amplifier and the development of a semiconductor chipset platform for rollout in early 2026 will both be important avenues of future growth.

Post period end, we secured the largest contract in Filtronic's recent history of \$32.5m (£24.0m). This followed new contract awards from Leonardo in defence and Airbus in satellite communications, affirming the value of our technology across aerospace, defence, and space infrastructure domains.



These wins not only demonstrate the technical excellence of our engineering teams but also reflect the confidence that global industry leaders place in Filtronic to deliver mission-critical communications solutions.

Dividend Policy

Our strategic focus remains firmly on long-term value creation. Given the significant growth opportunities ahead, we are not proposing a dividend for FY2025. We believe retaining capital to invest in technology development, talent acquisition, and infrastructure expansion is the most effective way to drive sustainable shareholder returns.

Sustainability and Talent

We operate in long-cycle, high-growth markets where sustained innovation and execution is critical. To continue to succeed, we must continue to be a partner of choice—delivering innovative, high-value products through a globally connected supply chain and customer network.

A truly sustainable organisation is one that can attract, retain, and develop top talent. In the last twelve months, we have expanded to four engineering and two manufacturing sites offering exciting roles for both early-career and experienced professionals.

Resource efficiency is also a key strategic priority. Whether through energy, materials, water, or time, we are focused on reducing waste and maximising productivity across all functions. Our upcoming move to a new consolidated manufacturing facility will play a pivotal role in this regard—seamlessly integrating the additional capacity brought online during FY2025 and setting the stage for smooth operations in FY2026 and beyond.

Outlook

We enter FY2026 facing headwinds from a weakened USD but with a growing pipeline and increased customer engagement across multiple markets. With a robust order book, world-class talent, and a clear innovation strategy, we are well-positioned to lead in the converging sectors of communications, aerospace and defence, and space.

We remain confident that by focusing on what is within our control—engineering quality, customer intimacy, and operational agility—we are positioned for long-term relevance and success.

Our typical sale, design-in, and production cycles range from one to three years, offering the opportunity to grow and extend the long-term visibility of our customer order book.

I would like to extend my sincere thanks to our employees, customers, shareholders, and partners for their continued commitment and support.

Jonathan Neale
Chairman
28 July 2025

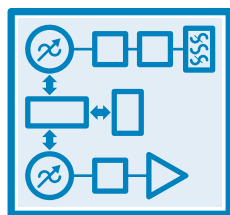


Pictured: Cerus 32

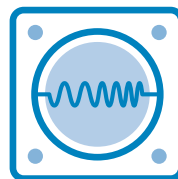
What we specialise in:



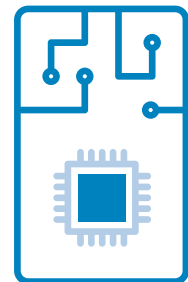
**Mission critical
communications**



**Customised
RF Sub-systems**



**300MHz to 300GHz
design, manufacture
& test**



**Hybrid
manufacturing
services**



Chief Executive's review

As I reflect on the financial year 2025, and my first as CEO, I am extremely proud of the progress we have made. It is clear that this has been a transformational period for Filtronic — one defined by commercial success, operational scale-up, and continued technical innovation, all of which translated into a strong financial performance for FY2025.

Financial performance

Our financial performance in FY2025 reflects delivery against our growth strategy. Revenue increased by 121% to £56.3m (FY2024: £25.4m), building on the 56% growth already achieved in the prior year. Profitability improved, with operating profit increasing to £13.4m (FY2024: £3.6m) and adjusted EBITDA rising to £17.0m (FY2024: £4.9m) and gross margins benefited from a greater proportion of business coming from higher-value space and aerospace and defence contracts, proving our ability to ramp quickly and respond to market needs.

Operations and innovation

A defining moment in the year was delivering significantly increased demand from our key customer in the space sector. This required a step change in production volumes and operational complexity, which we achieved through targeted investment in production equipment, talent, and process automation. Our ability to deliver on time, at scale, and to exacting quality standards has built our credibility with this strategic customer and demonstrated our ability to support long-term, high-volume programmes. We are also continuing to see wider engagement with other established verticals of the European space market, demonstrated by the contract wins with Viasat and the European Space Agency, supplying technology for the direct to device market, in addition to an order to supply Airbus for its system on the OneWeb constellation.

In parallel, we advanced our organisational structure, required to position Filtronic for the next phase of growth. This included strengthening our leadership team with key new appointments, developing our commercial team to enhance and accelerate customer engagement and implementing improvements in programme management to ensure on-time delivery of more complex programmes.

We have also maintained a focus on the development and execution of our technology roadmap to ensure Filtronic remains at the leading edge of RF and mmWave innovation. This year, we advanced key technology and product developments that support our growth market opportunities for several years to come.

Our commitment to innovation remains central to our strategy. This year, we have progressed the transition of core technologies from Gallium Arsenide (GaAs) to Gallium Nitride (GaN) processes, enabling higher power, improved efficiency, and greater thermal performance—



critical advantages for aerospace and defence and satellite communications applications. Alongside this, we expanded development efforts into other high-frequency RF bands, most notably V Band, which is anticipated for wider market adoption. A significant milestone in FY2025 was the launch of Prometheus, the highest power Solid State Power Amplifier ("SSPA") on the market, capable of very high frequency communications for Geostationary satellites. FY2026 will see a launch of a range of products based on our GaN technology, which will achieve power levels and performance that will be world leading.



Pictured: Our new purpose built design and manufacturing centre of excellence

Our markets

The convergence of space, aerospace and defence, and communications is accelerating — driven by the need for high-frequency, secure, and resilient communications infrastructure and Filtronic is well-positioned to capitalise on this significant medium-term market opportunity. Key growth drivers include accelerating satellite launches, global 5G base station rollouts, rising military expenditure, and a shift toward higher spectrum frequencies and advanced component technologies such as GaN. With a strong foundation in high-frequency connectivity solutions and a sharpened organisational structure, we are investing in go-to-market strategies and infrastructure to expand our customer orderbook and enhance long-term revenue visibility.

Our technology and product roadmaps have been designed specifically to support these markets and capitalise on the convergence and emerging needs over the next several years. Our roadmaps are aligned with key programmes to ensure we have the right products and capabilities in time and support our growth projections.

People and investment

The investment in our commercial team, including a new Chief Commercial Officer, has already ensured an expansion and acceleration of our opportunities. In FY2026, we will further evolve our go-to-market model to build strategic relationships earlier in programme lifecycles and align more closely with the buying behaviours of large primes and government-led initiatives. We will also deepen our activities in the European and US markets while actively expanding our pipeline and opportunities in other global regions.

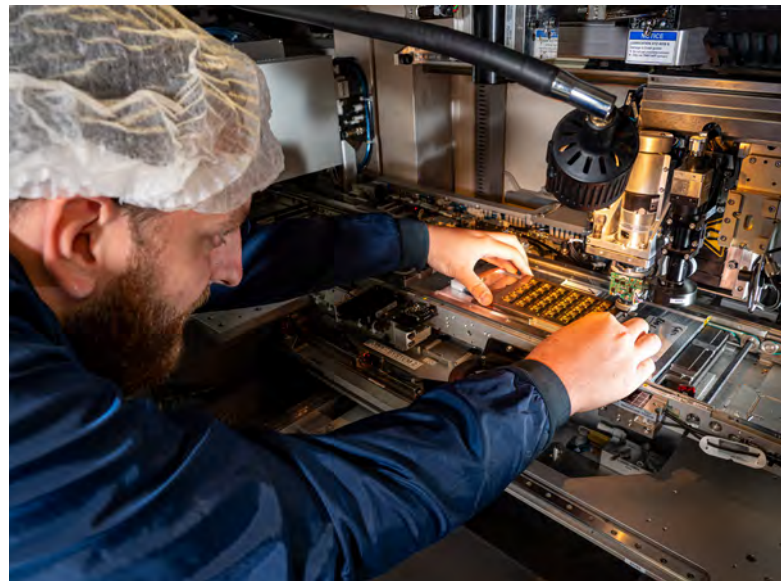
This year, we successfully scaled our engineering function to support more complex and concurrent programmes. This included the opening of our Cambridge office, which has allowed us to tap into a larger pool of engineering talent. This has already proved to be a great success, with rapid expansion of the team, and three development programmes already running there. The mission of the Cambridge site is also to support our strategic initiative of moving up the value chain, by expanding our capabilities beyond pure RF into digital, software and system level expertise.

Outlook

We enter FY2026 with good commercial momentum, a robust order book, and an organisation capable of scaling further. Early trading has been encouraging, with continued demand from space and aerospace and defence customers and a growing pipeline of opportunities. We are focused on broadening the customer base, completing key technology developments and relocating our state-of-the-art manufacturing site in Sedgefield to a new facility at the same science and technology park.

The medium-term outlook is positive, and I am confident in our ability to build a sustainable high-growth, high-performance business that plays a critical role in the future of global communications infrastructure.

Nat Edington
Chief Executive Officer
28 July 2025



Market review

High-frequency, high-performance data communications

Pioneering high-performance datalinks that connect the surface, sky, and space — shaping tomorrow's high-speed wireless networks.

At Filtronic, we excel across surface, sky and space, delivering high-performance, high-frequency, high-power, high-reliability RF solutions with exceptional yield. From our UK facilities, we design and manufacture SSPAs, TxRx, TR modules, frequency converters, filters and hybrid manufacturing services.

Renowned for terrestrial performance and reliability, we are pushing boundaries in non-terrestrial applications. We supply trusted, scalable RF components and subsystems for Low Earth Orbit ("LEO") satellites, High Altitude Pseudo Satellites ("HAPS"), ground stations and payloads — with customers like SpaceX relying on our mission-critical amplifiers and transceivers. Our innovations include the first 40Gbps stratosphere-to-ground link and the first commercial E-band earth station antenna,

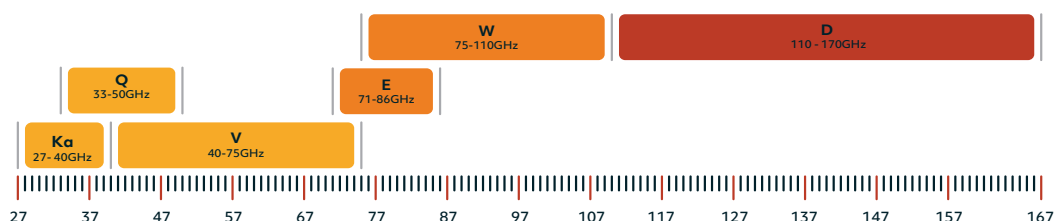
transforming 5G latency and throughput.

In defence, we enable secure sensing, protection and communication through RF, microwave and mmWave technologies. We collaborate closely with clients, delivering compliant, reliable products as an integral supply chain partner - recognised with awards for outstanding contribution.

For telecommunications, we provide ultra-high-capacity, highly-linear mmWave transceivers and amplifiers, enabling 4G/5G Xhaul with superior SWaP, power and bandwidth. Trusted by two of the world's top three OEMs, our solutions reduce time to market, improve competitiveness and perform in the most demanding networks worldwide.



WHERE WE EXCEL



Technology capabilities





Strategy

Why our customers choose Filtronic



Speed to market



Lower cost of ownership



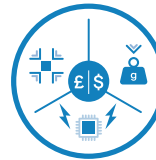
Customisation



Higher performance



Agility



SWaP-C



Engineer to engineer collaboration

Filtronic is a global leader in advanced RF communications, driving innovation, customisation, and collaboration to meet the evolving needs of its customers. With over 45 years of expertise, Filtronic continues to push the boundaries of performance and develop exceptional talent to address the challenges of tomorrow. Its influence extends across the aerospace, defence, and RF technology sectors, particularly in the North East of England and Yorkshire, where it plays a vital role in shaping and strengthening the region's high-tech ecosystem.

Looking ahead, Filtronic is focused on capturing opportunities in two of the most exciting and fast-growing sectors as well as continuing to serve our valued customers in the communications markets:

- Space communications, where demand for high-frequency, high-reliability RF solutions is accelerating as satellite constellations expand.

- Aerospace and defence, where heightened global security challenges are driving increased investment in advanced communications and sensing technologies.

Filtronic's track record, combined with its talented team, innovative culture, and strategic focus, provides confidence in its ability to deliver value, grow its market presence, and shape the future of RF communications.

The company has grown stronger over the past year, reflected in its increased market capitalisation and a series of contract wins with leading players in their respective markets. The Group remains committed to preserving the qualities that underpin its success: rapid development, agile decision-making, and a proven ability to ramp production quickly and bring products to market at pace.

To complement these strengths, the Group is taking deliberate steps to scale the business. This year it accelerated recruitment across key disciplines — particularly in engineering, programme management,

Where we outperform the market



Greater connectivity



Higher performance



High frequency



Low latency



Large bandwidth



Strategy continued

and commercial functions — to ensure the talent is in place to support growth ambitions. The Company also opened a new site in Cambridge, expanding into one of the UK's most vibrant technology clusters and tapping into a wider pool of specialist expertise.

In the North East of England, the Company is preparing to move into a new, larger head office, design centre and manufacturing facility, an investment that will enhance production capacity and capability, enabling it to manage more customers and complex projects with precision and excellence. This is complemented by targeted investments in plant and machinery to further strengthen internal capabilities.

As the Group builds its organisation, it remains committed to robust financial governance while keeping the business nimble, flexible, and fast-moving, ensuring the continued delivery of exceptional outcomes for customers and stakeholders.

Sharpening the strategy: leading through innovation, delivering with precision, growing with purpose.

This year, the Group undertook a strategic review to ensure its long-term plans remain aligned with customer needs, market direction, and its ambition to lead. At the heart of this strategy is a clear focus on developing high-performance RF solutions, moving further up the value chain, and investing heavily in innovation to maintain a competitive edge.

The Company's technology and strategic roadmap have been refined to focus on three critical domains where its expertise delivers the most impact:

- Ground/terrestrial communications, enabling high-speed, high-capacity connectivity.
- Air-based high-frequency, high-power communications, supporting aerospace and defence applications in increasingly challenging environments.
- Space-based high-reliability non-terrestrial network solutions, delivering trusted performance across multiple orbits in the rapidly expanding LEO, MEO, and GEO space markets.

This refined focus is captured in Filtronic's 3S2S strategy - addressing the needs of customers across Space, Sky, and Surface, with solutions that excel in performance, power, frequency, yield, and reliability.

By building on these strategic pillars, the Group is positioning itself as the partner of choice for global technology leaders who demand uncompromising RF performance in the most demanding applications. Its ambition is clear: to lead through innovation, deliver with precision, and grow with purpose.

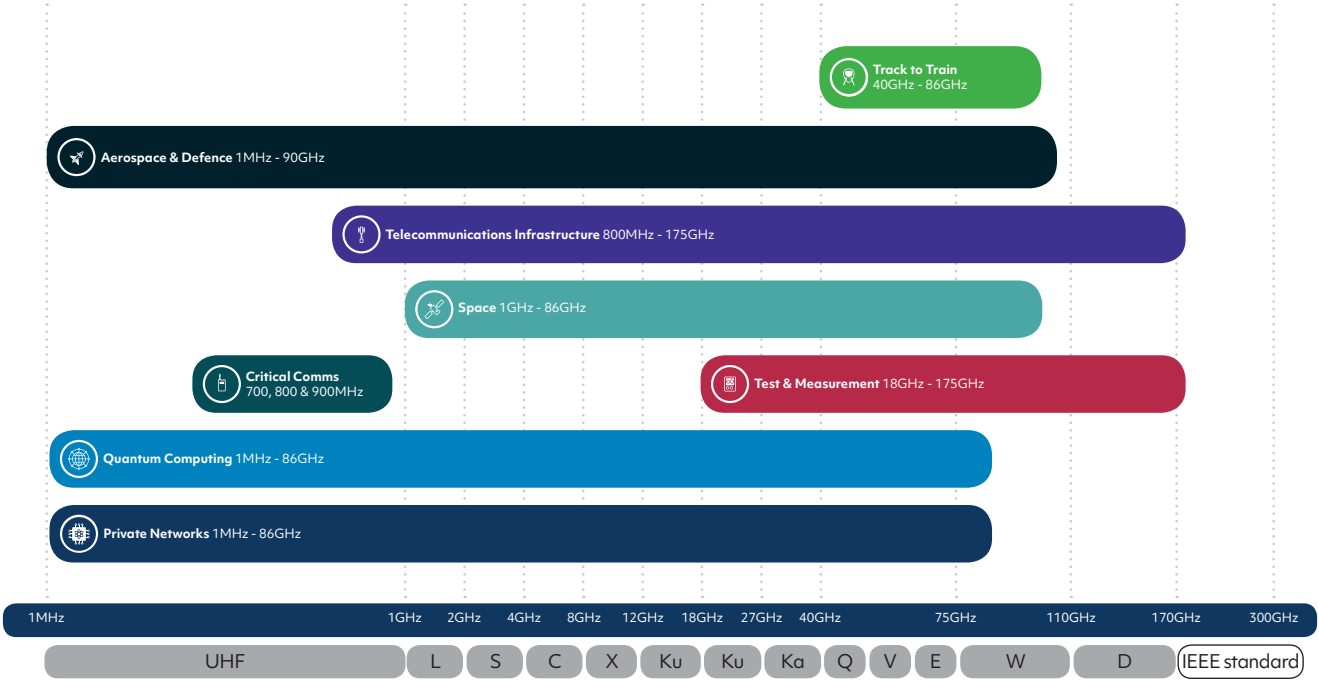
Across surface, sky, and space, the Company works alongside its customers to design and deliver exceptional, high-frequency RF solutions that meet the most demanding performance requirements.

This is achieved by:

- Building deep, long-term partnerships with customers, collaborating closely to tailor solutions to specific needs and challenges.
- Fostering a culture of innovation and advancing the boundaries of RF technology, ensuring its solutions remain at the cutting edge.
- Identifying and pursuing growth opportunities, both in emerging markets and by expanding its presence in established ones.
- Developing strong leadership teams and nurturing a high-performance culture that empowers its people to deliver excellence.

Through this approach, the Group positions itself not just as a supplier, but as a trusted partner, helping global technology leaders innovate and succeed in the evolving world of high-frequency communications.

Frequency table



Strategic report



Financial review

I'm delighted to be a member of a team that delivered strong revenue growth for the second consecutive year, underpinned by rising demand within the high-growth space market. This sustained performance has strengthened the balance sheet and enabled the Group to invest, at pace, ensuring we maintain forward momentum to capitalise on the market opportunity ahead.

It has been a year of significant progress, with the investments made enabling us to add capacity, build capability and enhance our product offerings. Our long-term strategy remains firmly on track with the markets we serve benefitting from structural growth and macroeconomic tailwinds.

FY2025 saw us expand our Strategic Partnership with SpaceX for further alignment of E-band technology. The initial strategic partnership signed in April 2024 was the enabler for the revenue growth of 121% and the adjusted EBITDA growth of 248% to £17.0m (2024: £4.9m), which saw the market expectations upgraded several times in the year.

Revenue growth has been exceptional over the last two years and while our lead customer accounts for a significant percentage of our revenue in FY2025, we expect this concentration to decrease going forward as we execute on a growing pipeline of opportunities elsewhere in the market, in addition to material contracts we have already announced for delivery in FY2026 and beyond.

Revenue

Group revenue increased to £56.3m (2024: £25.4m) demonstrating an ability to scale our operation to meet customer demand requirements. This manufacturing know-how and ability to ramp up production quickly has been developed from years of supplying the high-volume telecoms infrastructure market providing a core competence which is highly valued by our customers in the space and aerospace and defence market.

Revenue growth this year has been driven by our lead customer's expansion of their constellation, contributing 83% (2024: 48%) of revenue in FY2025.

As we move into FY2026, we are determined to diversify our customer base. New space order wins were recently announced with Viasat/European Space Agency and Airbus in the LEO market whilst further contracts were awarded with aerospace and defence customers such as Leonardo. We also have material revenue to be recognised from contracts with the European Space Agency, BAE Maritime and QinetiQ, won in the prior year, which will positively impact FY2026 and beyond.

Revenue from the aerospace and defence sector grew by 11%, reflecting early contributions from new programmes with recently acquired customers. We see momentum building to deliver year-on-year growth in the coming year to this sector. This outlook is supported by compelling sector fundamentals, including a shortage of RF engineering talent, increased focus on sovereign capability, greater engagement by defence primes with



the UK supply chain, and a continued rise in defence spending across Western governments.

Demand in the critical communications market normalised following elevated levels last year, which were driven by the rebound from the global semiconductor shortage. While we expect trading in this sector to remain broadly flat over the coming years, our customer is important and highly valued, and we remain committed to servicing their long-term needs.

IFRS 15 'Revenue from Contracts with Customer' requires the SpaceX share warrants to be treated as a non-cash variable consideration payable to the customer. Therefore, there was a charge to revenue in the year of £1.3m (2024: £nil). Further information can be found in note 27.

Operating costs and headcount

Operating costs increased by 68% in the year to £21.0m (2024: £12.5m) reflecting the accelerated speed at which we are scaling the business to capitalise on the market opportunities. As revenue has grown, we have realigned our cost base to support a larger, more capable organisation that can sustain higher revenue levels and deliver against a broader technology offering and customer base.

The largest area of investment was in our engineering team, where we significantly increased headcount to support both product development and customer delivery. Our success in high-growth markets such as space, servicing high-profile customers, has helped attract an impressive calibre of talent. However, recognising the RF skills gap in the UK, we proactively expanded our access to talent by opening a new engineering design centre in Cambridge at the end of December 2024. The site scaled quickly and has already proven to be an effective addition.

To maintain flexibility and manage workload peaks, we continue to partner with external engineering firms and contract engineering resource on a variable cost basis, especially where niche skills or additional capacity is required.

Manufacturing headcount also increased in the year to meet output demand. This investment proved critical in supporting delivery performance, contributing to an "A" grade awarded by our lead customer in a recent supplier performance evaluation.

Salary-related costs remain the Group's largest overhead, representing 69% of the total operating costs, increasing by 78%, or £6.4 million, and were a large driver of the overall uplift in operating costs. This is reflected in our headcount numbers which increased to 186 (2024: 133) at 31 May 2025 and is analysed below:

Number	2025	2024
Manufacturing	89	73
Research and development	72	39
Sales and marketing	6	7
Administration	19	14
Total headcount	186	133

Engineering capability remains central to our long-term growth strategy. It is particularly encouraging that, in addition to increasing capacity, we also added new skills. This enhanced our ability to deliver more complex customer programmes, accelerate product development, and expand our technology roadmap which positions the Group well to execute on its strategic objectives.

Engineering spend as a percentage of revenue is a critical key performance indicator for the Group, reflecting its importance in driving long-term, sustainable growth. Whilst this metric temporarily lagged earlier in the year due to the pace of revenue growth, a strong recruitment drive in the second half enabled us to close the year just below target at 12% (2024: 11%). Maintaining focus on this metric ensures we are appropriately resourced to capitalise on growth opportunities, accelerate product innovation, and maintain a competitive edge through continued technology leadership.

Other costs increased in line with the ongoing scale-up of the business. This included additional administration resource to manage higher transaction volumes, as well as increased IT infrastructure, recruitment fees and insurance costs. The opening of the new Cambridge engineering site contributed to a rise in property-related expenses. These investments are aligned with our strategy to build a scalable and resilient business, capable of supporting a significantly higher level of trading and sustained long-term growth.

The Group continues to be active in securing grant funding to further support growth initiatives and investment. We benefitted from a further £0.1m of

grant income in the year from the Defence Technology Exploitation Programme ("DTEP") and secured a further £0.2m towards the cost of key engineering capex which is critical for execution of the V-band product roadmap. We are actively engaged in several open calls across both regional funding schemes and national technology grant programmes and remain optimistic about obtaining the funds. This will play a role in continuing to support our innovative roadmaps and capital investment plans.

Adjusted EBITDA

The Group utilises an alternative performance measure ("APM") to provide a clearer view of underlying business performance. This APM is adjusted EBITDA as it measures the quality of earnings without the impact of non-cash expenses such as depreciation, amortisation and share-based payments, including the charge associated with SpaceX share warrants which is recognised against revenue.

Adjusted EBITDA for the year was £17.0m (2024: £4.9m) representing a 248% increase whilst operating profit was £13.4m (2024: £3.6m) representing a 272% increase. This improvement was driven by stronger gross profit on higher revenues, supported by a more favourable sales mix. Notably, the reduced proportion of low margin 5G telecommunications equipment which is characterised by its highly competitive price sensitivity contributed to this improvement in margin.

The table below shows the reconciliation of operating profit delivered at £13.4m (2024: £3.6m) to adjusted EBITDA of £17.0m (2024: £4.9m).

Reconciliation of operating profit to Adjusted EBITDA	2025 £000	2024 £000
Operating profit	13,442	3,610
Depreciation	1,315	945
Amortisation	537	287
Share warrant charge	1,303	-
Share-based payments	414	47
Adjusted EBITDA	17,011	4,889

Taxation

Our tax strategy is aligned with our core values and fits within our overall corporate governance structure. Our strategy ensures that we comply with all tax laws wherever we do business and that we pay all taxes that we are legally required to pay when they fall due. To safeguard our reputation as a responsible taxpayer we do not participate in any tax planning arrangements that do not comply with either the legal interpretation or the spirit of tax laws.

A tax credit of £0.7m (2024: tax charge of £0.2m) was recognised in the year. The Group benefits from R&D tax credits, due to the advancement of science and technology in the new products we develop, which lowers the amount of taxable profit on qualifying R&D activities.



Financial review continued

We also make use of the Annual Investment Allowance ("AIA") which offers tax relief on capital expenditure purchases and utilise first year allowances on capital purchases above the AIA threshold.

Research and development costs ("R&D")

Total R&D costs in the year before capitalisation and amortisation of development costs were £6.7m (2024: £2.8m). The Group incurred engineering costs on a mix of customer funded developments and progression of the technology roadmap.

The Group remains committed to investing in R&D as a key driver for future revenue growth and consequently measures R&D spend as a KPI. Key areas of spend in the year included product development for space applications in both the ground station and the payload, private networks and aerospace and defence. The year ahead will see us continue to invest in the development of our own strategic technology roadmap and proprietary intellectual property ("IP"), enabling us to build long-term shareholder value in the years ahead.

Where product development is customer specific, we seek to receive a Non-Recurring Engineering ("NRE") charge to maintain a healthy flow of cash during the development phase of engineering projects and ensure commitment from our customer. When developing our own technology roadmap and IP, we invest from our own cash reserves. Technology developed for the LEO space market, across multiple frequency bands, in both ground station applications and the payload have been developed exclusively from internal funds this year. Consequently, we capitalised £1.5m of development costs in the year (2024: £0.7m).

Recruitment of RF engineers remains a significant industry-wide challenge. However, we are encouraged by recent successes in attracting new talent across our four UK engineering development sites. To further strengthen our workforce, we are focused on building an organisation fit for the future by increasing graduate recruitment and expanding our apprenticeship programme, ensuring a pipeline of skilled engineers to support our growth ambitions. This aligns well with our sustainability strategy to provide high-quality jobs in the local community.

The Group capitalises its development costs in line with IAS 38 as set out in note 1 to the financial statements. A reconciliation of R&D costs before capitalisation and amortisation can be seen in the table below along with details of our conservative approach to capitalisation of R&D:

Reconciliation of R&D costs	2025 £000	2024 £000
R&D costs in income statement	5,625	2,408
Capitalisation of development costs	1,496	677
Amortisation of development costs	(440)	(245)
R&D cash spent	6,681	2,840

When capitalising development costs, an impairment review is undertaken of each development programme to test the carrying value does not require impairment in line with IAS 36.

Capital expenditure – plant and machinery and right of use assets (excluding property leases)

An elevated level of capital expenditure was undertaken in the year to support expansion plans including initial construction work on the new state-of-the-art facility at Sedgefield which will serve us well for the next phase of growth. Plant and machinery investment related to automated test providing the business with the capability to service other frequency bands in development and new production lines added to deliver the scale up of the operation. The total amount of capital purchased was £4.0m (2024: £1.5m).

Warranty provision

In line with industry practice, the Group provides warranties to customers over the quality and performance of the products it sells. Reflecting a full risk analysis of current commercial contracts at 31 May 2025, the warranty provision was £0.2m (2024: £0.4m).

Dilapidation provision

The Group leases facilities at four sites in the UK and one in the USA with each of the leases requiring the site to be restored to its original condition. At 31 May 2025, the dilapidation provision was £0.3m (2024: £0.0m).

Cash position and banking facilities

The Group recorded an increase in cash and cash equivalents to £14.5m (2024: £7.2m) at the year-end. Cash generated from operating activities in the year was £13.8m (2024: £6.3m) as adjusted EBITDA performance drove cash generation albeit with an increase in working capital synonymous with improved trading.

Net cash, when including all debt except property leases at the end of the period, was £12.3m (2024: £5.2m), whilst overall net cash including property leases was £10.8m (2024: £4.2m).

The Group's banking facilities are provided by Santander UK plc ("Santander"). The Group has a £5.0m Revolving Credit Facility ("RCF") with Santander which was signed in October 2024. This provides a high-level of cash headroom for future growth of the business. As at 31 May 2025 the facility was undrawn (2024: undrawn). Our covenants under this facility are debt service cover and interest cover measures, which have both been met throughout the year with substantial headroom available.

Regular reviews take place of our foreign currency cash flows. The Group undertakes hedging only where there are highly probable future cash flows and to hedge working capital exposures. The Group does most of its trading with customers in US dollars which creates a requirement to put in place a level of hedging contracts against the US dollar surplus that is expected to arise.

Going concern

In assessing going concern, the Board have considered:

- The principal risks faced by the Group which are discussed within the 'Risk management' section of the Annual Report;
- The financial position of the Group including forecasts and financial plans;
- The healthy cash position at 31 May 2025 of £14.5m (2024: £7.2m) and the additional headroom available through the undrawn RCF of £5m (2024: undrawn); and
- Economic headwinds with the potential for customers to reassess their priorities, with opportunities postponed or curtailed.

Following the above considerations, the directors are satisfied that the Group has adequate financial resources to continue in operational existence for a period of at least 12 months from the date of this report. Accordingly, the going concern basis has been adopted in the preparation of the Annual Report for the year ended 31 May 2025.

Michael Tyerman
Chief Financial Officer
28 July 2025

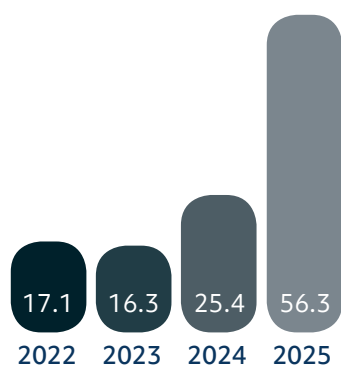


Key performance indicators

The Group's management team uses various Key Performance Indicators ("KPIs") to monitor the financial and non-financial performance of the business. Below are the measures and metrics which the Board believes best indicate the financial performance of the Group's continuing operations.

Revenue (£m)

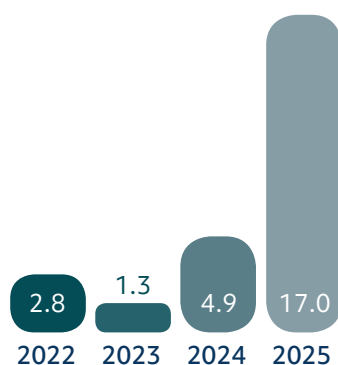
£56.3m



The total amount the Group earns from the sale of products and services.

Adjusted EBITDA (£m)

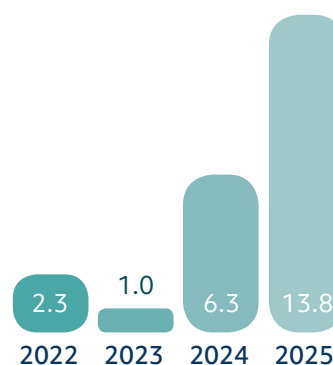
£17.0m



The Board recognises adjusted EBITDA as a key metric of the underlying health of the business.

Cash generated from operating activities (£m)

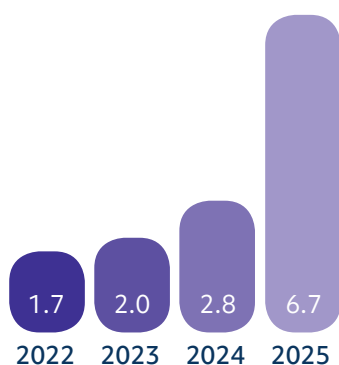
£13.8m



The Board recognises that cash flow from operating activities indicates whether the Group is able to generate sufficient positive cash flow to maintain and grow its operations, or it may require external funding for financing.

R&D costs (£m)

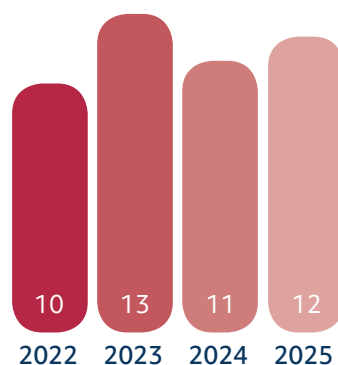
£6.7m



The Board recognises that the Group needs to invest in new products, capabilities and technologies to participate in a technology-driven market and measures the investment made in research and development.

R&D costs as percentage of revenue (%)

12%



The Board recognises that the Group needs to invest in new products, capabilities and technologies to participate in a technology-driven market and measures the investment made in research and development.

Risk management

The Board recognises strong risk management is key to our success and achievement of our strategic objectives. A rigorous assessment of the principal risks facing the Group is regularly undertaken with quick and effective responses taken when needed. These principal risks carry financial, operational and compliance impacts including those that threaten the business model, strategy, future performance, solvency and liquidity. They are identified based on the likelihood of occurrence and the severity of impact on the Group that could result in damage to our reputation or business performance.

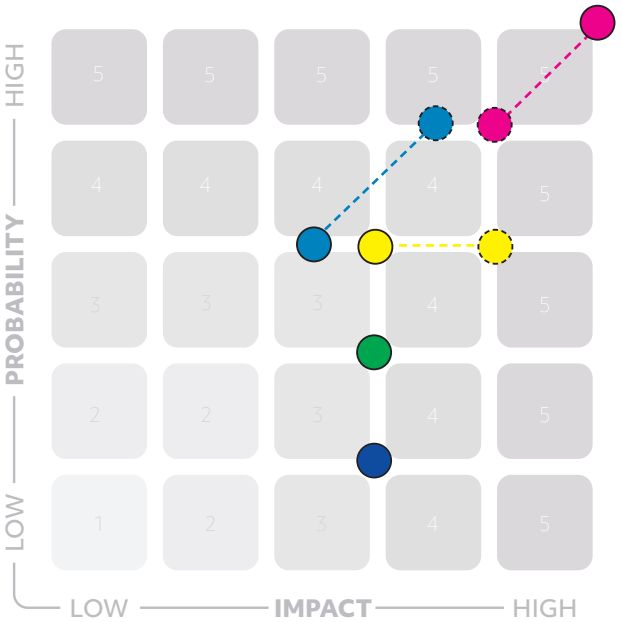
Approach to managing risk

The Board is ultimately responsible for the overall risk management system and internal controls applied throughout the Group to ensure a structured and appropriate approach to risk is taken in line with strategic priorities and risk appetite. The Audit and Risk Committee has oversight of risk management and reports to the Board with its findings. The directors recognise that risk is inherent in any business so actively manages rather than eliminates risk to achieve business objectives which includes review of the effectiveness of these controls.

Risk management within the Group is managed by the Risk Management Committee made up predominantly of the Senior Leadership Team including the Executive Directors.

The team is responsible for:

- Identifying the risk and the negative and positive risk circumstances;



Key:

- Market requirements
- Technology
- Recruitment
- Reliance of key customers
- Cyber risk
- Risk score for prior year

- Assessing and evaluating the likelihood and impact of those risks;
- Reporting the risk; and
- Managing the key risks in accordance with established processes under the Group's operational policies and controls.

This process includes a regular review of the Group's risk register considering existing and emerging risks, risk scores and mitigation action plans prepared by risk owners to manage and reduce the risk. Reporting within the Group is structured so that key issues can be escalated rapidly through the management team to the Board where appropriate.



Risk management continued

Managing new emerging risks

We monitor new and emerging risks closely. In the year, we continued to monitor recruitment despite recent success, as we scaled the business to manage the growing pipeline of projects that are being actively managed.

We have not added any new major risks to the risk register, but the USA tariff situation is regularly appraised although it is not currently seen as a major risk. The relocation of our facility to a larger site in Sedgefield is another risk we appraise as part of the process. We have not downgraded any significant risks from the register of significant risks and uncertainties but have been able to successfully reduce some of them in the year which are presented in the table below.

Risks also present opportunities as well as potential downside; the challenge to scale our business with talented people not only represents a risk, but is also an opportunity to build our internal capacity to manage

more projects. Therefore, enabling execution to achieve our growth plans.

We have mitigating plans to cover each of the risks we manage and meet regularly as a Risk Management Committee to discuss these material risks.

In the year ahead, our priorities remain focussed on broadening the customer base and acquiring new clients in our strategic markets. We will also build capacity in our engineering teams to minimise the risk that project timelines are not met, given the volume of programmes we are actively managing, to support customers and develop our own technology. We experienced significant success in the prior year, increasing headcount in the organisation by 40%, but as the opportunity pipeline and volume of projects increases we need to recruit additional engineers to ensure we have the right skills and bandwidth within our engineering team.

Our principal risks and uncertainties

Risk	Risk description	Mitigation actions	Change in year
Reliance on key customers 	Our revenue is currently weighted towards our largest customers. The loss of any of these customers, material reduction in orders from any such customer or the timing of customer projects may have a material adverse effect upon Filtronic's financial condition.	Our largest customers are very successful in their respective markets, and each has a long-established relationship with Filtronic. We continue to win further contracts with our existing customers and have good outlook visibility as well as being actively engaged with them on new opportunities. With strong fundamentals in the markets we serve, we remain confident we can reduce this risk and develop a customer base that is more diverse. The Group has strong account management strategies and mitigates this risk by working closely with customers, at all levels, to ensure that we are designed into their new products at an early stage, enabling us to develop products that meet their specifications and requirements. We provide customers with a well-resourced programme and a high level of service with a focus on product quality and delivery which enables high customer retention rates. To broaden the customer base, we won several contracts with new customers in the year, including Airbus, Onweb and Viasat to add to other recent strategic customer acquisitions such as BAE, QinetiQ and the European Space Agency, across several different markets that may lead to significant business in the future. In the short-term, the risk has increased due to significant order intake from SpaceX driving revenue growth, but as detailed above we expect to reduce this dependency. Having strengthened the business development function in FY2025, we are looking to strengthen further in FY2026 in both the direct and indirect channels, giving confidence this risk can be reduced.	

Risk	Risk description	Mitigation actions	Change in year
Failure to deliver projects on time or to specification 	The markets we supply into are time-sensitive and opportunities may be lost if we fail to achieve customer specification or meet the timescales required to match market demand. This may also impact on future revenue. For products in the production cycle, technology insertion is often required as a means of achieving cost reductions to improve product margins. Our product competitiveness is heavily influenced by technology choices at product concept stage and throughout the execution of design to product launch. If the technology we develop is inappropriate this could result in missed opportunities.	Our ability to remain competitive in terms of technology and product design is underpinned by retaining key employees, talent acquisition and effective design methodologies. We work closely with our customers and suppliers to gain a thorough knowledge of the technology being developed in the marketplace. We are also members of key forums such as The European Telecommunications Standards Institute (ETSI). By staying close to the market, we position ourselves to react quickly to any technology changes that develop. When undertaking new product developments, we follow a process which facilitates a thorough review of the engineering development at various milestones throughout the project. This methodology is designed to ensure the product has no design defects, meets the required specification and is on time to exploit the market opportunity. We have a project management team to ensure compliance with our engineering development process and drive the project through to completion on time and within budget. We strengthened this function in FY2025 which we expect to significantly mitigate this risk going forward. In order to protect our intellectual property, we maintain and apply for patents when appropriate and actively encourage innovation in our engineering team through a reward process.	
Failure to identify market requirements 	With the rapid evolution of product technology and other corporate decisions, the size of our addressable market may be affected. Failure to forecast market movements correctly thus missing opportunities or wrongly predicting product longevity could impact on long-term revenue and profit.	In a market of rapid technology changes, it is imperative the Group chooses opportunities that will yield a good rate of return and have an extended product life. All new opportunities are appraised to ensure there is a good match between our capacity, capabilities and likely adoption in a growing market with a good rate of return. The appraisal process includes regular communication with our customers including key members of our engineering teams to ensure we are developing innovative products that deliver the technical solutions needed by the market. This process also assists in the formulation of the technology roadmap to ensure it is aligned to the needs of our customers which augments the work we undertake to develop our own market intelligence.	
Recruitment 	The Group is reliant on the key skills and knowledge of its people in a range of areas especially in the engineering function. Failure to recruit, develop and retain an appropriate number of suitably qualified people in critical areas could affect our ability to design new products and meet our customers' needs. Due to the highly technical nature of our activities, these skills are not always readily available which could have an adverse effect on the Group.	The Group has a competitive remuneration package that is reflective of market conditions for key roles and is under review as conditions change. For an insight into the benefits package the Group offers please see the 'Our people' section of this report. The Group also operates a long-term incentive plan for key employees and a SAYE scheme for all UK employees. We continue to invest in our engineering teams to ensure we have engineers with the right skills to execute our strategy. We also provide regular communications to all employees through communication meetings in each of our business locations along with a newsletter to employees giving updates about business performance. By giving our employees an understanding of our strategic direction and objectives, we believe it enables them to make meaningful contributions to the achievement of our goals.	



Risk management continued

Risk	Risk description	Mitigation actions	Change in year
Cyber security and data integrity 	There is a risk to the Group if there is unauthorised access to, or integrity issues with, our data systems. This could cause significant reputational damage as well as service disruptions and potential impact on orders, revenue and profit.	As a supplier to the defence industry the Group has strong cyber security credentials including IASME Governance Gold, Cyber Essentials Plus and DART accreditation. We also work with a third party to undertake penetration tests of our system and network to ensure the integrity of all our defensive systems. In the year ahead we intend to upgrade our cyber accreditation to ISO 27001. Regular reviews are undertaken of the network security arrangements and training is provided regularly to users on cyber threats and other data loss/integrity risks. The Group also limits access to data and access is only provided to those users with a genuine business need. Data shared externally is conducted under contractual arrangements.	

Risk key

 Increased risk

 No change

 Decreased risk



Our people

The foundation of our continued success is firmly rooted in our exceptional talent, dedication, and the expertise of our people. Over the past year, our people have demonstrated remarkable commitment and professionalism, driving innovation and operational excellence across all areas of our operations and engineering activities. Their collective efforts have been instrumental in the progress we continue to make in our industry.

Our strategic focus on building and retaining skilled colleagues, alongside targeted investments in our technology, has enabled us to enhance productivity and meet the evolving needs of our customers. This has significantly contributed to the growth of our business.

This report highlights some of the achievements of our team, and the progress made throughout the year, highlighting our commitment to fostering a culture of continuous improvement and technical excellence. As we look to the future, we remain dedicated to building on this strong foundation, advancing innovation, and delivering value to our stakeholders.

Our people KPIs continue to be positive with our retention rate during the last 12 months sitting at 87%.

Employee Communication and Engagement

Effective leadership is key to our success, and we encourage fostering open, two-way communication across all levels of our business. We strongly believe that actively listening to our people not only strengthens collaboration but also drives innovation and improved employee engagement.

We engage with our people through a range of formal and informal channels, including briefings, team meetings, 1-2-1's, and online publications via various social media platforms. We continue to review and implement new ways to engage with our people and listen to their feedback.

There will be a focus on this area as we move forward with the launch of our new annual and pulse surveys which will allow us to understand what is working well and areas for improvement and focus.

New Cambridge Office

To support our growth plans we opened a new office in Cambridge earlier this year, expanding our presence in a key technology hub. This strategic move allows us to attract talent from a wider pool and supports continued innovation and growth across our engineering teams.

Equality, Diversity and Inclusion ("EDI")

We firmly believe that EDI is essential to demonstrate our core values of Respect, Integrity, and Excellence. We are dedicated to fostering a workplace where our people are valued, heard, and empowered and where our ongoing commitment builds an inclusive culture that embraces diversity and provides equal opportunities.

Our equal opportunity policy which is embedded in our culture; both procedurally and behaviourally from recruitment, learning and development, succession planning through to reward and recognition. We want to reflect the local communities in which we operate and the diversity in our workforce is largely representative of this. Our policies and practices emphasise the importance of treating people in a non-discriminatory and inclusive manner across the full employment life cycle.

Our workforce gender split can be seen in the graphics below. The reason for this split is that many of our technical and managerial positions are male. We continue to work towards addressing this and increasing the number of technical, managerial and leadership positions held by women. Our Leadership team has seen an increase in female representation with three new appointments to the team this year. The engineering sector continues to be a challenge as it is still very much male dominated particularly in the UK. We have taken proactive steps to address this through our work with the North East STEM Foundation engaging through industry events with primary school children to promote careers in STEM and to attract more females earlier in the education cycle.

We are confident that our current and future partnerships will assist us in placing more women into technical roles.

Employee Remuneration

Our compensation strategy aims to attract and retain talent whilst promoting and rewarding sustainable performance and contributions at all levels of the organisation. The Board and the Remuneration Committee continually look to ensure that our remuneration provisions support our strategy and business objectives.



Our people continued

The market competitiveness of salaries across the company is assessed at local or national market level, dependent upon role, and is reviewed annually. A full salary benchmarking exercise is undertaken annually for all roles, with changes made to ensure that we recruit and retain the highest quality candidates in this area.

In addition to competitive salaries, we also offer a suite of benefits including, but not limited to, employer matched pension contributions plus 2%, to a maximum of 8%, long-term incapacity benefit, 4 x base pay sum life assurance, childcare vouchers, cycle to work scheme, electric vehicle scheme, health insurance and paid time off for charity work. We continue to review and improve our package.

We love to encourage innovation within our business. The Technology Leadership Recognition policy aims to do this by recognising and rewarding innovative thinking and professional personal development. To complement this, we also run a 'Bright Ideas' scheme managed through our T-card system, to broaden the reward scope for new ideas and continuous improvement suggestions. Vouchers are presented quarterly to those employees with the best ideas.

We also like to reward loyalty and offer an additional days' holiday every five years to a maximum of 15 years. After this, we gift a long service award to our employees recognising their commitment to the Company and celebrate their commitment with an awards ceremony at our annual summer event.

Employee Share Plans

We have share option plans designed to align our peoples' interests with the Group's performance and the interest of our shareholders. For information on the share-based compensation plans please see note 32.

UK-based employees of Filtronic are eligible to participate in the Save As You Earn ("SAYE") Scheme allowing them people to invest in the Company through a convenient and tax-efficient programme. This initiative demonstrates our commitment to rewarding and engaging our people by fostering shared ownership in our growth and achievements.

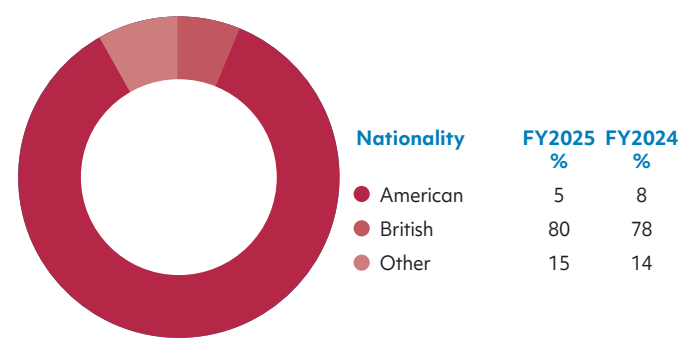
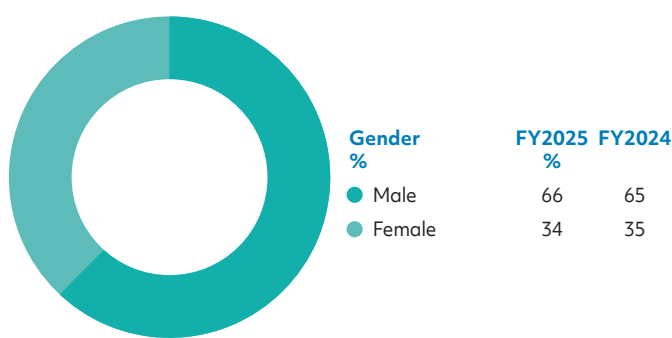
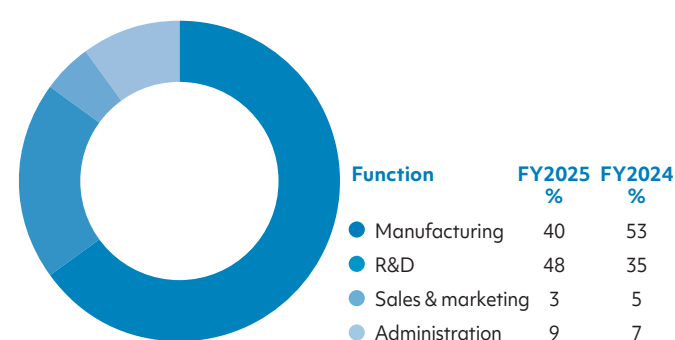
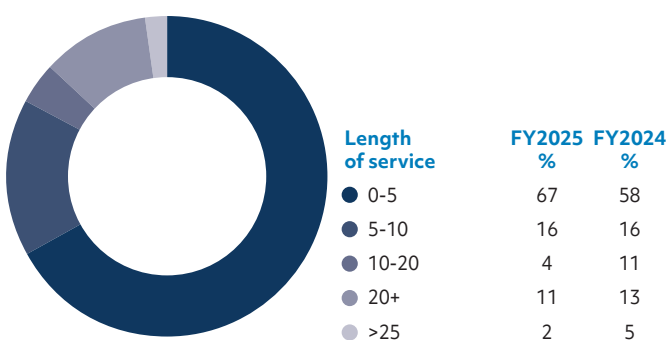
Health and Wellbeing

We are committed to supporting our people and offer a fully funded Employee Assistance Programme ("EAP"), which includes additional mental health and financial advice for employees, as well as their families. Our people have 24/7 access to an online GP, mental health counselling as well as legal, financial, and nutritional advice.

We have offered tailored support packages for individuals where needed and on a broader level offer:

- hybrid working and flexible working hours where possible; and
- choice of operational site to work from to support work-life balance.

Current headcount metrics



Looking to the Future - FY2026

As our team continues to grow, our people will continue to be a real focus for the business. Our recruitment plans continue to be ambitious and necessary to deliver medium and long-term growth plans and attracting and retain our talent will be key. To support this, we are reviewing and increasing the People team to ensure we have the skills and capabilities to deliver our people related strategic objectives. We have recently introduced an Attraction Talent System ("ATS") called Workable to support our ongoing recruitment plans so we will focus on embedding this technology to support the recruitment processes.

This is an exciting time for the Company, and we have lots to look forward to in the coming year.

We are on the move

In FY2026, our colleagues based in Sedgefield will relocate to a new purpose built facility on the same science and technology park at NetPark. In alignment with our strategic growth objectives, this move will provide enhanced manufacturing and engineering capabilities, improved operational efficiency, and a modern working environment designed to foster innovation and collaboration.

The new site will provide our people with world-class facilities and reflects our ongoing investment to support our talented people and meet increasing customer demand.

Key Priorities

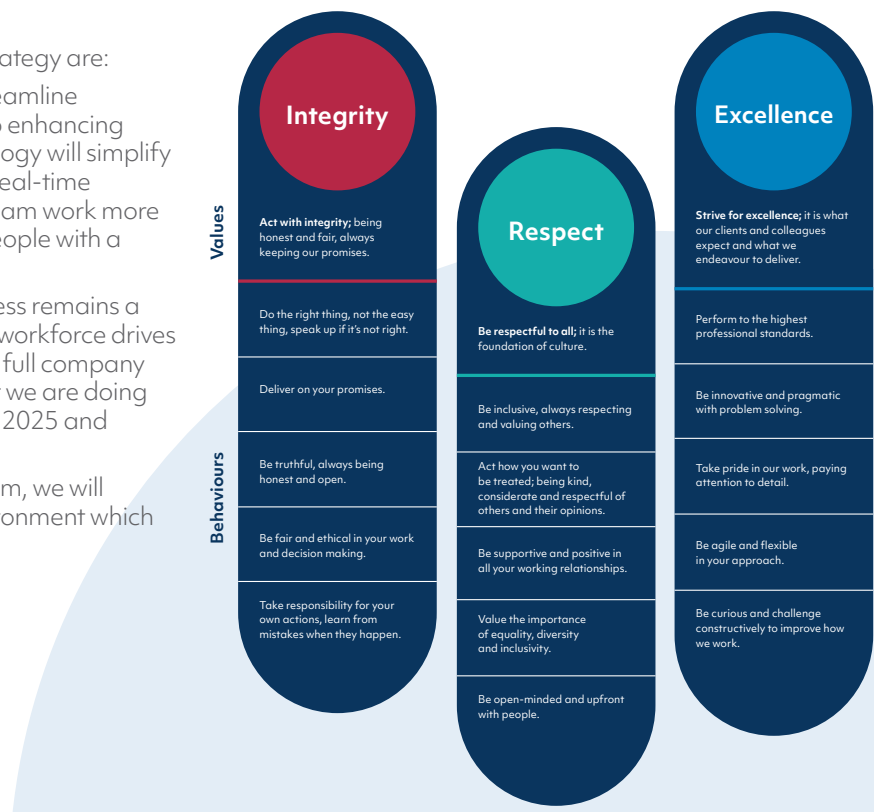
The key focus areas within our People strategy are:

- Investment in HR technology to streamline workforce management whilst also enhancing employee experience. New technology will simplify administrative tasks and provides real-time insights whilst helping the People team work more efficiently. It will also provide our people with a engaging platform to collaborate.
- Fostering strong employee happiness remains a priority, as we believe an engaged workforce drives productivity and job satisfaction. A full company survey will provide insight into what we are doing well and areas to focus throughout 2025 and beyond.
- With a newly expanded People team, we will focus on fostering an inclusive environment which

will lead us to develop and begin to embed key behaviours across the business. We will focus on improved onboarding, behavioural development programmes, and EDI initiatives to ensure all team members feel welcomed, supported, and empowered. These initiatives will help unify the team and build a strong, values-driven culture as we grow.

- Enhancing our employer branding initiatives will be key to attracting top talent and positioning us as an employer of choice within our sector.
- A robust succession planning process to ensure leadership continuity and to develop future leaders from within.
- Continue to develop strategic partnerships with institutions such as UTC Durham and the Northeast Space Skills and Technology Centre ("NESST") to support skills development and drive innovation in our sector.

Our values



Stakeholder engagement

The Board carefully considers stakeholder interests when making decisions on strategically important matters as the directors discharge their duties in alignment with Section 172.

Section 172 (1) Statement UK Companies Act 2006

In compliance with the Companies Act 2006, the Board are required to act in accordance with a set of general duties. The Board consider that they have individually and collectively acted in a way they consider, in good faith, would be most likely to promote the success of the Company.

To achieve long term success, the Board recognises the importance of building and maintaining relationships with key stakeholders as well as considering the likely consequences of its decisions in the long-term.

Regular updates from the executive Senior Leadership Team ("SLT")

Throughout the year, the SLT updated the Board with information on important areas of business focus, in particular those relating to our key stakeholders. The SLT is made up of the Chief Executive Officer, Chief Financial Officer, Chief Commercial Officer, Chief Operating Officer, Chief Technology Officer, Director of Engineering, Chief Scientist, Director of Programmes, Chief of Staff, General Counsel and Director of HR. They each submit a report each month providing comprehensive operational updates and progress against strategic milestones. They are periodically invited to board meetings to present this information and update the Board on key points. This ensures the Board have a good understanding of the priorities of each stakeholder group to aid decision making at board level.

Direct engagement of Board members

The Executive Directors are in daily contact with employees from across the business to understand key topics involving employees, customers and suppliers which are regularly shared with the Board. Regular reporting of customer engagement keeps the Board up to date on customer trends and feedback. A number of board members had meetings with shareholders during the year to discuss strategy, business performance and executive incentives.

Board considerations and decisions

Given the updates from the SLT, some of the topics considered throughout the year are presented below demonstrating how the Board discharged their duties:

Strategy

- Considered an extension to the Strategic Partnership with SpaceX and approved the issue of further warrants up to a value of 5% of the Company's share capital to SpaceX, which is in addition to the original agreement signed in April 2024 enabling SpaceX to earn warrants of up to 10% of the Company's share capital.
- Considered company performance against the strategy.
- Considered the technology roadmap and investment required to undertake the developments.
- Updated on new customer acquisition, strategic milestones and consideration of shareholder value.
- Considered and approved the FY2025 interim report.
- Considered and approved the FY2026 business plan and long-range forecast accompanied by the revised strategy.

Employees and culture

- Approved the recruitment of new hires to the SLT.
- Received updates from the remuneration committee.
- Considered succession planning at senior levels of the business.

Governance

- Approved the updated Group Policies.
- Approved a CSOP scheme enabling the Executive Directors and key management to participate in future share option schemes in a tax efficient manner.
- Received regular updates from the Audit and Risk Committee relating to risk management issues.
- Updated on shareholder communication in relation to strategy and remuneration matters.

The Group's engagement with key stakeholder groups and the impact our business operations have on the local community and the environment are considered within the implementation of the Group's Strategy and the Sustainability report.

The Board recognises its responsibility to take into consideration the needs and concerns of Filtronic's key stakeholders as part of its decision-making process. The table demonstrates how the Group engages with its stakeholders and the outcomes of this during the year:

Stakeholder	How we engage	Key outcomes
Customers	The Board receives feedback from its customer facing teams. Each key account and prospective customers have dedicated account management who act as "the voice of the customer". The Chief Commercial Officer briefs the Board as to how we are performing with each of our customers.	Increased levels of engagement with customers at a strategic level. A greater understanding of both customer and market trend requirements better informs the development and refinement of our own strategy and technology roadmap to ensure we support our customers to the best of our ability and invest in the right capability to meet their needs.
	The Executive Directors, along with senior members of the sales and engineering teams attend meetings with strategic-level influencers within our customer's organisation.	Board-level engagement with our customers helps convey our commitment to understand and meet their business needs. Having customers onsite enables them to see our capability and production facilities demonstrating our credibility as a leading technology company.
	We continually seek opportunities to collaborate at a product and technology strategy level with our key clients, but all collaborations are under Non-Disclosure Agreement ("NDA") and require director-level approval.	Disclosure of our product development and technology roadmaps to customers increases the opportunity to align our mutual interests and demonstrate we are the 'go-to company' when it comes to leading technology; the NDA protects our intellectual property interests.
	Customer feedback is regularly sought and collected by the business through a wide range of channels. This information is processed and analysed as part of our business improvement initiatives.	Listening to the customer enables us to be more effective in pre-empting and meeting their evolving requirements. We periodically undertake a Voice of the Customer ("VoC") exercise where the Marketing Manager speaks to a large number of existing and former customers to gain an understanding of their customer experience, the positives of working with Filtronic and areas where we could improve. The information was anonymised, collated and analysed to find trends to identify consistent feedback. This exercise proves invaluable, enabling the Board to use the information to shape the strategic plans and develop the areas of the business where we are able to improve customer satisfaction.
	We regularly participate in a wide range of trade shows, conferences and symposia. They play an important role in our business development planning.	Attendance at trade exhibitions and conferences to actively promote the business is essential for customer engagement. This has facilitated key engagement, not only with prospective customers, but also having useful discussions with our existing clients.
Employees	The Executive Directors and SLT communicate with employees through communication sessions and town hall meetings to update them on the performance of the business and progress on key initiatives. Employees are encouraged to ask questions in a Q&A session at the end of the meetings.	Broad ranging and meaningful communication leads to greater transparency throughout the business and facilitates a more engaged, motivated and effective team. This is done through a range of communication channels including newsletters, emails to all employees and discussion groups with management flow down to employees and informal factory floor-walks.
	The Group relies upon highly specialised skill sets that are in increasingly short supply. We are therefore continually developing our talent management strategy.	The Group is an attractive employer, providing a rewarding long-term personal development opportunity environment, recognising and rewarding those that have demonstrated strong performance. We have also funded a number of training initiatives to develop our employees and enhance the skills in the business including the Filtronic Leadership Academy to upskill all staff who have managerial responsibility.



Stakeholder engagement continued

Stakeholder	How we engage	Key outcomes
Employees (continued)	The Executive Directors are required to be actively visible across our sites to take the pulse of the business and offer an open-door policy to employees who would like to ask a question or offer a view. Participation in the Company Sharesave scheme.	A better informed and consulted workforce is more likely to be both better motivated and more effective. The Group operates a T-card system where employees can offer ideas for business improvements which are shared with the Executive Directors with the aim of offering feedback to those that have taken the time to share their views and a quarterly prize is given for the best idea. The Board have also approved an annual employee engagement survey to gain insight into employees' thoughts and attitudes towards their work and overall environment. Share scheme participation aligns the interests of employees with shareholders giving staff the opportunity to hold a stake in the company. The Company has a SAYE scheme in place which is open to all employees.
Investors	The Chief Executive Officer and Chief Financial Officer hold analyst and investor meetings throughout the year both on request and specifically following the release of the annual and half year results. Feedback from these meetings is shared with the Board. Major shareholders are regularly engaged to hear their views on a range of issues such as strategy, remuneration and corporate governance. The Annual General Meeting is a key method of engagement with private investors along with the Annual Report. We encourage investors to attend and ask questions they may have. At the end of the meeting, the Board engage in an open and informal forum with attendees. The Group's Annual Report and Accounts is available to shareholders in both hard copy form and online. All announcements and presentations are available on the Company's website whilst we also engage on social media platforms such as LinkedIn. There is also a regular newsletter which is sent to those individuals that sign up on the company website. The Company's broker, Cavendish Capital Markets ("Cavendish"), provides briefings to the Board on shareholder opinions and independent feedback from investor meetings. Their views are sought on all market related matters or announcements.	A wide range of communication channels are used to engage with investors during the year. Feedback from investors has informed the Board's discussions and decisions on the Company's strategy. All material information that is worthy of investor announcement is made available simultaneously to both shareholders and potential shareholders. Meetings with shareholders and potential investors were held during the year with meetings offered both in person and virtually. We value the opportunity to meet with our shareholders and engage in an exchange of views and ideas and, post AGM, we review the feedback we have received. We were delighted to welcome shareholders to the 2024 AGM which was physically held in Sedgefield with private investors encouraged to attend. We respect that not everyone is online and continue to provide shareholders with a choice to receive a hard copy of the report. Regular and frequent interaction between the Company and our broker ensures we receive regular guidance and remain aligned on our engagement with the investment community. A report collated by Cavendish, after the business results investor roadshow, giving shareholders feedback from each meeting is shared with the Board.
Suppliers	Meetings are held with key suppliers at both their facilities and ours. This ensures a more intimate knowledge of each other's capabilities and objectives and leads to closer alignment of values. Our Supplier Code of Conduct is flowed down to our supply chain to ensure compliance with social responsibility and good governance policies.	The Group's supplier base is a key part of the Company's ecosystem and effective relationships with our suppliers are essential to the delivery of Group performance. We engage with our suppliers through our engineering and operations team and we work closely with key suppliers to ensure we take advantage of innovative technical and commercial solutions in the supply chain in order to secure a competitive advantage. We have enjoyed meetings at a number of suppliers' sites in the year, both nationally and internationally. We minimise our exposure to supplier related risks by requiring them to adhere to our Supplier Code of Conduct and group policies. They are required to confirm they are not in conflict with these policies before or during engagement.

Stakeholder	How we engage	Key outcomes
Suppliers (continued)	Supply contracts of material significance to the Group are subject to internal controls with a summary of the key terms being provided to the Executive Directors for approval. The Group aims to play fair with its suppliers and pay in line with the contractual payment terms.	Supplier gating processes ensure management is kept abreast of supplier risks, opportunities and governance matters and able to act promptly when required. The Board receives regular updates, from the Chief Operations Officer, regarding key supplier performance metrics and any issues under review. By playing fair with our suppliers we gain their respect, support and commitment to meeting our own business objectives.

Standards of business conduct

The Board is committed to a culture of integrity and openness. The Board is confident that through our people, our values, our policies and processes we are fostering the right culture to make a positive impact on the business, our employees, our customers, suppliers, the environment and the communities in which we operate. The Board is committed to identifying other means to drive further positive impact through our products, processes and foremost our people, all of which will contribute to the success of the business.

The Group's engagement with key stakeholder groups and the impact our business operations have on the local community and the environment are considered within the implementation of the Company's Strategy and the Sustainability report.



Sustainability report

At Filtronic we operate a sustainability strategy that works in unison with our corporate goal to create value for our customers through technology leadership. The aim of the strategy is simple. We will focus on deliverable ESG goals aligned with our corporate strategic targets.

Key Objectives



ENVIRONMENTAL

1. Minimise the environmental impacts of our own activities and reduce our energy usage per £ of revenue generated (reducing carbon intensity whilst supporting growth)
2. Improve our use of sustainable resources by operational site
3. Reduce paper and packaging waste
4. Focus on our work to meet Scope 1 and 2 Greenhouse Gas ("GHG") Emissions of Net Zero



SOCIAL

1. Equality, diversity and inclusion ("EDI") in the workplace and encourage greater gender power balance
2. Provide a great place to work for our employees enabling them to learn and develop, creating professional opportunities
3. Engage with our employees, keep them informed and pay fair salaries
4. Support STEM initiatives in the local community and provide quality employment for young people through apprenticeships and graduate recruitment



GOVERNANCE

1. Provide a robust cyber security framework protecting the data we hold
2. Comply with export control requirements
3. Maintain strong and enforced policies and procedures and promote a strong code of conduct and ethical behaviour in our business

We are committed to enhancing our impact on the world with a robust and clear ESG strategy. Within each area we've highlighted clear objectives which aim to focus our efforts and ensure that we are able to maximise our impact by focusing on the key areas where we can engage and influence our stakeholders. Our objectives

are thought through, aligned to our corporate strategy and aligned to the UN Global Goals, so we can best position our skills and experience to work towards building prosperity for all. We have a clear roadmap ahead of us and we look forward to delivering on our commitments to these goals.

Environmental Objectives



The Group is committed to protecting the environment through prevention of pollution and minimising our impact on natural resources. As well as operating in compliance with all relevant statutory and regulatory obligations, the Group strives to implement environmental best practices throughout our activities and continually improve our environmental management system to enhance our environmental performance.

The Group supports, trains and encourages its employees to act responsibly in all matters relating to the environment.

The Group takes account of relevant legislation and regulations and analyses its practices, processes and

products to reduce their environmental impact. We also work with our customers and suppliers to achieve a high standard of environmental stewardship. Filtronic looks forward to receiving and implementing the UK government's flow down to industry of its net-zero carbon target which will involve measuring carbon emissions and implementing policies for carbon reduction or offsetting the carbon that is released.

	What we do already	FY2026 initiatives
Reduce our energy usage	• Metering and monitoring in place at a room level • LED lighting replacement scheme in place • Motion sensors on all our lighting • Invested in newer more-efficient machinery	• Continue the LED lighting replacement scheme • Energy saving equipment purchases • Continue to educate our employees in high-energy consumption areas • Sustainable energy generation in our buildings • Work to ensure the most energy efficient equipment is utilised in our new state-of-the-art building in Sedgefield
Sustainable resources	• Sedgefield, Leeds and Manchester supplied with 100% sustainable energy • Cycle-to-work scheme in place • Electric vehicle scheme, which has been well adopted • Electric vehicle charging points • Adopted a hybrid working policy	• Convert our Cambridge site to 100% sustainable energy • Seek opportunities to create renewable power • Promote wider adoption of the electric vehicle scheme we have implemented to our employees • Continue to switch to recycled materials removing single use resources where possible
Reduce paper and packaging waste	• Removed foam from our shipping packaging; replaced with cardboard • Implemented docuSign to reduce our need to print documents to sign • Implemented digital systems with workflow for HR processes, expense management and timesheets • Removed single use plastics from our operations	• Identification of key waste driving activities by site • Continue to move business processes to digital systems



Sustainability report continued

Environmental updates

The progress to our environmental strategy includes minimising CO₂e from:

- Ongoing switch to LED lighting in our buildings for more efficient use whilst lights have had passive infra-red sensors added to automatically switch off when not in use.
- Electricity use with the purchase of new energy efficient machinery by switching electrical equipment off when there is no business benefit to leaving it on.
- When appropriate, we have moved our shipments from air freight to sea freight where lead-times / other operational constraints allow or purchasing closer to the business location where possible.
- The move to the new building at Sedgefield, NET Park offers the opportunity to benefit from modern energy uses and more efficient technology to power the business. We have been working with the landlord and look forward to providing updates in due course.
- A number of our employees, including the CEO and CFO, have switched their vehicles to electric using the Company's electric vehicle scheme.

Scope 1 & Scope 2 emissions

As the Company is not listed on the Main List of the London Stock Exchange and does not currently meet the definition of a large company under the Streamlined Energy and Carbon Reporting (SECR) framework, there is no obligation to report on Scope 1 and Scope 2 CO₂ emissions. However, to maintain a good level of transparency we voluntarily disclose information. We recognise our duty as a good corporate citizen, to help in the fight against climate change, and take this obligation seriously. We also understand our investors eagerness to understand how we are performing in our commitment to protect the planet by preventing pollution and minimising our impact on natural resources. The table below presents our Scope 1 and Scope 2 emissions.

Emissions for the Group

We recognise our obligation to help with the climate crisis, along with the interests of our key stakeholders, and therefore we recognise the importance of giving visibility in our environmental reporting.

We intend to improve the accuracy of the numbers over time and will engage with a third-party consultant to take the relevant advice on how to refine and augment the approach we have taken. The numbers in the table are taken from our metered gas usage, reported car journeys and metered electricity usage.

Item	FY2025	FY2024
Scope 1 Direct (Heating by gas and car journeys)	78.1	86.87
Scope 2 Electricity (supply is 100% carbon free)	-	-
Total CO₂e (tonnes)	78.1	86.87
Annual turnover (£M)	56.3	25.4
Total CO₂e/£M revenue	1.39	3.42

Many of the practices we have developed have been reinforced through changes to policies and procedures that form part of our ISO-accredited business management systems. This is a productive start, but we recognise that we can, and will, do more.

We do not currently calculate Scope 3 emissions; it will no doubt pose a more significant challenge to calculate, but it will be part of a longer-term goal for our teams. We must engage with our supply chain not only to achieve a more accurate understanding of this scope of emissions, but to constructively work with them to support their own carbon reduction journeys.

Social objectives



Our core values of integrity, honesty and respect, combined with a strong culture and an agreed set of behaviours are critical to our future development. The 'Our People' section of this Annual Report and Accounts sets out how we engage with our employees, providing opportunities and an environment to flourish with everyone given an equal opportunity. It also covers key social points such as employee rewards, behaviours, culture and conduct.

Filtronic recognises that it not only makes a difference to its own employees but also the wider community. This latter point is particularly pertinent to our ESG strategy as we can provide quality education, training and employment within the local community as well as supporting local charities and foundations to help build a sustainable society.

	What we do already	FY2026 initiatives
Actively promote equality, diversity and inclusion ("EDI") in the workplace	- Regular analysis of workforce demographics - EDI training - Non-discriminatory working practices and policies - Value the individual - Female-to-male ratio in our engineering function is above the national average	- Further develop the EDI strategy - Promote Filtronic as a female-friendly workplace - Promote female participation in STEM disciplines - Promote diversity - EDI surveys - Positive actions to increase the ratio of female managers and engineers
Learning and development culture	- Career development and guidance for everyone - Provide training and development programmes for all colleagues - Filtronic Leadership Academy - Regulatory and mandatory training - Expert speakers - Technology Leadership Awards for patents, conference papers and peer reviewed publications - Detailed training needs analysis from appraisal process - Assign an Executive sponsor to all graduate recruits - Encourage networking and industry event attendance - Comprehensive induction process, for all new starters - Graduate programme - Apprenticeships with sponsored degrees	- Expand the apprenticeship programme - Create a knowledge sharing environment - Continue to upskill our employees and leadership development - Utilise supported stretch assignments to facilitate personal development and progression



Sustainability report continued

Social objectives (continued)

	What we do already	FY2026 initiatives
Engage with our employees and pay fair salaries	• Fair pay and reward structure with regular benchmarking • Excellent benefits package including access to wellbeing support • Flexible working available • Celebrate long-term service with awards • New values embedded in the business • Regular town hall meetings and team meetings • T-card system for continuous improvement and worker participation • Employee engagement surveys	• Further communication forums from which to engage with employees • Review current benefits suite, for ongoing competitiveness and flexibility for individual choices • Undertake comprehensive employee engagement survey • Robust salary benchmarking • Develop the Filtronic culture as part of the Culture 26 initiative • Implement a new HR system to support the employee voice
Support STEM initiatives in the local community and provide quality employment for young people	• 1 day paid leave given to all employees undertaking charitable work • Graduate recruitment • Apprenticeship programme	• Provide opportunities for local young people • Build relationships with local learning institutions • Implement a structured graduate career framework • Continue to support local organisations like the North-East STEM Foundation

We continued our support of the North East STEM Foundation and UTC Durham by sponsoring events and taking part in STEM days involving local schools and colleges. We have STEM Ambassadors in the business who are qualified to attend STEM days, representing Filtronic, to inspire the next generation of engineers in our community. To augment this work, we are encouraging more of our talented team to become STEM Ambassadors and will be rolling out an incentive programme across the business to encourage additional participation and representation.

The apprenticeship programme has been very successful providing quality employment for young people in the local communities we serve. We train our apprentices through a mix of 'on the job' training and full sponsorship to degree level at local universities. To help fund this initiative, we make use of the apprenticeship levy. Investing in the young people in our community helps us to build a broader and more diverse pool of talent. We have also continued our established graduate programme with another successful intake which helps to build the skills we need from a ground-up strategy.

Our talent acquisition strategy has been hugely successful with over 50 jobs created in the last year with the business relying on employing a diverse range of nationalities given the skills gap in the UK for RF engineering. We have also seen improved representation of females in the business

with a cohort of female engineers recruited during the year and the SLT benefitting from an improvement in the representation of females during the year with a third of the team now female compared to a sole member this time last year.

Recognising the extraordinary efforts of the entire Filtronic team to deliver revenue growth of 121%, we implemented a one-off bonus, for the second successive year, for all of our staff who each earned the equivalent of £1,000 pro rata based on service in the year. Ensuring our employees are paid competitively in recognition of their enormous value to us, is of great importance to our retention strategy.

Governance objectives



Filtronic have always believed that sound governance is fundamental to the long-term success of the Company and we follow the QCA Corporate Governance Code ("QCA") which gives a firm foundation for our governance structure. Having listed on the London Stock Exchange in 1994, the business has a robust approach to governance, but we can always strive for improvement.

The Board and our management team will drive the ESG agenda. We recognise that good governance will be key to ensuring the changes are embedded throughout the business.

Compliance is critical to our operation, particularly as we supply into sensitive markets such as aerospace and defence, and therefore strong governance is at the heart of how we conduct business.

	What we do already	FY2026 initiatives
Cyber security	• Cyber Essentials Plus • IASME Governance Gold	• Implement ISO27001 • Undertake the annual programme of penetration tests
Export Control	• Robust internal control framework • Trained personnel • Regular communication with an export control expert	• Training courses for those with export control responsibility • Review our policies, procedures and controls to continually improve
Strong and enforced policies and procedures	• Strong Boards and Committees providing strategic oversight and governance support • Adherence to QCA Corporate Governance Code • Strong suite of Group policies and internal controls annually reviewed • Clearly defined and strong company vision and culture • Maintenance of appropriate accreditations and internal audits • Robust internal branding and document control • Annual Report published each year reporting strategic, governance and financial progress	• Review and approve our policies and procedures annually • Develop the sustainability strategy further • Ensure employees are suitably trained on policies and conduct which are enforced throughout the organisation • Review of policies and procedures to ensure compliance with the Economic Crime and Corporate Transparency Act 2023 ("ECCTA")

This year we continued with the cadence of annual penetration tests of the IT infrastructure undertaken by a third party. This gives assurance that we have built a robust system to protect our assets and helps to augment what we do by implementing improvement action coming out of the review. In the year ahead we will be working towards implementing ISO27001 which will build on the cyber controls and governance we established under the IASME Governance accreditation.

Tightening of our export controls has been an important area we have spent time on this year, particularly as we are engaged in markets that have controlled products being shipped across borders and a large percentage of our shipments are exported. This exercise included a review of the policies, procedures and controls which we will continue into FY2026 to ensure we maintain compliance with the relevant export restrictions.

We will also continue to augment our governance standards in FY2026 and ensure we operate the business with an ethos of 'doing the right thing' for all of our stakeholders and the communities in which we conduct business.

The FY2026 Strategic report has been reviewed and approved by the Board of Directors on 28 July 2025 and signed on its behalf by

Nat Edington
Chief Executive Officer
28 July 2025



Board of Directors

Executive Directors



Nat Edington
Chief Executive Officer
Appointed to the Board
13 May 2024

Nat brings extensive experience in the high-tech and semiconductor industries. Before joining Filtronic, Nat was CEO of Dukosi Ltd., where he successfully built a fabless semiconductor company in Scotland, transforming it from an early-stage venture into a global technology leader. As CEO of Cambridge CMOS Sensors, he also steered the company through significant growth phases and exited the business to AMS. He has held strategic leadership positions at AMS AG and Wolfson Microelectronics and steered them through periods of rapid expansion. Nat also holds a non-executive position at AIM-listed Concurrent Technologies plc.



Michael Tyerman
Chief Financial Officer
Appointed to the Board
1 April 2016

Michael joined Filtronic in 2007 as Financial Controller of the Broadband business and was promoted to the position of Group Financial Controller in 2009. He served this position until his appointment to the Board. Prior to joining Filtronic, Michael held various positions within Procter and Gamble, Huntsman and Komatsu which included time working in the Benelux and Nordic regions. Michael is a Chartered Management Accountant.

Non-Executive Chairman



Jonathan Neale
Non-Executive Chairman
Appointed to the Board
15 November 2021
Committees: (A) (N) (R)

Prior to becoming Non-Executive Chairman at Filtronic Jonathan Neale had been Chief Operating Officer of McLaren Group for the previous five years. Between 2001 and 2016, he held a number of executive positions, including Chief Executive Officer of McLaren Racing F1. Prior to McLaren, Jonathan had been at BAE Systems, UK, as Managing Director – Hawk Military Aircraft. Jonathan graduated from the University of Nottingham with an honours degree in physics and is a Fellow of the Institute of Directors; a Trustee of the charity The Foundation for Science and Technology; a Fellow of the Institute of Engineering and Technology; and a Chartered Engineer.

Non-Executive Directors



Peter (Pete) Magowan
Senior Independent
Non-Executive Director

Appointed to the Board
19 November 2018

Committees: (A) (N) (R)

Pete was previously an early employee and main board member of ARM Holdings, an Executive at Fidelity International Ltd and General Partner at Alta Berkeley Venture Partners. Pete’s early operational career was in sales and marketing at leading technology companies. He received a BSc degree in Electrical and Electronic Engineering from UMIST and has a Diploma in Marketing. He is also a Non-Executive Director of Solid State Group plc.



John Behrendt
Independent
Non-Executive Director

Appointed to the Board
1 January 2021

Committees: (A) (N) (R)

John was Head of Principal Investments with Eight Roads, part of the Fidelity network of companies, from 2015 until 2020. John has also held a number of leadership and operational roles, including CEO of Optegra, CEO/ CFO of Frontier Silicon Limited, CFO for Teraview Limited, and CFO for Alphamosaic Limited. John is a qualified accountant with the Chartered Institute of Management Accountants (CIMA).



Governance report

Dear Shareholder

I am pleased to present the Filtronic plc Governance report for the year ended 31 May 2025.

The Board recognises the value of good corporate governance as the basis for promoting the long-term growth and sustainability of the business. Governance arrangements are reviewed on an ongoing basis to ensure they are fit for purpose and the Board continues to consider that the Quoted Companies Alliance Corporate Governance Code 2023 (the "Code") provides the most appropriate framework for governance for the Company's size and complexity. Throughout the year, we complied with all principles of the Code except for the separation of the Company Secretary role which is currently undertaken by the Chief Financial Officer but plan to separate the role in the next financial year with the General Counsel taking on the Company Secretary role.

The Governance report includes the Corporate governance statement, the Audit and Risk Committee report, the Nominations Committee report and the Directors' remuneration report, the Directors' Report and the Independent Auditors' Report to the members of Filtronic PLC. which describes how Filtronic has applied the main principles of the Code during the year. Further information on compliance can be found on the Filtronic website at www.filtronic.com/investors.

I am aware that it is my responsibility to ensure that Filtronic has the governance arrangements in place to support effective leadership and promote the long-term success of the Company and that these arrangements are followed in practice.

Jonathan Neale,
Chairman
28 July 2025

Corporate governance statement

Introduction

The Board acknowledges the role that the ten QCA Code principles has in providing structure to the Group's corporate governance framework. This section explains how we have adopted the QCA Code, including those provisions where we do not currently comply.

Principle 1 – Establish a strategy and business model which promotes long-term value for shareholders

As explained fully within the strategic report of the Annual Report, our strategy is focussed around three core areas:

- **Space:** position Filtronic in the Space market (LEO/HAPS) by strengthening our position in the market having already secured a Strategic Partnership with SpaceX;
- **Aerospace and Defence:** leveraging our current relationships to secure a bigger role in next generation radar design and defence projects;

and

- **Telecommunications infrastructure and critical communications:** defending our current position and target new customers by developing the E-band roadmap to W-band with premium performance high power transceivers, active diplexer and SiP options based on inhouse MMIC design;

The delivery of the strategy remains the focus of the Board's attention. Our objective through the execution of the strategy is to deliver shareholder value and medium-long term growth. As a Board, we will ensure that we continue to challenge ourselves and regularly consider whether we are effective in delivering this objective.

Our business model and execution of the strategy is underpinned by the governance framework outlined in this section.

Principle 2 - Seek to understand and meet shareholder needs and expectations

Great value is taken from maintaining open relationships with our shareholders and the primary point of contact in the Company for this function is the Chief Executive Officer ("CEO") and the Chief Financial Officer ("CFO"), supported by the Chairman.

The CEO and CFO undertake an extensive programme of individual meetings with shareholders at least twice a year. Additionally, the Chairman is available to speak with shareholders at their request. The Senior Independent Director is available as an alternative communication channel for shareholders who may wish to raise any concerns.

Presentations are also made to analysts to present the Group's results. This assists with the promotion of knowledge of the Group in the investment marketplace and also helps the directors to understand the needs and expectations of shareholders. The Group's website has a dedicated investor section to assist all shareholders. Investors are welcome to send any questions or queries to investor.relations@filtronic.com.

When the Board considers it appropriate, it consults with shareholders on key matters that it would like input relating to strategy, governance and remuneration.

Principle 3 - Take into account wider stakeholder and social responsibilities and their implication for long-term success

The Group takes its corporate social responsibility very seriously and is focussed on maintaining and strengthening effective working relationships across a wide range of stakeholders including shareholders, employees, customers and suppliers.

Our stakeholder engagement recognises the materiality and impact of our stakeholders on the achievement of the Company's strategy. The Section 172 (1) Statement and Stakeholder engagement sections within the Governance report provide more information on this.

The success of the Group's strategy is part built upon the maintenance of internal and external relationships and good communication with stakeholders.

Principle 4 – Embedded objective risk management considering both opportunities and targets throughout the organisation

The Group faces challenges in the execution of its business strategy. The Board acknowledges that it has overall responsibility for the Group's system of internal controls, which is designed to manage and mitigate rather than eliminate risk, and to review and monitor its effectiveness.

The Audit and Risk Committee have been delegated responsibility to oversee risk management, and undertake a regular review of the Group's risk register with a view to:

- (i) ensuring the risk register is complete, appropriate and up to date;
- (ii) ensuring adequate processes are in place to detect new or emerging risks;
- (iii) reviewing risk exposures and any changes to the status of risks in the risk register;
- (iv) reviewing risk management assessment and processes;
- (v) reviewing risk mitigation measures and the appropriateness of responses to risks;
- (vi) reporting its findings to the Board.

Risk management, together with a robust set of systems and internal controls are well established within the business. The Risk Management Committee, made up of the Senior Leadership Team in the business, meet on a regular basis to maintain and review the risk register.

A comprehensive business planning process is also completed on an annual basis including the long-range plan which are reviewed and approved by the Board. This ensures the resources in the Group are correctly aligned with the business strategy. In addition, the Group conducts regular re-forecasts to ensure resources are aligned to the ongoing needs of the business based on the latest information available to it. During the year, the Group's results are compared against the business plan which is reported monthly and discussed at each meeting of the Board.

Principle 5 – Maintain the board as a well-functioning, balanced team led by the Chairman

The Board is currently comprised of:

- the Non-Executive Chairman;
- two Executive Directors; and
- two Non-Executive Directors

The Non-Executive Directors are regarded by the Board as being independent Non-Executive Directors.

The role of Company Secretary is currently undertaken by the CFO. In compliance with the Code, the Board is mindful of the need to develop plans to separate the roles of CFO and Company Secretary at an appropriate time and plan to separate this role in FY2026.

Board members are also able to take independent professional advice at the Company's expense in the discharge of their duties.

There is a formal schedule of matters reserved for the Board. To enhance the Board's communication with management and achieve greater operational transparency, senior management from the sales and marketing, operational and engineering organisations are periodically invited to the board meeting to present progress on their key projects and deliverables.

Board meetings

The Board meets each month against a defined reporting timetable and at times in between the scheduled meetings when required. Board meetings are held at the Group's operational sites to enable local management teams to present operational and strategic programme progress to the Board. The Board believes this arrangement gives greater transparency and enhanced relationships between the management and the Board. During the year, board meetings have been held in person at the Sedgefield, Leeds, Cambridge and Manchester sites.

Directors' attendance FY2025

The Board normally schedules at least 10 meetings during the year. Last year the Board met formally 10 times.

	Meetings attended
Jonathan Neale	10/10
Nat Edington	10/10
Michael Tyerman	10/10
Pete Magowan	10/10
John Behrendt	10/10

Principle 6 – Ensure that between them directors have the necessary up-to-date experience, skills and capabilities

At present, the Board is satisfied that its overall size and composition reflects an appropriate balance of sector, financial and public markets skills and experience. The composition of the Board is reviewed at least annually by the Nominations Committee, with a view to ensuring it comprises the skills necessary for executing the Company's strategy.

Details of each director's skills and experience can be found in the directors' biographies section. The members of the Board bring a range of complementary skills and experience from across markets in which the Group operates.

Each member of the Board takes responsibility for maintaining their skill set, which includes formal training and seminars. The directors have also received briefings and training in respect of AIM rules compliance and Market Abuse Regulations. The Board undertakes annual training on a range of subject matters that are proposed by the directors where they feel it would be beneficial.

When necessary, external advice is sought, on legal, HR, financial and governance matters. The primary sources are the Company's NomAd and the Company's lawyers.



Governance report continued

Principle 7 - Evaluate board performance based on clear and relevant objectives, seeking continuous improvements

The Board carries out an evaluation of its own performance at the end of each financial year, reviewing its performance in that year.

The Chairman and the Company Secretary prepare an evaluation questionnaire reflecting the considerations of the corporate governance code as well as significant events over the year.

The performance of the Board and its Committees is assessed. Board members are asked to provide feedback for assessment by the Chairman. The combined feedback is discussed by the Board and actions agreed with progress updates during the year.

As part of the Director's induction process the Company Secretary arranges an induction session with each new director covering such matters as:

- Group and organisation structure,
- Filtronic's values and group policies,
- an introduction to the AIM Rules for Companies,
- the QCA Code,
- Market Abuse Regulation ("MAR") and
- the terms of reference for the Board's committees.

Where specific training needs are identified, including as a result of the Board evaluation process and individual director appraisals, the Company will organise the relevant training. The Company Secretary supports the Chairman in addressing the training and development needs of directors.

Principle 8 – Promote a corporate culture that is based on ethical values and behaviours

At Filtronic, we believe in collaboration, we work with our technology leadership clients to solve their complex RF, microwave and mmWave challenges.

Our purpose and reason for being is to be the trusted provider of innovative RF solutions. Innovation matters to us, we want to push the boundaries of what is possible with RF communication.

Filtronic are long-term partners in our core markets. These effective partnerships have grown from having a strong value-based culture, where all our employees are encouraged and supported to:

- Act with **integrity**; being honest, always keeping our promises.
- Be **respectful** to all; it is the foundation of our culture.
- Strive for **excellence**; it is what our clients and colleagues expect and what we endeavour to deliver.

The Board monitors and promotes its corporate culture assisted by the SLT, which includes the Director of HR. This team plays a vital role in disseminating the Company's

shared values with its employees. The SLT holds monthly meetings, and its members are periodically invited to attend sections of the board meeting which helps the Board assess the Group's culture on an ongoing basis.

Principle 9 - Maintain governance structures and processes that are fit for purpose and support good decision making by the Board

The Board, led by the Chairman, is committed to a high standard of corporate governance across the Group, recognising its importance in protecting shareholders' interests and long-term success of the Group.

Remit of the Board

Whilst many day-to-day operational matters are managed by the Executive Directors and SLT, other matters, including those listed below, are reserved for the Board:

- Strategy and oversight of the management of the Group;
- Review of business performance and delivery of results;
- Approval of the Company and consolidated financial statements;
- Approval of major corporate transactions and commitments;
- Succession planning (appointment/removal of directors, PDMRs and the Company Secretary);
- Approval of all terms of reference for the committees of the Board;
- Review of the Group's overall corporate governance arrangements including systems of internal controls and risk management; and
- Approval of the distribution of authority.

Committees

The Board is supported by three committees:

- Audit and Risk Committee;
- Remuneration Committee; and
- Nominations Committee.

Detailed written terms of reference for each committee are maintained and are available to view on the company website.

In addition to formal meetings, the Nominations Committee and Remuneration Committee also meet informally during the year to review and discuss board composition and compensation.

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

The Company is committed to open communication with all of its stakeholders. Communication with shareholders is driven primarily through:

- the regulatory news service ("RNS"),
- the Filtronic website;
- the Annual General Meeting; and
- meetings after the Group's interim and full year preliminary accounts.

All shareholders receive a copy of the Annual Report and Accounts either as hard copy or electronically depending on shareholder preference. Copies of historic annual reports and notices of general meetings for the last five years are available on the Filtronic website, as are the half-year results and investor presentations.

Engaging with our employees helps to ensure the values and culture the Board wants to promote are embraced throughout the Group. The Company encourages open two-way communication to promote innovative and collaborative working. Communication with employees takes place ordinarily through town hall meetings at each of the Company's sites, the HR system, team meetings, health and safety meetings and training sessions.

The longevity of our business can only be secured through maintaining and expanding our customer base. Communication with customers is a priority and is mediated through dedicated commercial managers and directors, overseen by the Chief Commercial Officer. Customers are solicited for feedback on products and business operations performance, market landscape and demand trends.

Regular contact and openness is key to maintaining good and stable relations with our supply chain. The procurement department, aided by clear website sections, ensures that Filtronic's key policies and values, or their equivalent, are adopted by the supply chain with all suppliers issued with the Filtronic Supplier Code of Conduct which includes, but is not limited to, its policies on issues such as bribery, modern slavery and conflict minerals. Engagement with suppliers is overseen by the Chief Operations Officer.

The group policies were reviewed by the Board during the year and, as a priority for the business, were communicated, via management cascade, to all employees.



Nominations Committee report

Membership

The members of the Nominations Committee and the meetings attended in the year are:

	Meetings attended
Jonathan Neale (Chairman)	3/3
Pete Magowan	3/3
John Behrendt	3/3

Roles and responsibilities

The Committee's role and responsibilities are set out in full in the terms of reference, which are available on the Filtronic website and set out the Committee's responsibilities as follows:

- Ensure the balance of board members remains appropriate as the Company implements its strategy to ensure the business can compete effectively in the marketplace;
- Identify and nominate candidates to fill board vacancies as and when they arise;
- Before such appointments are made, evaluate the overall balance and composition of the Board and in the light of that evaluation, preparing a description of the roles and capabilities required for the appointment; and
- Ensure that each new appointee receives a formal and customised induction to the Group via the Company Secretary and other board members as appropriate.

For terms of reference go to www.filtronic.com/investors/aim-rule-26/



Dear Shareholders

I am pleased to present the Nomination Committee report for FY2025.

The Nomination Committee supports the Board on the crucial topic of Executive and Non-Executive succession planning. Our principal objective as a Nomination Committee is to make sure the Board and the wider management team has individuals with the necessary range of skills and knowledge, and diversity of experiences to lead the Company and deliver the Group's strategy.

The Committee plays a vital role in ensuring the effectiveness of the Board and its ability to deliver long-term success for the business, including having the appropriate balance of skills, experience and knowledge on the Board to both reflect the changing needs of the business and anticipate and prepare for the future.

This year the Committee undertook a detailed review of its selection processes to identify any improvements to aid future appointments of directors and senior management. In the year, we oversaw considerable change in the Senior Leadership Team of the Company to ensure the Group has the right skills to execute strategic and operational objectives needed to drive the Company's growth. In particular, a key role was taken in supporting the recruitment of the Group's new Chief Commercial Officer recognising the importance of the business development function to deliver shareholder value.

The Committee also took account of the results from the annual board performance evaluation exercise conducted in June 2024. To ensure it takes a key role in ensuring the effectiveness of the Board and its ability to deliver long term success for the Company. As the Chair of the Committee, I review the results of this exercise and share the feedback with the members of the Board both individually, to personalise the feedback, and as a collective. Nothing significant was raised as part of this evaluation but some improvement actions were identified which are highlighted below:

- Talent management and organisation development;
- Continuing to keep under review the combined role of the CFO and Company Secretary with a plan to decouple the role at the appropriate time; and
- A greater emphasis on the role of diversity and inclusion and the important role it plays in high performance organisations;



In the year ahead, the Committee will work on succession plans for the Board and key management and oversee any actions coming out of the board effectiveness questionnaires that took place in June 2025 to ensure they are effectively implemented.

Jonathan Neale
Chairman, Nominations Committee
28 July 2025

New appointments and induction of directors

When identifying suitable candidates for board and senior executive appointments, the Committee uses the services of external advisers to facilitate the recruitment search and considers candidates on merit and against objective criteria. The Committee recognises the value of a diverse board and will consider all candidates with the necessary capabilities in accordance with the Company's policies including considerations of equality and diversity.

When a new director joins the Board a full and formal induction process is undertaken including a briefing session on AIM rules with our Company's Nominated Advisor ("NomAd"). The Company Secretary is tasked with providing the new director with the following information to fast-track a new director's understanding of the Group to equip them to perform their role:

- information about the Group including board and committee minutes along with board papers from at least the last six months;
- the Group's policies, procedures and governance information;
- analysis of the Company's key shareholders and share capital;

- guidance for directors on their legal and regulatory responsibilities in an AIM-quoted company;
- guidance on corporate governance and board effectiveness; and
- relevant information about the markets we operate.

As part of the induction process, the new director also:

- Attends a business briefing with the CEO and CFO;
- Has meetings with the other members of the Senior Leadership Team; and
- Attends meetings with any other employees they would like to see.

Diversity and inclusion

The Committee recognises the importance of a diverse board and is mindful of the issue of board diversity in its succession plans. Company policy ensures that the selection of directors and, in a wider context, employees throughout the Group, as well as opportunities to progress and develop will be based upon a range of factors including skills, experience, qualifications, background and values. There will be no discrimination or less favourable treatment of employees or job applicants in respect of age, race, religion, gender, sexual orientation, pregnancy, disability or marital status.

Board evaluation

The Nominations Committee undertakes an annual evaluation of the Board's performance and effectiveness. The results of the evaluation exercise are shared with board members and any recommendations are discussed and implemented if deemed to be an improvement.

Activities of the Nominations Committee during the year

The Nominations Committee discharged its responsibilities during the year by:

Area of review	Activities undertaken
Board appointments	• Supported the development of the Senior leadership team to ensure the Group has the right skills and experience to execute its plans. • Reviewed the dual role of the Chief Financial Officer and Company Secretary in line with the guidelines of the QCA code. • Oversaw the succession planning of directors and other key executives.
Board performance evaluation	• Conducted a rigorous board performance evaluation exercise and fed the results back as a group and individually.
Governance	• Assessed the structure, size and composition of the Board. • Reviewed and approved the Committee's terms of reference. • Reviewed compliance with the QCA code. • Reviewed the time required from Non-Executive Directors to sufficiently discharge their duties. • Reviewed the independence of the Non-Executive Directors and any potential conflict of interest for all Directors.

Nominations Committee report continued

Ongoing director training

The directors have the opportunity to participate in an ongoing training programme organised by the Company Secretary. This includes the Company Secretary keeping the Board briefed on relevant regulatory changes, and arranging external training, as required. During the year, the NomAd, Cavendish provided training on AIM rules and market regulation.

Meetings and Director site visits

Physical board meetings and director visits are scheduled throughout the year at our sites in the UK. Locations for meetings and site visits are agreed annually and are arranged by the Company Secretary. During the year, the Board held physical meetings in Sedgefield, Leeds, Manchester and Cambridge.

Audit and Risk Committee report

Membership

The members of the Audit and Risk Committee and the meetings attended in the year are:

	Meetings attended
John Behrendt (Chairman)	4/4
Jonathan Neale	4/4
Pete Magowan	4/4

Roles and responsibilities of the Audit and Risk Committee

The Audit and Risk Committee operates within a framework of approved terms of reference which are reviewed annually along with its effectiveness; recommendations made to the Board of any changes required from the review. The terms of reference are available on the Filtronic website, and include the following roles and responsibilities:

- Monitor and make recommendations to the Board in relation to the Company's published financial statements and other formal announcements relating to the Company's financial performance;
- Advise the Board on whether the Committee believes the Annual Report and Accounts, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the Company's performance, business model and strategy;
- Monitor and make recommendations to the Board in relation to the Company's internal financial controls and financial risk management systems;
- Consider the need for an internal audit function, determine the scope of outsourced internal audit activities, appoint a provider, agree fees and review the results of these activities;
- Make recommendations to the Board in relation to the appointment, re-appointment and removal of the external auditor and approve the remuneration and terms of engagement of the external auditor;
- Review and monitor the external auditor's independence and objectivity and the effectiveness of the audit process, taking into consideration the relevant UK professional and regulatory requirements;
- Monitor the extent to which the external auditor is engaged to supply non-audit services; and
- Ensure that the Company has arrangements in place for the investigation and follow-up of any concerns raised confidentially by staff in relation to the propriety of financial reporting or other matters.
- Review the company's risk management systems and processes to ensure their adequacy and regularly review the risk register to ensure it is complete and up to date with appropriate risk mitigation measures in place where required.

For terms of reference go to www.filtronic.com/investors/aim-rule-26/



Dear Shareholder

I am pleased to present the report of the Audit and Risk Committee.

The Audit and Risk Committee continues to fulfil a vital role in the Group's governance framework, providing independent challenge and oversight of the accounting, financial reporting, internal control processes, risk management, the internal audit activity and the relationship with the external auditor. This report outlines how the Committee has discharged its responsibilities during the year. It aims to provide shareholders with a clear understanding of the work we have done as a committee to provide challenge and assurance on the integrity of the FY2025 Annual Report and Accounts and the Group's regulatory reporting requirements as well as the key issues it has considered.

Meetings are generally held immediately prior to a board meeting to facilitate immediate and efficient reporting to the Board, with additional meetings where necessary. The Executive Directors may attend the meeting by invitation whilst the external auditors attend when requested, as do outsourced internal audit providers when used.

This year, the Company undertook an internal audit to assess the financial control systems of the business using its own internal resources. The results of this audit were positive with some minor suggestions for improvement which have now been implemented. An audit of the cyber security environment was also undertaken with a cyber security specialist engaged to test the robustness of the cyber security systems which again showed positive results. The Committee will continue to keep a focus on cyber security to ensure continuous improvement in an environment that has seen high-profile cyber security attacks. It is not deemed appropriate, given the size of the Company, to have its own dedicated internal audit function. However, the Audit and Risk Committee considers annually whether there is a need for an in-house internal audit function to be established and, were it to conclude that this would be more appropriate than the current arrangements, would recommend this to the Board.

The normal pattern of meetings follows the public reporting and audit cycle, with meetings to consider the external audit plan; the half year announcement and the full year Annual Report and Accounts, the latter with the external auditors' observations and opinions. There are at least two additional meetings in the year to review the key risks within the Group, how they are managed and review the adequacy of the arrangements to mitigate those risks.



Audit and Risk Committee report continued

As Chair of the Committee, I maintain regular dialogue with the Chief Financial Officer and have direct access to Crowe, the Company's external auditor. The Committee meets separately at least once a year with the external auditor, without others being present, to facilitate open discussion and the opportunity to discuss any concerns.

Next year, in addition to the normal cycle of matters that the Committee schedules for consideration, we are planning to:

- Oversee further improvements and enhancements to the Group's internal control environment as it evolves through a period of strong growth;

- Review the export control systems to ensure compliance and test the appropriateness of the controls; and
- Continue to monitor emerging risks in the Group.

As Chair of the Audit and Risk Committee I make myself available at the Company's AGM to answer any shareholders questions relevant to the Committee.

John Behrendt

Chairman, Audit and Risk Committee
28 July 2025

Activities of the Audit and Risk Committee during the year

During the year, the Audit and Risk Committee discharged its responsibilities by:

Area of review	Activities undertaken
Financial reporting	• Reviewed the Annual Report and Accounts, Interim Report and interim management statements prior to Board approval. • Considered whether the Annual Report and Accounts was fair, balanced and understandable. • Reviewed the external auditor's detailed report to the Committee on the annual financial statements. • Reviewed critical accounting policies and significant accounting judgements and estimates, particularly in relation to the share warrants granted to SpaceX. • Reviewed changes in corporate governance and accounting standards and their impact. • Reviewed the going concern basis for preparation of the financial statements including consideration of the Group's latest business plan and five-year outlook, cash flow forecast and corresponding sensitivities on downside scenarios.
External auditors	• Reviewed the external auditor's plan for the audit of the Group's financial statements, including the identification of key risks. • Reviewed and approved the external auditor's terms of engagement, remuneration, independence and rep letter. • Reviewed the external auditors' compliance with ethical and professional guidance on Senior Statutory Auditor rotation. • Assessed the effectiveness of the audit process. • Committee-only meeting with the Senior Statutory Auditor.
Risk management and internal controls	• Reviewed the Group's risk management register on numerous occasions. • Specific focus on risks relating to recruitment, delivery of engineering projects, cyber security as well as the risk relating to the strategic objective of broadening the customer base. • Reviewed the Group's internal control system and assessed the effectiveness of those controls in minimising the impact of key risks. • Reviewed the need for an internal audit function and determined what aspects of the Group's operations should be subject to outsourced internal audit scrutiny. • Ensured cyber security was regularly reviewed. • Reviewed the results of the internal audit undertaken.
Governance	• Reviewed the Committee's terms of reference. • Reviewed the size and structure of the Committee for appropriateness. • Monitored the Company's performance of debt financing and covenant management.

Key accounting matters

The following key areas of risk and judgement have been identified and considered by the Audit and Risk Committee in relation to the business activities and financial statements of the Group and Parent Company:

Significant issue	Committee action taken
Carrying value of goodwill	The Committee considered the judgements made in relation to the valuation methodology adopted by management and the model inputs used. These are set out in note 14 to the financial statements. The Committee agreed with the judgements made by management and concluded that no impairment of goodwill should be made in the financial statements of the Group.
Capitalisation and impairment of intangible development costs	The Committee considered the capitalisation of development costs and the impairment assessment prepared by management. It critically assessed the inputs, such as a consideration of the reasonableness of discount rates applied and of reviewing forecasts into individual development product projections. The Group's accounting policy for intangible assets is included within the accounting policies in note 1 and the components of intangible assets are set out in note 14. The products under development, and capitalised, are mainly mmWave technology focussing on space opportunities which are expected to give rise to future economic benefit. Intangible asset impairment calculations and sensitivities are undertaken at least annually by management.
Fair value valuation of the SpaceX warrants and accounting treatment	The Committee considered the judgements made by management in relation to the valuation methodology and accounting treatment of the share warrants. This included a review of the inputs to the model to fair value the share warrants and the treatment of the warrants in the Statement of financial position. The Committee agreed with the judgements made by management both in accounting treatment and valuation. The Group's accounting policy for the share warrants can be found in note 1.

Fair, balanced and understandable

The Company's management and the auditor confirmed to the Audit and Risk Committee that they were not aware of any material misstatements. Having reviewed the reports received from management and the auditor, the Committee is satisfied that the key areas of risk and judgement have been appropriately addressed in the financial statements and that the significant assumptions used in determining the value of assets and liabilities have been properly appraised and are sufficiently robust.

After careful consideration of the advice of the Audit and Risk Committee, the Board concluded that the 2025 Annual Report and Accounts is fair, balanced and understandable and provides the necessary information for the Company's shareholders to assess the Group's risks, performance, business model and strategy.

Risk management and internal controls

Risk and risk management is delegated to the Audit and Risk Committee although the overall responsibility for the Group's system of risk management and internal controls remains with the Board.

The Group has well established risk management and internal control processes that have been developed since Filtronic was formed in 1977. The Audit and Risk Committee confirms that the effectiveness of the system of internal control, covering all material controls including financial, operational, commercial and compliance controls and risk management systems,

have been reviewed during the year. Further details of risk management can be found in the Risk management section of this Annual Report on page 19.

Auditor independence

Both the Audit and Risk Committee and Crowe have procedures in place to avoid the auditors' objectivity and independence being compromised.

The Committee performs its own assessment of auditor independence satisfying itself on an annual basis that suitable policies and procedures are in place to safeguard the auditors' independence and objectivity. This includes having regard to length of service, provision of non-audit services and the existence of any conflicts of interest. On the latter point, the Company has a policy of not employing anybody from the audit firm within five years of their departure. The auditor also has open access to the Chair of the Audit and Risk Committee and open lines of discussion with the Committee to ensure there is no influence by management.

To safeguard the auditor's independence and objectivity, and in accordance with the 2019 FRC's ethical standard for best practice, the Group does not engage Crowe for any non-audit services except where it is work that they must, or are clearly best-suited to perform.

Rotation of lead audit partner

As part of their review of auditor independence, Crowe has confirmed that it is independent of the Company



Audit and Risk Committee report continued

and has complied with applicable auditing standards. Crowe is in its second year as auditor and therefore the Senior Statutory Auditor is operating in accordance with professional guidelines of serving no longer than five years to maintain independence.

External auditor

The Committee considers that Crowe has carried out its duties as the auditor in a diligent and professional manner.

In assessing the auditor's effectiveness, the Committee:

- Challenged the work done by the auditor to test management's assumptions and estimates in the key risk areas;
- Reviewed reports received from the auditor on these and other matters;
- Received and considered feedback from management; and
- Held private meetings with the auditor that provided the opportunity for open dialogue and feedback between the Committee and the auditor without management being present.

Having completed its review, the Audit and Risk Committee is satisfied that Crowe remained effective and independent in carrying out its responsibilities up to the date of signing this report.

Whistleblowing

The Group has in place a Whistleblowing policy, which sets out the formal process by which an employee, or other stakeholder, may, in confidence, raise concerns about possible malpractice in financial reporting, conduct or other matters to an identifiable whistleblowing officer.

There were no incidents or concerns raised for consideration during the year.

Anti-bribery

The Group has in place an Anti-Bribery policy, which sets its zero-tolerance position. The policy provides the principles for employees and other stakeholders that acts as guidance on how to recognise and deal with issues that may be considered as giving rise to bribery.

During the period there were no incidents reported that required consideration.



Directors'

remuneration report

Membership

The members of the Remuneration Committee and the number of meetings attended are:

	Meetings attended
Pete Magowan (Chairman)	3/3
Jonathan Neale	3/3
John Behrendt	3/3

The Remuneration Committee comprises the Non-Executive Directors, including the Chairman.

Role of the Remuneration Committee

The Remuneration Committee's role is to define and make recommendations to the Board on the Group's remuneration policy and the employment terms of Executive Directors and senior management along with the effective implementation of that policy. The Committee is also responsible for the review and approval of pay increases, performance related pay arrangements and share incentive plans along with the associated performance targets. The Committee's full terms of reference are reviewed regularly and approved by the Board.

For terms of reference go to www.filtronic.com/investors/aim-rule-26/



Dear Shareholder

On behalf of the Board, I am pleased to present the Filtronic Directors' remuneration report for the year ended 31 May 2025. The report explains the work of the Remuneration Committee during the year and sets out the payments and awards made to directors.

The QCA Code recommends that it is a good principle of corporate governance to establish a remuneration policy which aligns with the Company's purpose, strategy and culture. The Company is committed to being transparent and demonstrating good governance so the remuneration policy is presented within this Annual Report.

The Remuneration Committee is committed to structuring the remuneration packages of Executive Directors and senior management that are competitive and enable the Group to attract, retain and motivate talented people that can develop and execute the Group's strategy. To promote the long-term success of the Company, the Executive Directors incentive benefits are performance based and earned only subject to the satisfaction of performance conditions. These performance conditions are aligned with the interests of the shareholders.

In determining pay awards, consideration was given to financial sustainability, enabling the business to produce the returns it needs for further investment whilst ensuring Filtronic remains an attractive proposition to retain and attract the talent needed to deliver our business strategy. Therefore, we undertook an external benchmarking exercise, using data from third-party experts to compare the remuneration packages we offer against similar businesses in terms of size and nature.

The 'Our People' section of this Annual Report and Accounts offers greater insight into some of the additional benefits our employees enjoy as well as the access they get to third-party services for support with their health and wellbeing.

The Committee reviewed the outcomes for the FY2025 annual incentive plan with the targets being met, and exceeded, in the year resulting in participants achieving most of their bonus potential.

The Committee also considered the performance-related bonus plan for implementation in FY2026, to ensure it aligned with the interests of shareholders. As the Company executes on its growth plans it was concluded that the revenue-based metric for the incentive



Directors' remuneration report continued

scheme should remain a key metric in which to assess performance but be augmented with the addition of an adjusted EBITDA target metric. This resulted in the scheme being structured so that 50% is earned by achievement of a revenue target and 50% is earned by achieving an adjusted EBITDA target. The incentive for FY2026 will be awarded for achieving stretching targets against the FY2026 strategic business plan. The Committee is confident this will drive the right behaviour in the organisation to deliver long-term shareholder value ensuring increased revenue is delivered in the most profitable way.

To support the long-range strategic plans and further align the interests of the Executive Directors and key management with shareholders, an award of share options was made to the new members of Senior Leadership Team and key management, who joined during the year, to incentivise the right behaviour and aligns the outcomes with those of the shareholders. This award was made as part of a Long-Term Incentive Plan

("LTIP") but a Company Share Option Plan ("CSOP") has also been implemented to offer a tax efficient scheme for employees to enjoy now the Company has reached a size that no longer qualifies it for Employee Stock Ownership Plan ("ESOP") status.

The main activities of the Committee in FY2025 are set out in the table. I hope you find this report gives a clear account of the Committee's approach and remuneration outcomes for the year. We are committed to maintaining an open dialogue with shareholders with regards to remuneration and would welcome any comments or concerns, relating to this report, that shareholders may have.

Pete Magowan
Chairman, Remuneration Committee
28 July 2025

Activities of the Remuneration Committee during the year

During the year, the Remuneration Committee discharged its responsibilities by:

Area of review	Activities undertaken
Executive Directors' and senior management remuneration	- Set the remuneration of the Executive Directors and senior management as part of the annual pay review. - Assessed and approved the FY2025 bonus outcomes. - Reviewed and approved the FY2026 performance-related bonus plan and assessed the performance criteria being set as an equal split of revenue and adjusted EBITDA metrics. - Determined the performance targets for the 2026 annual bonus in line with The Group's strategic plans.
Share incentive plans	- Approved the grant of share options for key management and set stretching performance conditions based on share price growth and adjusted EBITDA. - Approved the issue of another SAYE scheme to all UK employees.
Governance	- Considered and approved the Directors remuneration report. - Reviewed and approved the remuneration policy. - Reviewed and approved the Committee's terms of reference.

Directors' remuneration policy

The objective of the Directors' remuneration policy is to attract, retain and incentivise a high calibre of Executive Director, Senior Management and Non-Executive Director who can direct the business and deliver the Group's core objective of growth in shareholder value, by building a business that is capable of delivering long-term, sustainable growth.

The Board has overall responsibility for the remuneration policy but delegates the operation of it to the Remuneration Committee ("the Committee") which is also responsible for ensuring our reward structure remains both competitive in our market and aligned with the interests of shareholders. It has spent a significant amount of time assessing the policy to ensure it aligns the interests of the Executive Directors and Senior Management with the Group's business strategy, growth ambition, culture and creation of long-term shareholder value. It is structured in compliance with Principle 9 of the QCA Code

and ensures that appropriate incentives are in place to motivate and encourage enhanced performance, with rewards for contribution to the success of the Group being given in a fair and responsible manner. It supports and reinforces the desired corporate culture and aims to promote the right behaviours and decision making within the organisation.

Executive Directors and Senior Management

Pay structures for the Executive Directors and Senior Management have been implemented to be attractive to attract and retain whilst being aligned with shareholders' interests. To achieve this objective, remuneration packages are awarded with elements of fixed and variable pay with share incentives structured to help Executive Directors and Senior Management build and hold a meaningful shareholding in the company.

The table below summarises the key components of remuneration for Executive Directors and senior management:

Element	Objective and Link to Strategy	Operation	Opportunity	Performance Measures
Base Salary	To reflect the individual's skills and experience, providing a competitive base reward to recruit and retain people of the calibre needed to develop and deliver the Company's strategy.	Base salaries are normally reviewed on an annual basis with any changes effective from 1 June.	While there is no maximum salary, any increase will typically be in line with those awarded to the wider employee population. The Remuneration Committee retains discretion to make exceptional salary increases in circumstances that it considers appropriate, for example: i) where the individual has been promoted or gains a clear increase in responsibility. ii) aligning pay with a market competitive rate. iii) There is a material change in the size or complexity of the business.	Base salary levels and corresponding increases are based on individual experience, skills and business performance along with competitiveness against similar companies.
Benefits	To provide market competitive benefits as part of a competitive total remuneration package.	Benefits include, but are not limited to, private healthcare, car allowance, life assurance and income protection.	The Remuneration Committee retains discretion to approve additional benefits taking into account the role and individual circumstances.	None.

Directors' remuneration report continued

Element	Objective and link to Strategy	Operation	Opportunity	Performance Measures
Pension contribution	To provide a market competitive retirement benefit on the same basis as that available to other employees.	The Executive Directors are eligible to participate in the Group's defined contribution scheme. The Company has discretion to authorise cash payments in lieu of pension contribution.	The Group operates an employer matched plus 2% pension scheme for its UK employees, including the Executive Directors, up to a maximum of 8% of base salary if the employee contributes 6%.	None.
Annual Performance Related Bonus	To provide an incentive to deliver short-term stretching financial performance and growth targets.	Targets (financial and non-financial) are set and reviewed by the Committee annually. Actual bonus payable is determined by the Committee after the financial year-end, based on performance against these targets All employee bonuses are subject to malus and clawback provisions.	The bonus target is 50% of base salary in the case of both the CEO and the CFO, with the CEO able to earn a further 25% for achievement of personal objectives. Under the financial element of the annual bonus, threshold performance must be exceeded before any annual bonus becomes payable. The percentage payout then increases according to the level of achievement against targets. Bonuses start accruing from a minimum threshold at 20% to the maximum amount payable of 150% of bonus target for exceptional out performance.	The performance measures, weighting and targets are set annually by the Committee with reference to external expectations and internal financial forecasts.
Employee Share Option Plan ("ESOP") and Long-Term Incentive Plans ("LTIP")	To drive and incentivise long-term value creation, support retention and promote share ownership by the Executive Directors.	The exercise price of the share option is generally set at the market price on the date of the grant other than in exceptional circumstances. Vesting of the option is conditional on achievement of pre-defined performance conditions, which the Committee considers to be appropriately stretching, and are measured over multiple financial periods. The Committee retains discretion to adjust the choice of performance measures to ensure they continue to be linked to the delivery of the Group's strategy.	The Committee has full discretion as to the participants of the scheme and the number of options granted to each participant.	Awards vest based on the achievement of performance measures. The performance criteria are financial and include measures such as share price growth and adjusted EBITDA. The Committee has discretion to adjust outcomes to ensure that payments accurately reflect underlying business performance over the period.

Element	Objective and link to Strategy	Operation	Opportunity	Performance Measures
Participation in other all employee share-based plans including Save As You Earn ("SAYE")	To encourage all employees to make a long-term investment in share ownership of the Company in a tax-efficient way.	The Executive Directors can participate in the Company's SAYE scheme on the same terms as other UK employees. Options are periodically granted at a discount (currently up to 20%) to the market value of the share at the date of invitation. Awards may be adjusted to reflect a change in the capital structure of the company.	Up to the maximum monthly saving amount as permitted by HMRC.	N/A

Notes to the policy table

Performance measures and targets

It is the Board's intention to reward success. Therefore, the aim of the variable pay structure is to reward Executive Directors and Senior Management, over and above base salary, for the achievement of business objectives.

Performance targets are set to be stretching but achievable, with regard to the particular strategic priorities in a given year. The Committee retains the ability to adjust performance measures or targets if events occur (such as a change in Group strategy, a material acquisition or a change in prevailing market conditions) which cause the Committee to determine that measures are no longer appropriate and that an amendment is required so that they achieve their original purpose.

Annual bonus

The bonus criteria is selected annually to reflect the Group's main KPIs for the year and are designed to encourage continuous performance improvement for the Group.

Group financial performance targets relating to the bonus plan are set with reference to the Group's annual budget, which is reviewed and signed off by the Board prior to the start of each financial year.

Share schemes

The Committee has determined that the performance metrics for the ESOP and LTIP scheme are share price growth and adjusted EBITDA performance over three financial periods to align business performance with the interests of the shareholders. Minimum and upper targets are set for achievement where vesting will only materialise if the lower target is met after the three years otherwise the share option will lapse. On achievement of the minimum threshold, the options vest at 50% of the total options granted and continue to vest on a straight-line

basis until the upper target is achieved, at which point the maximum option potential will vest.

Limit on sale of share option

To promote share ownership of Executive Directors and Senior Management there is a restriction on the number of shares that can be sold in any six-month period to a maximum of 1% the total share capital of the Company.

Remuneration policy for other employees

The approach to annual salary reviews is consistent across the Group, with consideration given to individual performance, skills, experience, responsibility, group performance, market conditions and salaries paid by similar companies. Pension participation is open to all employees and those enrolled receive life insurance and income protection (long-term incapacity benefit). UK employees are also invited to join the SAYE plan on the same terms as the Executive Directors.

Depending upon role and seniority, some employees may also benefit from private healthcare and inclusion in the Filtronic Annual Bonus Scheme. The level of participation in all bonus and share option schemes is determined by the Board via the Remuneration Committee in consideration of role, responsibility and individual performance contribution.

Consideration of AIM market practice

The Board aims to keep reward packages and policy in line with AIM market norms and will take soundings from time to time with external advisors to take account of changing governance requirements and tax policy in respect of scheme rules.

Consideration of shareholders' views

The Committee considers feedback received from all shareholders and seeks engagement to consult with major shareholders on key remuneration issues. The



Directors' remuneration report continued

Committee engages proactively with shareholders and ensures that they are consulted in advance where there are any material changes to the remuneration policy or elements of it.

Recruitment remuneration policy

The Committee recognises the importance of attracting the best talent available to the Company to deliver the company strategy and long-term shareholder value.

The Company will, therefore, on recruitment or internal promotion, to Executive Director or Senior Management apply the remuneration policy in full. This includes making use of any, or all of the components of remuneration set out in the table above. The Committee retains discretionary authority to set first year annual bonus performance targets for new recruits different to those for the other participants, in order to reflect a commencement period after business plans have been set and to also offer at commencement the immediate participation in the share option scheme.

In determining appropriate remuneration for a new Executive Director or Senior Manager, the Committee takes into consideration all relevant factors including the quantum, nature of remuneration and jurisdiction from which the candidate was recruited to ensure that the pay arrangements are in the best interests of the Group and its shareholders.

The Committee may include additional elements of pay which it considers appropriate in circumstances which may include:

- Interim appointments;
- Non-Executive Directors taking on an executive function on a short-term basis; and
- Where the timing of the recruitment means that it would be inappropriate to provide a bonus or ESOP opportunity for the year, in which case the quantum in respect of the opportunity for the year of recruitment may be transferred to the subsequent year in order that reward is provided on a fair and appropriate basis.

However, the Committee's discretion is not unlimited. As noted above, salary, pension and benefits will be provided in line with the existing policy. The Committee may alter the performance measures and vesting periods of incentive remuneration and the deferral arrangements for the bonus or holding period for the share option to reflect the circumstances of the recruitment. The rationale for any exercise of this discretion will be explained in the following year's remuneration report.

In addition to the above elements of remuneration, the Committee may consider it appropriate to grant an award under a different structure in order to facilitate the recruitment of an individual, to replace remuneration, benefits and/or incentive arrangements forfeited on leaving a previous employer.

External appointments

It is the Board's policy to allow each Executive Director to take up one non-executive position on the board of another company, subject to the prior approval. Any fee earned in relation to outside appointments is retained by the Executive Director. No such position is held by Michael Tyerman. Nat Edington currently has a Non-Executive role with Concurrent Technologies PLC that he has held since joining the Company.

Non-Executive Directors

The policy table below summarises the key components of remuneration for the Chairman and Non-Executive Directors:

Element	Objective and link to strategy	Operation	Opportunity	Performance measures
Fees	To attract and retain high calibre individuals who have the experience to conduct both the statutory duties of a director, as well as advise on company strategy and oversee its implementation.	Fee reviews are conducted annually at the same time as the Executive Directors on 1 June of each financial year and consider economic conditions, market levels and the time commitment and contribution of each individual as well as the affordability for the Company. Fees are payable entirely in cash. Neither the Chairman nor the Non-Executive Directors are permitted to participate in the Company's performance-based incentive plans.	Increases to fee levels will typically be in line with market levels of inflation. In exceptional circumstances (eg. material misalignment with the market or a change in the complexity, responsibility or time commitment required to fulfil the role of Non-Executive Director) the Board retains the discretion to make appropriate adjustments to fee levels to ensure they remain market competitive and fair to the director. Non-Executive Directors receive an additional fee for chairing a board committee.	N/A

Directors' service agreements

The Executive Directors are employed under contracts of employment with the Group.

The Non-Executive Directors, including the Chairman, are retained under Letters of Appointment.

Executive Directors' contracts and Non-executive Directors' Letters of Appointment are available to view at the Company's Registered Office. Details of the service contracts currently in place for directors are as follows:

Name	Executive service agreement appointment date	Key current terms	Notice period
Nat Edington Chief Executive Officer	Appointed to the Board on 13 May 2024	Base salary £270,000 Annual bonus Health insurance Long-term incentives Pension allowance	6 months
Michael Tyerman Chief Financial Officer	Appointed to the Board on 1 April 2016	Base salary £168,000 Annual bonus Health insurance Long-term incentives Pension	6 months

Name	Role	Non-Executive terms of appointment date	Fee	Notice period
Jonathan Neale	Chairman and Nominations Committee Chairman	Appointed to the Board on 15 November 2021	£80,000	6 months
Pete Magowan	Remuneration Committee Chairman	Appointed to the Board on 19 November 2018	£50,000	3 months
John Behrendt	Audit and Risk Committee Chairman	Appointed to the Board on 1 January 2021	£50,000	3 months

Directors' remuneration report continued

Exit payments

When determining any loss of office payment for a departing Executive Director or Senior Manager the Committee will ensure that a consistent approach is adopted so that there is no reward for poor performance and the liabilities of the Group are minimised where appropriate.

The underlying principle to be applied is that payment to an individual shall be limited to their contractual

obligations and to honour any pre-established commitments with the exception that, for "good leavers" the committee will retain discretionary authority over the grant of pro-rata annual bonus, SAYE and ESOP awards.

No severance payment shall be made to any employee who is dismissed for serious breach of contract, serious misconduct or any acts or omissions that bring the Company into disrepute.

Annual bonus

Reason for leaving	Timing of vesting	Treatment of awards
"Good leaver" including redundancy, retirement etc	Usually paid at the same time as continuing employees. Pro rata payments may also be made early on compassionate grounds to a "good leaver".	Eligible for an award to the extent that performance targets are satisfied, and the award is pro-rated for the proportion of the financial year served.
"Bad leaver" including resignation, dismissal, etc	No annual bonus payable.	Not applicable.
Change of control	Paid immediately on the effective date of change of control.	Eligible for an award to the extent that performance targets are satisfied up to the change of control and the award is pro-rated for the proportion of the financial year served to the effective date of change of control.

ESOP/share option scheme

Reason for leaving	Timing of vesting	Treatment of awards
"Good leaver" including redundancy, retirement etc – awards which are still subject to performance conditions	Continue until the normal vesting date or vest immediately, at the discretion of the Committee. In the event of the death of a participant, the award would vest immediately.	Outstanding awards vest to the extent the performance conditions are or are reasonably considered to be likely to be satisfied and the awards are pro-rated to reflect the length of the performance period served unless the remuneration committee decides otherwise. In the event of the death of a participant during the performance period, the award would vest in full.
"Bad leaver" including resignation, dismissal, etc	Outstanding awards are forfeited.	Not applicable.
Change of control	Vest immediately on the effective date of change of control.	Outstanding awards vest subject to the satisfaction of performance conditions as at the effective date of change of control, and the award is pro-rated for the proportion of the performance period served to the effective date of change of control unless the remuneration committee decides otherwise.

Remuneration Report

Total single figure of remuneration for directors

The directors' total remuneration in respect of the year under review is shown below and compared to the previous year.

	Salary or fee		Bonus		Benefits		Long-term incentive		Total remuneration excluding pension contributions	
£000	FY2025	FY2024	FY2025	FY2024	FY2025	FY2024	FY2025	FY2024	FY2025	FY2024
Executive Directors										
Nat Edington ¹	260	15	240	-	22	1	347	-	869	16
Michael Tyerman	159	144	107	72	1	1	25	218	292	435
Richard Gibbs ²	-	206	-	107	-	11	-	479	-	803
Non-Executive Directors										
Jonathan Neale	74	67	-	-	-	-	-	-	74	67
Pete Magowan	47	44	-	-	-	-	-	-	47	44
John Behrendt	47	44	-	-	-	-	-	-	47	44
Total	587	520	347	179	23	13	372	697	1,329	1,409

¹Nat Edington was appointed to the Board on 13 May 2024.

²Richard Gibbs resigned from the Board on 13 May 2024.

Notes to the single figure table of remuneration for directors

Taxable benefits

The Executive Directors are provided with private health insurance and life assurance whilst Nat Edington also receives an allowance in lieu of pension.

Incentive outcomes - FY2025

The Executive Directors were rewarded for delivering revenue targets aligned with the FY2025 Business Plan.

Long-term incentives

The Executive Directors have long-term incentives as part of the Company's share option plan. More details relating to this can be found on page 58 in the 'Management share option scheme' section of the Directors' remuneration report.

Annual performance-related bonus plan - FY2026

An annual performance-related bonus plan has been introduced for the year ending 31 May 2026 which will reward the Executive Directors and key management cash bonuses for delivering stretching revenue and adjusted EBITDA targets aligned to the FY2026 business plan, whilst Nat Edington will also be incentivised on achievement of personal objectives that support the growth and development of the business.

Nat Edington can earn up to a maximum of 100% of his base salary whilst Michael Tyerman can earn up to 75% of his base salary. Pay-out is determined by the Remuneration Committee which has discretion to vary the bonus based on performance.



Directors' remuneration report continued

Total single figure of pension benefits for directors

The Executive Directors' total pension benefits in respect of the year under review are shown below and are compared to the previous year.

£000	Pension contributions	
	FY2025	FY2024
Michael Tyerman	13	12
Richard Gibbs	-	10
Total	13	22

Contributions were made to the Company's defined contribution scheme.

Nat Edington is not a member of the Company's pension scheme and opted to be paid an allowance in lieu of pension as an alternative.

Directors' and relevant senior management holdings of Filtronic shares

Directors are not required but are expected to have holdings in the ordinary share capital of the Company.

The interests of the directors, who were serving as at 31 May 2025, in the Company's ordinary shares, which excludes interests under the share option schemes, are set out below:

	FY2025		FY2024	
	Shares	%	Shares	%
Nat Edington	113,734	0.1%	-	-
Michael Tyerman	398,631	0.2%	581,601	0.3%
Jonathan Neale	265,151	0.1%	265,151	0.1%
Pete Magowan	750,000	0.3%	750,000	0.3%
John Behrendt	200,000	0.1%	200,000	0.1%
	1,727,516	0.8%	1,796,752	0.8%

The above shareholdings include holdings of directors' connected parties.

Management share options scheme

The Executive Directors who were serving at 31 May 2025 held the following options over the ordinary shares of the Company:

	Plan	Year of grant	Exercise period	Option price	FY2025	FY2024
Nat Edington	ESOP	2024	24/05/2027—24/05/2034	17.25p	4,333,333	4,333,333
Michael Tyerman	ESOP	2021	24/06/2025—23/06/2031	11.12p	184,795	479,988
Michael Tyerman	ESOP	2023	30/11/2026—30/11/2033	17.25p	1,370,012	1,370,012
					5,888,140	6,241,623

The ESOPs granted in June 2021 to Michael Tyerman and key management were granted for the delivery of stretch targets of revenue with the options vesting at various incremental increases of agreed targets. The Remuneration Committee agreed to extend the scheme for another 12 months, at the end of the prior year, for a reduced population of the initial options granted. All of the share options rolled forward have vested after achievement of the performance criteria set.

The closing middle market price on 31 May 2025 was 125p, and on 31 May 2024 it was 59p. The range of middle market share prices during the year ended 31 May 2025 was 59p-125p.

There was no change in directors' interests between 31 May 2025 and 28 July 2025. The Company's register of directors' interests, which is open to inspection at the Registered Office, contains full details of directors' shareholdings.

Directors' report

The directors present their report together with the audited consolidated financial statements for the year ended 31 May 2025.

Going concern

The Group's business, and the factors likely to affect its future development, performance and position are set out in the Strategic report.

The revenue, trading results and cash flows are explained in the Financial review on page 14.

After a review of forecasts including projections of profitability and cash flows for the year to 31 May 2026 and a further two years, the directors believe that the Group has adequate resources to continue to operate for the foreseeable future and that it is therefore appropriate to continue to adopt the going concern basis of accounting in the preparation of the consolidated and Company financial statements. The basis of preparation, in note 1, provides more detail on this.

Directors and their interests

The directors of the Company during the year, and up to the date of signing this report, were as follows:

Executive Directors

Nat Edington

Michael Tyerman

Non-Executive Directors

Jonathan Neale

Pete Magowan

John Behrendt

Details of directors' remuneration and interests in the share capital of the Company are set out in the remuneration report on page 49.

The Board adopted best practice, as recommended by the QCA Code 2023, so all the directors will stand for re-election at the Company's AGM.

Directors' indemnity

The Company has in place directors' and officers' liability insurance on behalf of its directors and officers in accordance with the provisions of the Companies Act.

Directors' conflicts of interest

There are no declarations to be made under Section 182 of the Companies Act 2006.

Financial results and dividend

The results for the year are set out in the income statement on page 65. The position at the end of the year is shown in the statement of financial position sheet on page 67.

The directors are not recommending payment of a dividend (2024: £nil).

Research and development expenditure

Research and development costs in the year are set out in the Financial Review on page 14.

Treasury policy

The Group's treasury policy aims to manage the Group's financial risk and to minimise the adverse effects of fluctuations in the financial markets on the value of the Group's financial assets and liabilities, on reported profitability and on the cash flows of the Group. Note 36 sets out the particular risks to which the Group is exposed, and how these are managed.

Significant events and future developments

There have been no significant events since the reporting date. The Group's future developments are disclosed in the Strategic Report on pages 11 to 12.

Share capital

The Company's share capital consists of 0.1p ordinary shares. The rights and obligations attached to each share are equal. Each share carries the right to one vote at the Annual General Meeting of the Company and carries no right to fixed income. There are no limitations on holding or transfer of the shares. The Board has no powers to issue or buy back the Company's shares, other than those approved by the shareholders at the Annual General Meeting held in October 2024.

Substantial shareholdings

Up to 31 May 2025, the Company had been notified, by shareholders, in accordance with chapter 5 of the disclosure and transparency rules, of the voting rights they held as shareholders of the Company. An analysis of shareholders as at 31 May 2025 (as disclosed by shareholders via TR1) is set out in the table below. As at 31 May 2025, the Company had issued share capital of 219,002,000 ordinary shares of 0.1p each.

Top Investors

Rank	Investor	31 May 2025	%
1	David and Monique Newlands	21,882,500	10.97%
2	Mark and Diana Dixon	22,500,000	10.27%
3	Canaccord Genuity Group Inc.	21,500,300	9.82%
4	Schroders PLC	11,016,354	5.07%
5	Harwood Capital LLP	7,450,000	3.40%

Directors' report continued

Corporate governance

The Corporate governance statement can be found on pages 38 to 41 of this annual report and accounts.

Political and charitable contributions

No contributions were made for political purposes (2024: £nil).

The Group made charitable donations of £2,000 in the year (2024: £1,250).

Annual General Meeting

The Annual General Meeting of the Company will be held on 30 October 2025 at 11am at Plexus Building, Thomas Wright Way, Netpark, Sedgefield, County Durham, TS21 3FD.

Full details of the business to be transacted at the meeting will be set out in the notice of the Annual General Meeting.

Renewal of authority to purchase the Company's shares

Last year, a resolution was passed at the Annual General Meeting to give the Company the authority to purchase its own Ordinary shares on the Stock Exchange. This authority expires eighteen months from the passing of the resolution. To avoid this authority expiring during the next year and the need to call an extraordinary general meeting to renew the authority, a resolution to renew the authority will be requested at the Annual General Meeting.

Under the terms of the resolution to be proposed at the Annual General Meeting, the maximum number of shares which may be purchased is 10% of the issued ordinary share capital of the Company. The minimum price payable by the Company for its ordinary shares will be 0.1p and the maximum price will be determined by reference to current market prices. The authority will automatically expire after a period of eighteen months from the passing of the resolution unless renewed.

It is not the Directors' current intention to exercise the power to purchase the Company's ordinary shares, but they believe that under certain circumstances it would be in the Company's best interests to do so.

The Directors consider the resolutions to be proposed at the meeting are in the best interests of the Company and its shareholders. Therefore, they unanimously recommend that all shareholders vote in favour of the resolution at the Annual General Meeting as they intend to do in respect of their beneficial holdings.

Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the Annual Report and Accounts and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the

directors have prepared the group and the company financial statements in accordance with UK-adopted international accounting standards.

Under company law, directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and company and of the profit or loss of the group for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable UK-adopted international accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

The directors are responsible for safeguarding the assets of the group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are also responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and company and enable them to ensure that the financial statements comply with the Companies Act 2006.

The directors are responsible for the maintenance and integrity of the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Directors' confirmations

In the case of each director in office at the date the directors' report is approved:

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

By order of the Board

Michael Tyerman
Chief Financial Officer
28 July 2025

Independent auditors' report to the members of Filtronic plc

Opinion

We have audited the financial statements of Filtronic plc (the "Company") and its subsidiaries (the "Group") for the year ended 31 May 2025, which comprise:

- the Consolidated income statement and Consolidated statement of comprehensive income for the year ended 31 May 2025;
- the Consolidated and Company statement of financial position as at 31 May 2025;
- the Consolidated and Company statements of changes in equity for the year then ended;
- the Consolidated and Company cash flow statements for the year then ended; and
- the notes to the financial statements, including material accounting policies.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and UK-adopted international accounting standards.

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 May 2025 and of the Group's profit for the period then ended;
- have been properly prepared in accordance with UK-adopted international accounting standards;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

- Assessing Director's base case and severe but plausible downside cash flow forecasts, including challenging management on the key assumptions underpinning the models, which included sales forecasts, margin performance and working capital assumptions;
- Considering the mitigating actions included in the severe but plausible downside scenario to consider whether they reflected actions within management's control, as well as any costs associated with implementing these mitigating actions;
- Reviewing historic trading results and 'looking back' to compare them with management's original budget for the relevant period, to consider management's historical forecasting accuracy;
- Testing the mathematical accuracy and integrity of management's model;
- Performing additional sensitivity analysis of management's severe but plausible case; and
- Considering the disclosures provided in the financial statements with respect to going concern for consistency with the models that were subject to audit.

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

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

Overview of our audit approach

Materiality

In planning and performing our audit we applied the concept of materiality. An item is considered material if it could reasonably be expected to change the economic decisions of a user of the financial statements. We used the concept of materiality to both focus our testing and to evaluate the impact of misstatements identified.

Based on our professional judgement, we determined overall materiality for the Group financial statements as a whole to be £775,000 (2024: £215,000), based on 6% percent of Group profit before tax. Previously, materiality was based on turnover, but the group have now established themselves as a profitable group and as such profit before taxation is considered to be a more appropriate benchmark. Materiality for the Company financial statements as a whole was set



Independent auditors’ report

to the members of Filtronic plc continued

at £74,000 (2024: £30,000) based on 1.8% of total assets.

We use a different level of materiality (‘performance materiality’) to determine the extent of our testing for the audit of the financial statements. Performance materiality is set based on the audit materiality as adjusted for the judgements made as to the entity risk and our evaluation of the specific risk of each audit area having regard to the internal control environment. This is set at £543,000 (2024: £150,500) for the group and £52,000 (2024: £21,000) for the parent.

Where considered appropriate performance materiality may be reduced to a lower level, such as, for related party transactions and directors’ remuneration.

We agreed with the Audit and Risk Committee to report to it all identified errors in excess of £8,750. Errors below that threshold would also be reported to it if, in our opinion as auditor, disclosure was required on qualitative grounds.

Overview of the scope of our audit

We performed our scoping of the Group audit by obtaining an understanding of the Group and its environment, including Group-wide controls. We developed our Group audit plan by assessing the qualitative and quantitative risk characteristics of each significant classes of transactions, account balances and disclosures. We considered the relative contribution of each component to the financial statement line items to determine which components would be subject to audit procedures. Based on this assessment our work was focussed on three material components, which are Filtronic plc, Filtronic Broadband Limited and Filtronic Wireless Inc. We performed a full scope audit of the complete financial information to component materiality. For the remaining components, we performed analytical reviews and other audit procedures on specific accounts within that component that we considered had the potential for the greatest impact on the significant accounts in the financial statements, either because of the size of these accounts or their risk profile.

The group audit team conducted the audit of all components of the business and no component auditors were used during the audit process.

Key Audit Matters

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

This is not a complete list of all risks identified by our audit.

The accounting for share warrants issued to customers is a new key audit matter this year.

The carrying value of goodwill which was a key audit matter last year, is no longer included because of the decrease in audit risk following the improvement in results of the group.

Key audit matter	How our audit addressed the key audit matter
Accounting for share warrants issued to customers The group issued share warrants to a customer during the current year for a value of £3.5m and prior year for a value of £2.6m, where a fixed number of shares become exercisable when a fixed number of orders are made. During the period, there has been an adjustment to revenue of £1.3m resulting from the vesting of the share warrants. The accounting policy for revenue is included in note 1, the critical judgements are disclosed in note 2 and details of the issuance and accounting of the warrants are detailed in note 27. This is a complex accounting transaction and there is a risk that accounting standards could be incorrectly applied.	We obtained and reviewed management’s paper on the accounting for share warrants; management’s key estimates are set out within the disclosure of critical accounting estimates and judgements on page x. We considered the accounting of the share warrants which have been issued in line with the relevant accounting standards, the key ones being IAS 32 and IFRS 15 We challenged management on their judgement of whether the consideration for the shares was variable due to the nature of them being linked to revenue. We concluded that the consideration was in fact for a fixed amount defined in the agreements and the instruments should therefore be classed as equity rather than a financial liability. We challenged management on the assumptions made in relation to the valuation of the warrants including volatility and risk-free rate and were satisfied with the inputs used. We also challenged management on the adoption of their accounting policy in relation to the timing of these reductions to revenue and considered any bias.

Key audit matter	How our audit addressed the key audit matter
Capitalisation of development costs amounting to £1.5m during the period Within the intangible assets held by the group (see note 14 of the consolidated financial statements), there are material balances relating to internally generated, capitalised development costs. The process of correctly identifying and capitalising this development expenditure in the year requires the critical application of judgement by management, and as such is considered a key audit matter.	We have reviewed and challenged management's assessment of whether additions met the criteria for capitalisation and whether brought forward developments continued to meet the criteria for capitalisation. We corroborated a sample of the amounts capitalised in the year to supporting documentation including invoices for external costs and an approximate evaluation of internal resource/time capitalised. We reviewed management's assessment of capitalisation criteria in order to conclude if this was appropriate in accordance with IAS38. We have gained an understanding of the group's process and controls around the capitalisation and carrying value of development costs.

Our audit procedures in relation to these matters were designed in the context of our audit opinion as a whole. They were not designed to enable us to express an opinion on these matters individually and we express no such opinion.

Other information

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

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinion on other matter prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In light of the knowledge and understanding of the Group and the Company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

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

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

Responsibilities of the directors for the financial statements

As explained more fully in the directors' responsibilities statement set out on page 60, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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



Independent auditors' report to the members of Filtronic plc continued

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We obtained an understanding of the legal and regulatory frameworks within which the Group and Company operates. We also considered and obtained an understanding of the UK legal and regulatory framework which we considered in this context were the Companies Act 2006 and taxation legislation.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be the override of controls by management, misstatement of revenue and misstatement of carrying value of intangible assets including goodwill. Our audit procedures to respond to these risks included enquiries of management about their own identification and assessment of the risks of irregularities, identifying and testing journal entries meeting specific fraud criteria, including those posted to certain account combinations; We also reviewed and challenged accounting estimates and assumptions used by management for the impairment assessment of goodwill and intangible assets and recognition of contract income, in order to verify that the assumptions, calculations and models were reasonable and free of biases.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. We are not responsible for preventing non-compliance and cannot be expected to detect noncompliance with all laws and regulations.

These inherent limitations are particularly significant in the case of misstatement resulting from fraud as this may involve sophisticated schemes designed to avoid detection, including deliberate failure to record transactions, collusion or the provision of intentional misrepresentations. A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

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

Michael Jayson (Senior Statutory Auditor)
for on behalf of Crowe U.K. LLP
Chartered Accountants and Statutory Auditors
Manchester
28 July 2025

Consolidated income statement for the year ended 31 May 2025

	Note	2025 £000	2024 £000
Revenue	3	56,318	25,432
Adjusted earnings before interest, taxation, depreciation, amortisation share-based payments and share warrant charge		17,011	4,889
Amortisation of intangible assets	14	(537)	(287)
Depreciation of property, plant and equipment and right of use assets	15,16	(1,315)	(945)
Share warrant charge	27	(1,303)	-
Share-based payments	32	(414)	(47)
Operating profit	4	13,442	3,610
Finance costs	10	(268)	(332)
Finance income	11	213	83
Profit before taxation		13,387	3,361
Taxation	12	662	(220)
Profit for the year		14,049	3,141
Basic earnings per share	13	6.42p	1.45p
Diluted earnings per share	13	6.05p	1.41p

The profit for the year is attributable to the equity shareholders of the Parent Company, Filtronic plc.

The notes on pages 70 to 99 form part of these financial statements.



Consolidated statement of comprehensive income

for the year ended 31 May 2025

	Note	2025 £000	2024 £000
Profit for the year		14,049	3,141
Other comprehensive income			
Items that are or may be subsequently reclassified to profit and loss:			
Currency translation movement arising on consolidation	28	154	(52)
Total comprehensive income for the year		14,203	3,089

The total comprehensive income for the year is attributable to the equity shareholders of the Parent Company, Filtronic plc.

All income recognised in the year was generated from continuing operations.

The notes on pages 70 to 99 form part of these financial statements.

Consolidated statement of financial position

as at 31 May 2025

	Note	2025 £000	Restated 2024 £000
Non-current assets			
Goodwill and other intangible assets	14	3,507	2,271
Right of use assets	15	4,546	3,756
Property, plant and equipment	16	4,508	1,153
Contract assets	20	1,302	1,302
Deferred tax assets	17	1,754	1,047
		15,617	9,529
Current assets			
Inventories	18	4,010	3,273
Trade and other receivables	19	12,169	6,550
Contract assets	20	3,504	1,303
Cash and cash equivalents		14,494	7,215
		34,177	18,341
Total assets		49,794	27,870
Current liabilities			
Trade and other payables	21	9,119	5,406
Provisions	22	516	493
Deferred income	23	851	1,403
Lease liabilities	24	1,112	895
		11,598	8,197
Non-current liabilities			
Deferred income	23	247	132
Lease liabilities	24	2,573	2,121
		2,820	2,253
Total liabilities		14,418	10,450
Net assets		35,376	17,420
Equity			
Share capital	25	10,800	10,798
Share premium	26	11,354	11,213
Share warrant reserve	27	6,109	2,605
Translation reserve	28	(676)	(522)
Retained earnings	30	7,789	(6,674)
Total equity		35,376	17,420

The total equity is attributable to the equity shareholders of the Parent Company, Filtronic plc.

Company number 2891064.

The notes on pages 70 to 99 form part of these financial statements. The financial statements on pages 65 to 99 were approved by the Board of Directors on 28 July 2025 and signed on its behalf by

Nat Edington
Chief Executive Officer
28 July 2025



Consolidated statement of changes in equity for the year ended 31 May 2025

	Share capital £000	Share premium £000	Share warrant reserve £000	Translation reserve £000	Retained earnings £000	Total equity £000
Balance at 1 June 2023	10,796	11,077	-	(470)	(9,862)	11,541
Profit for the year	-	-	-	-	3,141	3,141
Currency translation movement arising on consolidation	-	-	-	(52)	-	(52)
Share-based payments	-	-	-	-	47	47
New shares issued	2	136	-	-	-	138
Share warrants issued (note 37)	-	-	2,605	-	-	2,605
Balance at 31 May 2024 (Restated)	10,798	11,213	2,605	(522)	(6,674)	17,420
Profit for the year	-	-	-	-	14,049	14,049
Currency translation movement arising on consolidation	-	-	-	(154)	-	(154)
Share-based payments	-	-	-	-	414	414
New shares issued	2	141	-	-	-	143
Share warrants issued	-	-	3,504	-	-	3,504
Balance at 31 May 2025	10,800	11,354	6,109	(676)	7,789	35,376

The notes on pages 70 to 99 form part of these financial statements.

Consolidated cash flow statement

for the year ended 31 May 2025

	2025 £000	2024 £000
Cash flows from operating activities		
Operating profit	13,442	3,610
Share warrant charge	1,303	-
Share-based payments	414	47
Depreciation of property, plant and equipment and right of use assets	1,315	945
Amortisation of intangible assets	537	287
Movement in inventories	(797)	(531)
Movement in trade and other receivables	(5,671)	(1,235)
Movement in trade and other payables	3,762	1,749
Movements in provisions	24	129
Change in deferred income	(437)	1,342
Tax paid	(49)	(16)
Net cash generated from operating activities	13,843	6,327
Cash flows from investing activities		
Capitalisation of development costs	(1,496)	(677)
Acquisition of other intangible assets	(277)	(107)
Acquisition of property, plant and equipment	(3,835)	(666)
Acquisition of right of use assets	(177)	(120)
Interest received	163	83
Net cash used in investing activities	(5,622)	(1,487)
Cash flows from financing activities		
Interest paid	(268)	(332)
Proceeds from financing agreements	137	750
Exercise of employee share options	143	138
Repayment of principal element of lease liabilities	(915)	(784)
Net cash used in financing activities	(903)	(228)
Movement in cash and cash equivalents	7,318	4,612
Currency exchange movement	(39)	(7)
Opening cash and cash equivalents	7,215	2,610
Closing cash and cash equivalents	14,494	7,215

The notes on pages 70 to 99 form part of these financial statements.



Notes to the consolidated financial statements

for the year ended 31 May 2025

1 Material accounting policies

Reporting entity

Filtronic plc is a public company limited by shares registered in England and Wales, domiciled in the United Kingdom, and listed on AIM on the London Stock Exchange. The principal activity of the Company is design, development and manufacture of high performance Radio Frequency ("RF") technology.

Basis of preparation

The Company and consolidated financial statements for the year ended 31 May 2025 have been prepared in accordance with UK-adopted international accounting standards and with the requirements of the Companies Act 2006 as applicable to companies reporting under those standards.

The financial statements have been prepared under the historical cost convention except for forward foreign exchange contracts that are accounted for on a fair value basis.

The accounting policies have been applied consistently throughout the Group.

Going concern

In accordance with corporate governance requirements and the statement of directors' responsibilities, and as disclosed in the Directors' Report, the directors have undertaken a review of forecasts and the Group's cash requirements to consider whether it is appropriate that the Group continues to adopt the going concern assumption.

At 31 May 2025, the Group had cash at bank of £14.5m and access to undrawn revolving credit facility of £5.0m. Details of this facility can be found in note 36.

As referred to in the Strategic report, the Board recognises the uncertain economic and political environment that the world faces and has reviewed the business outlook to reflect this uncertainty. Cash flow forecasts have been prepared to model various scenarios over a three-year period based on the Group's financial and trading position, principal risks and uncertainties and strategic plans.

A downside scenario was modelled, to stress-test the business forecast, where programme curtailment and/or delays may adversely affect forward-looking demand to levels lower than those initially modelled in the base case scenario including reduced demand from a major customer.

A severe but plausible scenario was also modelled that took the downside scenario and removed a significant contract win that the Group expected to convert from the outlook period.

The scenarios modelled including the severe but plausible model, demonstrate the Group has adequate cash for the next twelve months from the date of the approval of the accounts.

The directors are confident that the Group and Company will have sufficient funds to continue to meet their liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore continue to adopt the going concern basis to prepare the financial statements.

Basis of consolidation and foreign currency translation

The financial statements consolidate the income statements, statement of financial position and cash flow statements of the Company and all of its subsidiaries.

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. This includes the power to govern the financial and operating policies. In assessing control, the Group takes into consideration potential voting rights. Subsidiaries are consolidated from the date on which control is transferred to the Group, and are not consolidated from the date that control ceases. Intragroup transactions and balances are eliminated on consolidation.

On consolidation, the financial statements of subsidiaries with a functional currency other than sterling are translated into sterling as follows:

- The assets and liabilities in their statement of financial position plus any goodwill are translated at the rate of exchange ruling at the statement of financial position date; and
- The income statements and cash flow statements are translated at the average rate of exchange each month in the financial year, which approximates the rate of exchange ruling at the date of the transactions. Any exchange difference is included in the Consolidated statement of comprehensive income.

Currency translation movements arising on the translation of the investments in foreign subsidiaries are recognised in the translation reserve, which is a separate component of equity.

The functional currency of each Group company is the currency of the primary economic environment in which the Group company operates. The financial statements are presented in sterling which is the functional and presentational currency of the Company.

1 Material accounting policies (continued)

Transactions denominated in foreign currencies are translated into the functional currency of each Group company at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the rate of exchange ruling at the statement of financial position date.

Foreign exchange gains and losses arising on the settlement of such transactions and translation of monetary assets and liabilities are recognised in the income statement.

Revenue

IFRS 15 establishes principles for determining when and how revenue arising from contracts with customers should be recognised. Filtronic recognises revenue when it transfers goods or services to a customer with an amount of consideration expected to be received in exchange for fulfilling the performance obligation with the customer.

The Group reviews all income streams against the requirements of IFRS 15. Management undertakes an assessment of all contracts and revenue streams across the business using the five-step approach specified by IFRS 15:

- 1) Identify the contract(s) with the customer;
- 2) Identify the performance obligations in the contract;
- 3) Determine the transaction price;
- 4) Allocate the transaction price to the performance obligations in the contract; and
- 5) Recognise revenue when (or as) a performance obligation is satisfied.

In determining the appropriate method of recognising revenue, management is required to make judgements as to whether performance obligations are satisfied over a period of time or at a point in time. For performance obligations that are satisfied over a period of time, judgements are made as to whether the output method or the input method is more appropriate to measure progress towards complete satisfaction of the performance obligation. If performance obligations are not satisfied over time, the Group recognises revenue at a point in time.

Revenue is measured at the fair value of consideration received or receivable for goods and services provided or performed in the normal course of business net of value added tax or sales tax. The nature of our revenue is disclosed below:

Revenue relating to finished goods product

Sales of finished goods product to customers are recognised when control of the product has transferred to the customer and the performance obligation has been satisfied at a point in time. This is usually when title passes, either on shipment or on receipt of goods depending on the delivery terms of the customer contract. The transaction price is specified in the customer contract.

Revenue relating to non-recurring engineering ("NRE")

NRE comprises contracts to provide engineering services, such as the design and development of a product, funded by the customer. The transaction price of the contract is known from inception of the contract. Each contract is reviewed to identify the number of distinct performance obligations and the transaction price is assigned accordingly, usually by the value of work performed on an output method basis; outputs are typically milestones within the development such as design reviews, reports and prototype products. Based on the performance of the obligations in the contract being met, revenue is recognised over time. If relevant, an expected loss on a contract is recognised immediately in the income statement.

Other revenue

SpaceX warrant revenue: As part of the strategic partnership agreement signed with SpaceX in April 2024, the Company issued warrants under a share warrant agreement tied to placement of orders from SpaceX. These warrants represent both a derivative financial instrument, accounted for at fair value in equity in accordance with IAS 32 and IFRS 9, and non-cash consideration payable to a customer under IFRS 15. The non-cash consideration is initially measured at fair value and amortised to revenue as a reduction over the vesting period. For more information, refer to Note 27.

Current tax

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Goodwill

Goodwill that arises upon the acquisition of subsidiaries is included in intangible assets is measured at cost less accumulated impairment losses. Goodwill, which is allocated to cash-generating units, is tested for impairment at least annually and when there is an indication of impairment. The goodwill carrying value is written down to its recoverable amount. 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.



Notes to the consolidated financial statements continued

for the year ended 31 May 2025

1 Material accounting policies (continued)

Internally-generated intangible assets

All research costs are expensed as incurred.

Development costs chargeable to the customer are recognised as an expense in the same period as the associated customer revenue.

Development costs incurred on projects requiring product qualification tests to satisfy customer specifications are generally expensed as incurred, reflecting the technical risks associated with meeting the resultant product qualification test.

Development costs incurred on projects are capitalised where:

- 1) The technical feasibility can be tested against relevant milestones;
- 2) The probable revenue stream foreseen over the life of the resulting product can support the development; and
- 3) Sufficient resources are available to complete the development.

These capitalised costs are amortised on a straight-line basis over the expected life of the associated product. The estimated useful lives for the current and comparative periods are:

- Capitalised development costs 1 to 6 years

This amortisation period is based on the expected economic life of the internally-generated intangible asset where it is expected to generate revenue.

Other intangible assets

Other intangible assets that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses.

Amortisation is calculated over the cost of the asset less its residual value.

Amortisation is recognised in the income statement on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset.

The estimated useful lives for the current and comparative periods are as follows:

- Software licence 4 to 5 years

Amortisation methods, useful lives and residual values are reviewed at each financial year end and adjusted if appropriate.

Impairment charges

The carrying amounts of the Group's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each year at the same time. The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In assessing the fair value less cost to sell ("FVLCTS"), an estimated market multiple is determined and applied to the forecast EBITDA of the cash generating unit ("CGU").

For the purposes of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "CGU"). For the purpose of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment is tested reflects the lowest level at which goodwill is monitored for internal reporting purposes.

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the income statement. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a pro rata basis. An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

1 Material accounting policies (continued)

Right of use assets and lease liabilities

The Group assesses whether a contract is a lease at inception of the contract. The Group recognises a right of use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases and leases of low value assets which includes the Group's leased office equipment such as printers. For these leases, the Group recognises the lease payment as an operating expense on a straight-line basis over the term of the lease.

The lease 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 the incremental borrowing rate. This is the rate when it is not possible to determine the interest rate in the lease and represents what we would have to pay for a loan of a similar item and term of repayment. The lease liability is subsequently increased by the interest cost on the lease and decreased by payments made. In the event of a change in future lease payments, the lease liability will be remeasured and the difference recognised in the right of use asset.

The Group remeasures the lease liability and makes a corresponding adjustment to the right of use asset whenever there has been a lease payment change, the lease contract is modified or any other significant event.

The right of use 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, and subsequently at cost less accumulated depreciation and impairment losses. The right of use asset is depreciated over the shorter of the period of the lease term and useful life of the underlying asset. Where there is reasonable certainty the Group will purchase the asset at the end of the lease, the asset is depreciated over the useful life. The depreciation starts at the commencement date of the lease.

Where property leases contain a break option the value of the lease liability and right of use asset recognised on the statement of financial position requires judgement to determine the lease term. The Group recognises the full term of the lease, ignoring the break option, as invariably the option will not be exercised.

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and less any accumulated impairment losses.

Depreciation is provided on a straight-line basis over the estimated useful lives of the assets as follows:

- | | |
|-----------------------------|-----------------|
| • Fixtures and fittings | 2 to 10 years |
| • Plant and equipment | 3 to 10 years |
| • Computer hardware | 2 to 4 years |
| • Assets under construction | not depreciated |

Property, plant and equipment are tested for impairment when there is an indication of impairment. If impaired, the carrying values of the assets are written down to their recoverable amounts.

Assets under construction are recorded at cost and are not depreciated. Upon the completion of the construction, assets will be transferred to the relevant category of property, plant and equipment and will begin depreciating in line with the accounting policies above.

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

Deferred taxation

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; or if at the time of the transaction, they do not give rise to equal taxable and deductible temporary differences.

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.



Notes to the consolidated financial statements continued

for the year ended 31 May 2025

1 Material accounting policies (continued)

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 statement of financial position date. 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;
- it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when 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.

Inventories

Inventories are stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price less estimated costs of completion and sale. Inventory, including work in progress, costs comprise direct materials only. Cost is stated in the consolidated statement of financial position at standard cost, revalued to actual cost, based on a first in-first out basis.

Provision is made for obsolete, slow moving or defective materials where appropriate. This is reviewed monthly.

Trade and other receivables

Trade and other receivables are amounts due from customers for goods and services performed in the ordinary course of business. They are initially recorded at the transaction price and thereafter measured at amortised cost using the effective interest method, less an allowance for expected credit losses.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and short-term bank deposits with an original maturity of three months or less.

Warranty provision

A provision is recognised in the statement of financial position when there is a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. A warranty provision is recognised when products are sold based on historical warranty data. The level of warranty provision required is reviewed on a product-by-product basis and adjusted accordingly in light of actual experience.

Dilapidations and onerous leases

A provision for dilapidations and onerous leases is recognised in the statement of financial position on a lease-by-lease basis and is based on the Group's best estimates of the required cost to settle the relevant obligations.

Grants

Capital-based grants, when present, are included within deferred income in the statement of financial position and credited to the profit and loss account over the estimated useful economic lives of the assets to which they relate.

Grants that compensate the Group for expenses incurred are recognised in the profit or loss account as other operating income on a systematic basis in the same periods in which the expenses are recognised.

Financial liabilities

Financial liabilities comprise interest bearing borrowings and are initially recognised at fair value and subsequently measured at amortised cost with any net gains or losses, including any interest expense, recognised in profit or loss.

Share capital

Ordinary shares issued are classified as share capital in equity.

Dividends

Interim dividends are recognised in equity in the financial year they are paid. Final dividends are recognised in equity in the financial year they are approved by shareholders.

1 Material accounting policies (continued)

Share-based payments

The Group operates equity settled share option schemes, under which share options are granted to certain employees. The fair value of the share options at the date of grant was calculated using an option pricing model, taking into account the terms and conditions applicable to the option grant.

The total amount to be expensed is determined by reference to the fair value of the options granted:

- including any market performance conditions (e.g. the entity's share price); and
- excluding the impact of any non-market performance vesting conditions (e.g. profitability, sales growth targets).

The fair value of the number of share options expected to vest was expensed in the income statement on a straight-line basis over the expected vesting period. At each reporting period, these vesting expectations were revised as appropriate. A credit is made to equity equal to the share-based payment charge in the financial year.

Defined contribution pension schemes

Defined contribution pension schemes are operated for employees. Contributions are recognised as an expense in the income statement as incurred.

Forward currency contracts

Forward currency contracts are held at fair value. The gain or loss on re-measurement to fair value is recognised immediately in the consolidated income statement.

Accounting developments and new standards

At the date of authorisation of these financial statements, new and revised standards issued but not yet effective are set out below. It is anticipated the adoption of these standards and interpretations in future periods will have no material impact on the financial statements of the Group. These have not been adopted in the Group's accounting policies.

- Amendments to IAS 21 'Lack of Exchangeability'.

The impact of IFRS 18 'Presentation and Disclosure in Financial Statements' is currently being assessed and it is not yet practicable to quantify the effect. IFRS 18 will be applicable for the Group for the year ending 31 May 2028.

Prior year restatement

The prior year statement of financial position has been restated and details of the restatement can be found in Note 37.



Notes to the consolidated financial statements continued

for the year ended 31 May 2025

2 Accounting estimates and judgements

The preparation of the financial statements requires the use of accounting estimates and judgements, that affect the application of accounting policies, which are described in note 1, and reported amounts of assets and liabilities, income and expenses. The directors are required to make accounting estimates and judgements which are continually evaluated. They are based on historical experience and other factors, including expectations and best estimates of the future, that are believed to be reasonable under the circumstances. Actual results may differ from the expected results.

Key sources of estimation uncertainty

The key estimates concerning the future, that have a significant effect on the financial statements are considered below:

Goodwill and other intangibles - impairment

Goodwill and other intangibles are tested for impairment by reference to the expected cash generated by the cash generating unit ("CGU") or group of CGUs. This is deemed to be the best approximation of value, but is subject to the same uncertainties as the cash flow forecast being used. The forecasts comprise forecasts of revenue, material costs and overhead costs based on current and anticipated market conditions that have been considered and approved by the Board. Whilst the Group is able to manage most of its costs, significant elements of the revenue forecasts are inherently linked to global demand where uncertainty about both the timing and level of growth remains, which is a key sensitivity.

Capitalised development costs - impairment

Intangible assets include development cost assets which have been reviewed for impairment as at the reporting date.

The recoverable amount of each technology development project has been determined based on value in use calculations, using cash flow projections in line with the expected useful economic life of each asset. The value in use calculations are based on management approved risk-adjusted cash flow forecasts for each project and have been discounted using a pre-tax discount rate of 15%.

The key assumptions used in the cash flow projections relate to revenue and gross profit margin for each technology and are based on assumptions about expected customer demand which is inherently linked to the global demand for the technology under development where the timing and level of demand is subject to uncertainty. The Group has carried out a sensitivity analysis on the impairment tests of each of these projects, using various reasonably possible scenarios and concluded there to be no impairment risk.

Deferred tax asset

The recognition of deferred tax assets relating to tax losses carried forward depends on forecasts of the future taxable profits of the Company and its subsidiaries. The Group has assessed the recoverability of its deferred tax assets by reference to Board approved budgets and cash flow forecasts. These forecasts require the use of estimates and judgements about the future performance of the Company and its subsidiaries using the current order book, forecasts and market knowledge.

Deferred tax assets have been recognised so a change to forecast customer demand would impact on the amount of deferred tax asset recognised. A 10% forecast reduction in the profitability of these subsidiaries would see deferred tax asset recognition reduce by an additional £122,000.

2 Accounting estimates and judgements (continued)

Warranty provision

The Group makes estimates in calculating the warranty provision for existing commitments arising from past events. In estimating the provision, the Group makes judgements as to the quantum and likelihood of the liability arising. Certain provisions require more judgement than others. In particular, the warranty provision has to take account of future outcomes arising from past deliveries of products and services. In estimating these provisions, the Group makes use of management experience, precedents and any specific contract and customer information.

Critical judgements in applying the Group's accounting policies

The critical accounting judgements in applying the Group's accounting policies are considered below and are the judgements that have the most significant effect on the amounts recognised in the financial statements.

Development costs

Development costs are capitalised in accordance with the accounting policy in note 1 if it meets the criteria as per IAS 38. Initial capitalisation of costs is based on management's judgement whether the criteria of IAS 38 is satisfied, when the technological and economical feasibility is confirmed, usually when a product development project has reached a defined milestone and there is commercial interest in the product. As part of this judgement process, management establish future demand relating to the product, evaluate the development plans to complete the product and establish where the development is positioned on the Group's technology roadmap. The directors apply judgement in the review of costs capitalised to determine whether any impairment should be recognised. The directors also apply judgement in its review of impairment of its development costs and assesses this on a regular basis to ensure that any costs still capitalised continue to be commercially viable.

Share warrants

The share warrants issued to SpaceX meet the definition of a derivative instrument under IAS 32 which requires the derivative to be classified as either an equity derivative or a financial liability. The key judgement for management to consider is whether the instrument meets the fixed-for-fixed criteria, as set out in the standard, which determines whether it is an equity instrument or a financial liability. To determine the classification as equity or a financial liability, management considered whether:

- there is an obligation to deliver a fixed number of the equity instrument; and
- if it will be settled by a fixed amount of cash for a fixed number of the Company's own equity instruments.

The key judgement considered in making the assessment was whether to assess the number of shares to be issued in each tranche in isolation as a discrete item (in which case, a fixed number of shares may be considered to be issued) or whether to aggregate the number of shares to be issued as a variable number. Further information on these judgements can be found in note 27.



Notes to the consolidated financial statements continued

for the year ended 31 May 2025

3 Segmental analysis

Operating segments

IFRS 8 requires consideration of the identity of the chief operating decision maker ('CODM') within the Group. In line with the Group's internal reporting framework and management structure, the key strategic and operating decisions are made by the Board, who reviews internal monthly management reports, annual business plans and forecast information as part of this. Accordingly, the Board is deemed to be the CODM.

The CODM has identified one operating segment within the Group as defined under IFRS 8. In turn, this is the only reportable segment of the Group as the entities in the Group have similar products and services, production processes and economic characteristics. Therefore, there is no allocation of operating expenses, profit measures or assets and liabilities to specific commercial markets.

Accordingly, the CODM assesses the performance of the operating segment on financial information which is measured and presented in a manner consistent with those in the financial statements by reference to Group results against budget.

The Group profit measures are operating profit and adjusted EBITDA, both disclosed on the face of the consolidated income statement. No differences exist between the basis of preparation of the performance measures used by management and the figures in the Group financial statements.

The Group has one customer representing individually over 10% of revenue each and in aggregate 83% of revenue. This is split as follows:

- Customer A - 83% (2024: 48%)

Geographical information

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers and the nature of revenue recognised. Segment assets are based on the geographical location of the assets.

	2025 £000	2024 £000
Revenue by destination		
United Kingdom	3,946	2,239
Europe	1,205	2,154
Americas	51,163	17,121
Rest of the world	4	3,918
	56,318	25,432

	2025 £000	Restated 2024 £000
Split of non-current assets by location		
United Kingdom	15,004	9,274
Americas	613	255
	15,617	9,529

Non-current assets relate to goodwill and other intangible assets, right of use assets, property, plant and equipment, contract assets and deferred tax.

4 Operating profit

	2025 £000	2024 £000
Revenue from the sale of goods and services	54,603	24,135
Revenue from Non-Recurring Engineering ("NRE") projects	3,018	1,297
Share warrant charge	(1,303)	-
Revenue	56,318	25,432
Cost of goods sold including materials and product warranty	21,855	9,357
Wages and salaries	10,316	6,092
Social security costs	1,019	650
Pension costs	560	372
Bonus	1,354	810
Temporary employees	900	208
Share options expense	414	47
Staff costs	14,563	8,179
Amortisation	537	287
Depreciation	1,315	945
Depreciation and amortisation	1,852	1,232
Other operating income	(446)	(326)
Other expenses	5,052	3,380
Total operating costs	21,021	12,465
Operating profit	13,442	3,610

Development costs of £1,496,000 were capitalised in the year (2024: £677,00).

Other operating income relates to grants received for plant and machinery and R&D innovation grants. R&D tax credits, relating to the FY2025 tax computations, which are anticipated to be claimed under the new merged R&D scheme are also recognised in other operating income.

The share warrant charge relates to the amortisation of contract assets. Further information can be found in note 27.



Notes to the consolidated financial statements continued for the year ended 31 May 2025

5 Operating items

	2025 £000	2024 £000
Operating profit is stated after charging/(crediting):		
Depreciation of right of use assets	972	728
Depreciation of property, plant and equipment	343	217
Research and development costs in the income statement excluding amortisation	5,185	2,408
Amortisation of development costs	440	245
Amortisation of other intangible assets	97	42
Foreign exchange (gain)/loss	(237)	95

6 Auditors' remuneration

The Company's auditor is Crowe U.K. LLP. The auditors' remuneration was as follows:

	2025 £000	2024 £000
Company auditor:		
Audit of the Group and Company financial statements	46	45
Company auditor and their associates:		
Audit of subsidiaries' financial statements pursuant to legislation	35	30
	81	75

7 Employees

The average number of employees comprised:

	2025 Number	2024 Number
Manufacturing	84	69
Research and development	56	33
Sales	7	6
Administration	18	13
	165	121

8 Compensation of directors

Details of the remuneration, pension entitlements and share options of the individual directors are set out in the Directors' remuneration report on pages 49 to 58. The compensation of the directors was:

	2025 £000	2024 £000
Salary or fees	587	520
Bonus	347	179
Benefits	23	13
Long term incentives	372	697
Total remuneration excluding pension contributions	1,329	1,409
Pension contributions	13	22
	1,342	1,431

The Directors' remuneration is paid through the Company.

The schedule 5 disclosure requirements are included in the Directors' remuneration report in the table entitled 'Total, single figure of remuneration for directors' and the table entitled 'Total single figure of pension benefits for directors'.

9 Related party transactions

Identity of related parties

The Company has a related party relationship with its subsidiaries and with its directors.

Transactions with subsidiaries

The main transactions between the Company and its subsidiaries are management administration recharges to its subsidiaries of £2,361,000 (2024: £1,069,000) and a royalty charge of 1% of filters product sales to Filtronic Wireless Limited of £36,000 (2024: £46,000). These intercompany transactions are eliminated on consolidation.

The Company also acts as a central service to distribute money around the Group to ensure subsidiaries are adequately funded to meet obligations and to invest funds from subsidiaries where surplus cash exists. The total figures for these transactions along with the management and royalty charge can be seen in notes 9 and 11 through the movement in the Company's intercompany receivables and payables.

The amount outstanding from subsidiary undertakings to the Company at 31 May 2025 totalled £5.7m (2024: £4.5m). Amounts owed to subsidiary undertakings by the Company at 31 May 2024 totalled £2.8m (2024: £2.8m).

Transactions with key management personnel

Key management personnel are considered to be the Executive Directors of the Company. The remuneration given to these individuals is disclosed in the Directors' remuneration report.

10 Finance costs

	2025 £000	2024 £000
Interest expense for lease arrangements	268	236
Minimum service costs and interest charges on invoice discounting facilities	-	96
	268	332



Notes to the consolidated financial statements continued

for the year ended 31 May 2025

11 Finance income

	2025 £000	2024 £000
Revaluation of foreign currency denominated intercompany balance	50	1
Interest receipt on treasury deposits	163	82
	213	83

12 Taxation

	2025 £000	2024 £000
Recognised in the income statement		
Current tax charge		
Overseas taxation in the financial year	13	27
Total current tax charge	13	27
Deferred tax (credit)/charge		
Origination and reversal of temporary differences	(675)	193
Total deferred tax (credit)/charge	(675)	193
Taxation (credit)/charge	(662)	220

The reconciliation of the effective tax rate is as follows:

	2025 £000	2024 £000
Profit before taxation	13,387	3,361
Profit before taxation multiplied by the average standard rate of corporation tax in the UK (25%) (2024:25%)	3,347	840
Disallowable items	838	209
Deferred tax asset not recognised	-	237
Enhanced R&D tax credit	(360)	(589)
Foreign tax not at UK rate	13	27
Group relief from previously unrecognised deferred tax assets	(144)	-
Recognition of deferred tax asset	(707)	(504)
Recognition of previously unrecognised deferred tax assets	(3,649)	-
Taxation (credit)/charge	(662)	220

The main rate of UK corporation tax is 25% for companies with profits above £250,000. The US federal corporate tax rate is 21%.

The deferred tax assets recognised in the year have been calculated at the rates expected to be in existence in the period of reversal.

13 Earnings per share

Basic earnings per share is calculated by dividing the profit attributable to the equity holders of the Company by the weighted average number of ordinary shares issued during the year.

Diluted earnings per share is calculated by adjusting basic earnings per share for the potential dilution from share options and share warrants. For the purposes of the diluted earnings per share calculation, it is assumed that all performance conditions attached to the share option schemes have been met as of the reporting date.

The weighted average number of shares in issue during the year and the resulting earnings per share calculations are as follows:

	2025 £000	2024 £000
Profit for the year	14,049	3,141
	'000	'000
Basic weighted average number of shares	218,854	216,340
Dilution effect of share options and share warrants	13,389	6,555
Diluted weighted average number share of shares	232,243	222,895
Basic earnings per share	6.42p	1.45p
Diluted earnings per share	6.05p	1.41p

The SpaceX Warrants increase the number of diluted shares reported, which has an effect on our fully diluted earnings per share. If SpaceX exercises its right to acquire shares pursuant to the SpaceX warrant strategic partnership agreement, it will dilute the ownership interests of existing shareholders and reduce earnings per share.



Notes to the consolidated financial statements continued for the year ended 31 May 2025

14 Goodwill and other intangible assets

	Goodwill £000	Other intangibles (core technology) £000	Software costs £000	Development costs £000	Total £000
Cost					
At 1 June 2023	974	10,884	431	1,496	13,785
Additions	-	-	107	677	784
At 31 May 2024	974	10,884	538	2,173	14,569
Additions	-	-	277	1,496	1,773
At 31 May 2025	974	10,884	815	3,669	16,342
Amortisation					
At 1 June 2023	-	10,884	293	834	12,011
Provided in the year	-	-	42	245	287
At 31 May 2024	-	10,884	335	1,079	12,298
Provided in the year	-	-	97	440	537
At 31 May 2025	-	10,884	432	1,519	12,835
Carrying amount at 31 May 2024	974	-	203	1,094	2,271
Carrying amount at 31 May 2025	974	-	383	2,150	3,507

Goodwill and other intangibles relate to the acquisition of Isotek (Holdings) Limited. Goodwill is allocated to the CGUs that were expected to benefit from the synergies of the combination and which represents the lowest level within the Group at which the goodwill is monitored for internal management purposes. The Group tests goodwill annually for impairment or more frequently if there are indications that goodwill may be impaired.

The carrying value of intangible assets and goodwill has been assessed for impairment by reference to its value in use. Value in use was determined by discounting the future cash flows generated from the continuing use of the CGUs. The calculation of the value in use was based on the following key assumptions:

- Budgets incorporating pre-tax cash flows have been prepared to 31 May 2026 based on past experience, actual operating results, known future cash flows and estimates of future cash flows;
- Cash flows for a further four years have been prepared based on the Company's long range plan together with cost inflation and additional overhead assumptions. A perpetuity factor has been applied based on the year to 31 May 2030. A long-term growth factor of 3% was applied to the perpetuity cash flows; and
- The Group's pre-tax discount rate of 15% (2024:16%) was applied in determining the recoverable amount of the unit, being the estimated weighted average cost of capital for the CGUs.

Based on the testing above the directors do not consider any of the remaining goodwill or intangible assets to be impaired, even allowing for a reasonable degree of sensitivity to the underlying assumptions, including the discount rate.

15 Right of use assets

	Property leases £000	Plant and equipment £000	Total £000
Cost			
1 June 2023	1,737	2,518	4,255
Additions	-	860	860
Reclassification from property, plant and equipment	-	740	740
Exchange differences	(8)	(1)	(9)
At 31 May 2024	1,729	4,117	5,846
Additions	765	881	1,646
Reclassification from property, plant and equipment	-	136	136
Exchange differences	(32)	-	(32)
At 31 May 2025	2,462	5,134	7,596
Depreciation			
At 1 June 2023	558	808	1,366
Provided in the year	276	452	728
Exchange differences	(3)	(1)	(4)
At 31 May 2024	831	1,259	2,090
Provided in the year	293	679	972
Exchange differences	(12)	-	(12)
At 31 May 2025	1,112	1,938	3,050
Carrying amount at 31 May 2024	898	2,858	3,756
Carrying amount at 31 May 2025	1,350	3,196	4,546

The Group's lease commitments are made up of property leases and plant and equipment. Plant and equipment classified as a right of use asset is financed under asset finance agreements which usually require the Group to make a deposit against the machinery of 10%-20%.

The Group leases office premises at its sites in Sedgefield, Leeds, Cambridge and Manchester in the UK, Salisbury, Maryland in the USA and an office in Suzhou, China. Leases remaining are up to four years.

In addition to the depreciation charges shown in the table above, the consolidated income statement includes the following amounts relating to leases:

	2025 £000	2024 £000
Interest expense (included in finance cost)	268	236
Expense relating to viable lease payments not included in lease liabilities (included in operating costs)	1	2



Notes to the consolidated financial statements continued for the year ended 31 May 2025

16 Property, plant and equipment

	Assets under construction £000	Fixtures and fittings £000	Plant and equipment £000	Computer hardware £000	Total £000
Cost					
At 1 June 2023	-	276	4,144	164	4,584
Additions	-	5	610	51	666
Disposals	-	-	(59)	-	(59)
Reclassification to right of use assets	-	-	(740)	-	(740)
Exchange differences	-	-	(9)	-	(9)
At 1 June 2024	-	281	3,946	215	4,442
Additions	2,654	26	1,133	22	3,835
Disposals	-	-	(59)	-	(59)
Reclassification to right of use assets	-	-	(136)	-	(136)
Exchange differences	-	(1)	(20)	-	(21)
At 31 May 2025	2,654	306	4,864	237	8,061
Depreciation					
At 1 June 2023	-	67	2,950	121	3,138
Depreciation	-	35	180	2	217
Disposals	-	-	(59)	-	(59)
Exchange differences	-	-	(7)	-	(7)
At 31 May 2024	-	102	3,064	123	3,289
Depreciation	-	38	290	15	343
Disposals	-	-	(59)	-	(59)
Exchange differences	-	(1)	(19)	-	(20)
At 31 May 2025	-	139	3,276	138	3,553
Carrying amount at 31 May 2024	-	179	882	92	1,153
Carrying amount at 31 May 2025	2,654	167	1,588	99	4,508

Assets under construction at the balance sheet date relates to the costs incurred in the construction of the purpose-built, larger facility in Sedgefield NET Park, County Durham, that the business will relocate its headquarters and manufacturing to in the next financial year.

17 Deferred tax

	2025 £000	2024 £000
Deferred tax assets		
Opening balance	1,047	1,254
Origination/(reversal) of tax losses	1,411	(270)
Utilisation of tax losses	-	(437)
(Reversal)/origination of capital allowances	(704)	500
	1,754	1,047

Deferred tax assets within the UK and the USA have been recognised as the directors consider that future taxable profits will be available against which they can be used. Future taxable profits are determined based on business plans for individual subsidiaries in the Group and the reversal of temporary differences.

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such deductions are reversed when the probability of future taxable profits improves.

	2025 £000	2024 £000
Deferred tax assets which have been recognised:		
Depreciation in advance of capital allowances	87	790
Tax losses carried forward	1,667	257
	1,754	1,047

The deferred tax assets have not been recognised where the directors consider that it is unlikely that future taxable profits will be available against which they can be used. There is no expiry date for these unrecognised deferred tax assets which are reassessed at each reporting date. These deferred tax assets are presented below:

	2025 £000	2024 £000
Deferred tax assets which have not been recognised:		
Depreciation in advance of capital allowances	592	1,229
Tax losses carried forward	14,008	15,803
Share options deferment	825	80
	15,425	17,112



Notes to the consolidated financial statements continued for the year ended 31 May 2025

18 Inventories

	2025 £000	2024 £000
Raw materials	4,782	4,220
Work in progress	1,194	975
Finished goods	387	283
	6,363	5,478
Inventory provision	(2,353)	(2,205)
Inventories (net of provision)	4,010	3,273

Raw materials, consumables and changes in finished goods and work in progress recognised in cost of sales in the year amounted to £21,442,000 (2024: £8,567,000).

The amount charged to the income statement in the year in respect of write-downs of inventories is £150,000 (2024: £163,000). The amount credited to the income statement in the year in respect of reversals of write-downs of inventories is £nil (2024: £nil).

19 Trade and other receivables

	2025 £000	2024 £000
Trade receivables	8,918	5,367
Other receivables and prepayments	3,251	1,183
	12,169	6,550

There are no provisions for expected credit losses.

Within other receivables and prepayments there are derivative financial assets of £332,000 (2024: £40,000) relating to foreign currency forward contracts. Further details can be found in note 36.

20 Contract assets

	2025 £000	Restated 2024 £000
Opening contact asset	2,605	-
New contract assets generated	3,504	2,605
Amortised to revenue	(1,303)	-
	4,806	2,605
Contract asset due in less than one year	3,504	1,303
Current contract assets	3,504	1,303
Contract asset due in one to five years	1,302	1,302
Non-current contract assets	1,302	1,302
Total contract assets	4,806	2,605

21 Trade and other payables

	2025 £000	2024 £000
Trade payables	6,382	3,792
Other payables and accruals	2,737	1,614
	9,119	5,406

22 Provisions

Warranty provision	2025 £000	2024 £000
Opening balance	446	317
Used during the year	(390)	(7)
Released unused during the year	(7)	(6)
Charge for the year	195	142
Exchange differences	1	-
	245	446

The provision for warranty relates to the units sold during product warranty period which ranges from one to two years. The provision is based on estimates made from historical warranty data. Factors that could impact the warranty provision include the success of the Group's quality initiatives as well as parts and labour costs. The provision is expected to be utilised in the next two financial years.

Dilapidation provision	2025 £000	2024 £000
Opening balance	47	47
Charge for the year	224	-
	271	47

The Group leases physical facilities at its four sites in the UK and one in the USA with each of these leases requiring the site to be restored to its original condition. The dilapidation provision reflects management's best estimates and ability to measure the likely costs that may be incurred restoring the building to its original state. Settlement will be made on exit from each property.

Provisions for dilapidations are generated at the onset of the lease and reviewed periodically to ensure the level of provision is in line with management's best estimate of the potential liability.

Total provision	2025 £000	2024 £000
Warranty provision	245	446
Dilapidation provision	271	47
	516	493



Notes to the consolidated financial statements continued for the year ended 31 May 2025

23 Deferred income

	2025 £000	2024 £000
Contract liabilities	799	1,369
Capital grant	52	34
Total current deferred income	851	1,403
Contract liabilities	-	-
Capital grant	247	132
Total non-current deferred income	247	132
Total deferred income	1,098	1,535

Contract liabilities are invoices raised in advance of NRE work completed for customers that will be recognised as income once the performance obligation of the contract has been met. The majority of NRE contracts are invoiced with a proportion of the contract value upfront which is recognised as revenue, over time, across the life of contract at each milestone based on the percentage of the overall contract value achieved at that performance obligation.

A capital grant of £170,000 was awarded in the year towards the purchases of various network analysers to support future research and development activities. Capital grants are amortised over a period of up to eight years in line with the depreciation period of the machinery.

24 Lease liabilities

	2025 £000	2024 £000
Opening lease liability	3,016	2,315
New leases entered into during the year	1,605	1,488
Payments made during the year	(1,183)	(1,018)
Finance costs	268	236
Exchange differences	(21)	(5)
	3,685	3,016

	2025 £000	2024 £000
Lease liability payable in less than a year	1,112	896
Current lease liabilities	1,112	896
Lease liability payable in one to five years	2,573	2,120
Non-current lease liabilities	2,573	2,120
Total lease liabilities	3,685	3,016

Interest bearing loans and borrowings

The following are the cash flows relating to the Group's financial liabilities other than trade and other payables, for which there is no material difference between their carrying value and contractual cash flows:

	Carrying value £000	Contractual cash flows £000	Less than 1 year £000	1-2 years £000	2-5 years £000
Lease liabilities at 31 May 2025	3,685	4,263	1,399	1,323	1,541
Lease liabilities at 31 May 2024	3,016	3,540	1,142	1,008	1,390

25 Share capital

	Deferred shares of 10p each Number '000	Ordinary shares of 0.1p each Number '000	£000
At 1 June 2023	106,877	215,121	10,796
Exercise of share options	-	2,000	2
At 31 May 2024	106,877	217,121	10,798
Exercise of share options	-	1,881	2
At 31 May 2025	106,877	219,002	10,800

All shares are allotted, called up and fully paid. Holders of the ordinary shares are entitled to receive dividends when declared, and are entitled to one vote per share at meetings of the Company.

The deferred shares have no rights to vote or receive dividends.

26 Share premium

	£000
At 1 June 2023	11,077
Exercise of share options	136
At 31 May 2024	11,213
Exercise of share options	141
At 31 May 2025	11,354

27 Share warrant reserve

Tranche 1 and 2

On 24 April 2024, the Group entered into a share warrant arrangement with SpaceX in conjunction with a commercial agreement and strategic partnership. This related to the supply of E-band Solid State Power Amplifiers ("SSPAs") and new technology being developed for SpaceX for use in their Starlink constellation. Full details of the warrants can be found in the 2024 Annual Report and Accounts in note 31.

The warrant agreement grants SpaceX the right to acquire up to 21,712,109 shares of the Company (equivalent to 10% of the Company's total share capital at the inception of the warrant agreement). The exercise price of vested warrants is 33.0p per share, based on the closing mid-market price at 23 April 2024, which is the date prior to signing the warrant agreement. The directors have assessed the warrants and made a judgement that the warrants should be treated as equity instruments as defined by IAS 32. This is because the warrants have a fixed consideration at 33.0p per share for a fixed number of units to exercise.

The warrants have been recognised in the financial statements based on the value at the date of signing of the agreement. An initial entry has been made in contract assets measured at fair value, but not subsequently remeasured, with the corresponding entry to equity.

The initial fair value of the warrants at inception was £2,605,453, based on a fair value per warrant of £0.11 and the total number of warrants expected to vest over the 5-year vesting period. The directors have judged all of the warrants will vest, otherwise SpaceX and Filtronic would not have entered into the agreement. The warrants represent non-cash consideration payable to a customer under IFRS 15. Therefore, the contract asset, which effectively represents a deferred volume rebate, is amortised to revenue based on when the units are supplied to SpaceX. In this period under review, this represented a charge to revenue of £1,303,000.

The fair value of the warrants was determined using the Black-Scholes Model valuation method using a number of variables that require judgement including share price volatility, discount to the bid price, the risk-free rate and the expected life of the warrants. There are a number of variables that require judgement within this model including the risk-free rate, share price volatility, the vesting period and a bid price discount.



Notes to the consolidated financial statements continued

for the year ended 31 May 2025

27 Share warrant reserve (continued)

Tranche 3

On 19 March 2025, the Company entered into a second warrant arrangement with SpaceX expanding the original strategic partnership entered into on 23 April 2024 to secure an increased allocation of business for the Group. The vesting of these warrants is dependent on certain performance conditions relating to the procurement of E-band SSPAs to support the Starlink constellation.

The warrant agreement grants SpaceX the right to acquire up to 10,949,079 at 92.8p per share. The accounting treatment of the warrants has been judged by management and has been determined to be treated the same as tranche 1 and 2. An initial entry has been made in contract assets measured at fair value, but not subsequently remeasured, with the corresponding entry to equity.

Fair value of share warrants - Tranche 3

The initial fair value of the warrants at inception was £3,504,000, based on a fair value per warrant of £0.93 and the total number of warrants expected to vest over the 5-year vesting period. The directors have judged all of the warrants will vest, otherwise SpaceX and Filtronic would not have entered into the agreement. The warrants represent non-cash consideration payable to a customer under IFRS 15. Therefore, the contract asset, which effectively represents a deferred volume rebate, is amortised to revenue based on when the units are supplied to SpaceX. There was no charge to revenue for tranche 3 in the year.

The fair value of the warrants was determined using the Black-Scholes Model valuation method using a number of variables that require judgement including share price volatility, discount to the bid price, the risk-free rate and the expected life of the warrants. There are a number of variables that require judgement within this model including the risk-free rate, share price volatility, the vesting period and a bid price discount.

Summary of total share warrants

The table below presents a summary of the three tranches of warrants and their current status:

Tranche	Technology	Exercise price	Warrants issued (number)	Vested warrants (number)	Remaining warrants (number)	% of current share capital	% of current share capital vested
1	E-band SSPA	£0.33	10,856,055	10,856,055	-	4.96%	4.96%
2	Other technology	£0.33	10,856,054	-	10,856,054	4.96%	0%
3	E-band SSPA	£0.93	10,949,079	-	10,949,079*	5.00%	0%
			32,661,188	10,856,055	21,805,133	14.92%	4.96%

*Tranche 3 warrants vested on 9 June 2025 following receipt of a purchase order for \$32.5m from SpaceX.

Reconciliation of the share warrant reserve:

	2025 £000	Restated 2024 £000
Opening balance	2,605	-
Granted during the year	3,504	2,605
	6,109	2,605

28 Translation reserve

	£000
At 1 June 2023	(470)
Currency translation movement arising on consolidation	(52)
At 31 May 2024	(522)
Currency translation movement arising on consolidation	(154)
At 31 May 2025	(676)

The translation reserve comprises foreign currency differences arising from the translation of the financial statements of foreign operations.

29 Dividends

The directors are not proposing to pay a dividend for the year ended 31 May 2025 (2024: £nil).

30 Retained earnings

	£000
At 1 June 2023	(9,862)
Profit for the year	3,141
Share-based payments	47
At 31 May 2024	(6,674)
Profit for the year	14,049
Share-based payments	414
At 31 May 2025	7,789



Notes to the consolidated financial statements continued

for the year ended 31 May 2025

31 Share options

Sharesave plans

Eight sharesave plans have been offered to employees over the years, at the date of this report. The first seven of the schemes offered to employees have now closed. Under these plans, employees who join the plan can save up to £500 per month for three years. The members of the plans are granted a number of share options based on the amount they would save over the three years. At the end of the three years, the members have a six-month period in which they can exercise the share options. The scheme has an exercise price calculated by reference to the average of the middle market closing price of the shares on AIM for the dealing day immediately prior to the plan offer date.

Sharesave Plan—Scheme 7

	Weighted average exercise price 2025	Number of options 2025	Weighted average exercise price 2024	Number of options 2024
Outstanding at the beginning of the year	6.67p	1,509,596	6.67p	1,717,927
Cancelled during the year	6.67p	(31,304)	6.67p	(208,331)
Exercised during the year	6.67p	(1,478,292)	6.67p	-
Outstanding at the end of the year	6.67p	-	6.67p	1,509,596
Exercisable at the end of the year	6.67p	-	6.67p	1,509,596

Sharesave Plan—Scheme 8

	Weighted average exercise price 2025	Number of options 2025	Weighted average exercise price 2024	Number of options 2024
Granted during the year	65.92p	1,101,455	-	-
Outstanding at the end of the year	65.92p	1,101,455	-	-
Exercisable at the end of the year	65.92p	-	-	-

Management incentive plans

The options granted in the year have specific performance targets attached to them. The exercise price for an option was set at a price aimed to incentivise the participants and have specific performance targets attached to them based on total shareholder return (TSR). The options are not part of the HMRC approved EMI scheme and therefore the exercise price has been set at 35p to incentivise the participants to meet the challenging targets set.

The following options under this scheme were outstanding at 31 May 2025:

Ordinary shares of 0.1p 2025	2024	Date granted	Earliest date exercisable	Latest date exercisable	Exercise price
898,415	2,361,760	24/06/2021	24/06/2025	24/06/2031	11.1p
181,814	181,814	12/10/2022	12/10/2032	12/10/2032	11.4p
2,770,012	2,770,012	30/11/2023	30/11/2026	30/11/2033	17.25p
4,333,333	4,333,333	24/05/2024	24/05/2027	24/05/2034	17.25p
1,560,000	-	19/03/2025	19/03/2028	19/03/2035	35.05p
9,743,574	9,646,919				

The weighted average price of the outstanding options under this scheme at 31 May 2025 was 19.42p (2024: 16p).

31 Share options (continued)

	Number of share options 2025	Number of share options 2024
Outstanding at the beginning of the year	9,646,919	4,743,574
Granted during the year	1,560,000	7,103,345
Cancelled during the year	-	(200,000)
Lapsed during the year	(1,060,228)	-
Exercised during the year	(403,117)	(2,000,000)
Outstanding at the end of the year	9,743,574	9,646,919
Exercisable at the end of the year	83,634	-

The fair value assumptions relating to the grant of options in the year of 1,560,000 can be found in note 32.

32 Share-based payments

	2025 £000	2024 £000
Share options expense	414	47
	414	47

The share options expense is the fair value of the share options at the date of grant spread over the expected vesting period of the share options. The fair value of the share options at the date of grant was measured using the Black-Scholes model.

The inputs to the Black-Scholes model and the weighted average fair value of the share options granted during the year were as follows:

Share options expense

	2025	2024
Number of share options granted	1,560,000	7,103,345
Weighted average share price	35.0p	26.8p
Expected volatility*	50%	50%
Expected life	3.0 years	3.0 years
Risk-free interest rate	4.5%	4.2%
Weighted average fair value	43.0p	6.7p

*Expected volatility is the estimate of the volatility of the share price over the expected life of the share options.



Notes to the consolidated financial statements continued for the year ended 31 May 2025

33 Pension costs

	2025 £000	2024 £000
Defined contribution schemes	560	372

34 Capital expenditure commitments

	2025 £000	2024 £000
Capital expenditure contracted for at the statement of financial position date but not provided in the financial statements	860	480

35 Analysis of net cash

	1 June 2024 £000	Cash flow £000	Other changes £000	31 May 2025 £000
Cash and cash equivalents	7,215	7,318	(39)	14,494
Lease liabilities - plant and machinery	(1,990)	650	(840)	(2,180)
Net cash when including all debt except property leases	5,225	7,968	(879)	12,314
Lease liabilities - property leases	(1,027)	268	(746)	(1,505)
Net cash	4,198	8,236	(1,625)	10,809

Reconciliation of cash flow to movement in net cash

	2025 £000	2024 £000
Movement in cash and cash equivalents	7,318	4,612
Movement in lease liabilities - plant and machinery	(190)	(971)
Movement in lease liabilities - property lease	(478)	269
Exchange differences	(39)	(7)
Movement in net cash	6,611	3,903
Opening net cash	4,198	295
Closing net cash	10,809	4,198

Cash at bank earns interest at floating rates based on daily bank deposit rates. There are no restrictions on the availability of the cash and cash equivalents at 31 May 2025 (2024: £nil).

IFRS 16 requires the recognition of property leases on the statement of financial position which is classified as a debt item.

36 Financial instruments

Fair value

The carrying amount of all the financial assets and liabilities approximates to their fair value at acquisition as described below.

Cash and cash equivalents comprise bank balances and bank deposits with a maturity of three months or less.

Trade and other receivables are all receivable in less than one year. Trade receivables are generally receivable within 90 days.

Trade and other payables are all payable in less than one year. Trade payables are generally payable within 90 days.

All financial assets and liabilities are held at amortised cost other than derivative financial instruments which are held at fair value.

Liquidity risk

The Group has cash at bank of £14.5m.

Cash is held on bank deposit for varying periods from overnight to three months to ensure all liabilities can be met as they fall due.

The Group has access to a £5.0m revolving credit facility ("RCF") with Santander UK plc.

The RCF is a three-year committed facility which was entered into during the year in November 2024. As a result the Group terminated the sales invoicing facilities with Barclays Bank and Wells Fargo.

The amount of cash available to the Group, the headroom available on debt facilities and the maturity profile of lease liabilities results in a low liquidity risk.

Credit risk

The exposure to credit risk is limited to the carrying amount of cash and cash equivalents and trade and other receivables in the statement of financial position.

The credit risk related to cash and cash equivalents is considered to be low due to the cash being held at banks with high credit ratings such as Santander and Barclays.

Credit risk is primarily related to trade receivables. The Group's businesses are concentrated on long-term relationships with a small number of large and long-established OEMs. Payment terms for trade receivables range from prepayment terms to 90 days net. Overdue receivables are regularly monitored and appropriate action is taken to collect payment. The Group has historically incurred only low levels of unrecoverable receivables. Therefore, credit risk is considered to be low.

Trade receivables included the following amounts for the Group's largest customers:

	2025 £000	2024 £000
Customer one	6,493	2,890
Customer two	680	1,005
Customer three	202	1,002
Customer four	452	-
Other customers	1,091	470
	8,918	5,367



Notes to the consolidated financial statements continued for the year ended 31 May 2025

36 Financial instruments (continued)

The age of trade receivables that have not been provided for was as follows:

	2025 £000	2024 £000
Not past due	8,668	5,206
Past due less than three months	57	161
Past due more than three months	193	-
	8,918	5,367

No expected credit loss is considered necessary in either FY2025 or FY2024.

Interest rate risk

Cash is generally held on short-term bank deposits which earn interest at variable money market deposit rates. At 31 May 2025, there was £11.1m held on short-term deposit. The remaining cash in the Group is held in very low interest rate bank accounts. Sterling interest rates are very low and therefore interest rate risk is considered to be low.

Foreign currency risk

The Group's reporting currency is sterling. The functional currencies of the subsidiaries are sterling, US dollar and Chinese yuan.

The Group's results and financial position are affected by fluctuations in foreign currency exchange rates.

The Group has generated a surplus of US dollars during the year due to an increasing number of projects being supplied in US dollars. Whilst the Group aims to maintain a natural hedge, it is not adequate to offset the exposure on currency risk. Therefore, the Group has used forward foreign exchange contracts to reduce the currency risk from surplus US dollars. The nature of the Group's businesses means there is limited visibility of the currency required in US dollars. Therefore, when forward contracts are used to reduce currency risk, they are usually only for short periods of no more than six months. If the US dollar were to weaken significantly, this could materially reduce the Group's revenue and operating profit.

There was forward contracts in place at 31 May 2025, the fair value of the foreign currency contracts was an asset of £332,000 (2024 : £40,000 asset).

Cash is mainly held in sterling and US dollars.

The Group's exposure to foreign currency risk for cash and cash equivalents, trade receivables and trade payables was as follows:

	2025			2024		
	EUR £000	RMB £000	USD £000	EUR £000	RMB £000	USD £000
Cash and cash equivalents	88	30	2,662	3	11	366
Trade receivables	452	-	7,710	133	-	4,983
Trade payables	(55)	-	(1,435)	(73)	-	(820)
Net exposure	485	30	8,937	63	11	4,529

36 Financial instruments (continued)

The sensitivity of the Group operating profit to the US dollar to sterling exchange rate, assuming all other variables remain constant, is as follows:

If the US dollar had been 1% stronger/weaker against sterling throughout the year ended 31 May 2025, then the Group operating profit would have been £511,000 higher/lower. The impact of other currencies is not material.

Capital management

The capital structure of the Group and Company consists of equity and debt. Equity comprises ordinary share capital and retained earnings. Debt includes the RCF with Santander, asset finance and lease liabilities.

The objective when managing capital is to safeguard the Group's ability to continue as a going concern in order to maximise future returns for shareholders.

Cash flow is controlled by ongoing justification, monitoring and reporting of capital expenditure and regular monitoring and reporting of operational costs.

37 Restatement of financial statements

Restatements have been made to some of the financial statements for the period ended 31 May 2024. This impacted the Consolidated statement of financial position and Statement of changes in equity but there have been no amendments to the Consolidated income statement or Consolidated cash flow statement.

The share warrants have been restated in line with the IAS 32 accounting standard which requires the fair value of share warrants to be accounted for as a contract asset with a corresponding entry to equity or financial liability. The director's judged this to be accounted for as equity. IAS 32 requires for this to be accounted at the time the warrant agreement was signed. Consequently, the contract asset in FY2024 increased by £2.6m, prior to amortisation, and equity in the share warrant reserve increased by £2.6m.

	31 May 2024 (Audited) £000	Correction £000	31 May 2024 (Audited) £000
Non-current assets			
Contract assets	-	1,302	1,302
	8,227	1,302	9,529
Current assets			
Contract assets	-	1,303	1,303
	17,038	1,303	18,341
Total assets	25,265	2,605	27,870
Net assets	14,815	2,605	17,420
Equity			
Share warrant reserve	-	2,605	2,605
Total equity	14,815	2,605	17,420

Owing to the nature of the adjustment, an original and restated statement of financial position has not been shown on page 67.



Company statement of financial position

as at 31 May 2025

	Note	2025 £000	Restated 2024 £000
Non-current assets			
Intangible assets	7	33	55
Contract assets	10	1,302	1,302
Deferred tax assets	8	1,514	-
		2,849	1,357
Current assets			
Trade and other receivables	9	5,789	4,563
Contract assets	10	3,504	1,303
Cash and cash equivalents		183	36
		9,476	5,902
Total assets		12,325	7,259
Current liabilities			
Trade and other payables	11	4,121	3,191
Total liabilities		4,121	3,191
Net assets		8,204	4,068
Equity			
Share capital	12	10,800	10,798
Share premium	13	11,354	11,213
Share warrant reserve	14	6,109	2,605
Retained earnings	15	(20,059)	(20,548)
Total equity		8,204	4,068

The Company made a profit in the year of £75,000 (2024: loss of £1,526,000).

Company number 2891064.

The notes on pages 103 to 109 form part of these financial statements. The financial statements on pages 100 to 109 were approved by the Board of Directors on 28 July 2025 and signed on its behalf by

Nat Edington
Chief Executive Officer
28 July 2025

Company statement of changes in equity for the year ended 31 May 2025

	Share capital £000	Share premium £000	Share warrant reserve £000	Retained earnings £000	Total equity £000
Balance at 1 June 2023	10,796	11,077	-	(19,069)	2,804
Loss for the year	-	-	-	(1,526)	(1,526)
Share-based payments	-	-	-	47	47
New shares issued	2	136	-	-	138
Share warrants issued (Note 14)	-	-	2,605	-	2,605
Balance at 31 May 2024 (Restated)	10,798	11,213	2,605	(20,548)	4,068
Profit for the year	-	-	-	75	75
Share-based payments	-	-	-	414	414
New shares issued	2	141	-	-	143
Share warrants issued	-	-	3,504	-	3,504
Balance at 31 May 2025	10,800	11,354	6,109	(20,059)	8,204

The notes on pages 103 to 109 form part of these financial statements.



Company cash flow statement

for the year ended 31 May 2025

	2025 £000	2024 £000
Cash flows from operating activities		
Operating loss	(1,438)	(1,526)
Amortisation of intangible assets	22	22
Impairment of investments in subsidiaries	-	346
Share-based payments	414	47
Movement in contract assets	1,303	-
Movement in trade and other receivables	(1,227)	383
Movement in trade and other payables	930	11
Net cash generated from/(used in) operating activities	4	(717)
Cash flows from financing activities		
Proceeds from exercise of share options	143	138
Net cash generated from financing activities	143	138
Movement in cash and cash equivalents	147	(579)
Opening cash and cash equivalents	36	615
Closing cash and cash equivalents	183	36

The notes on pages 103 to 109 form part of these financial statements.

Notes to the Company financial statements

for the year ended 31 May 2025

1 Material accounting policies

The Company and consolidated financial statements for the year ended 31 May 2025 have been prepared in accordance with UK-adopted international accounting standards and with the requirements of the Companies Act 2006 as applicable to companies reporting under those standards.

The financial statements have been prepared on the historical cost basis except for the remeasurement of certain financial instruments to fair value.

In publishing the Parent Company financial statements here together with the Group financial statements, the Company has taken advantage of the exemptions in s408 of the Companies Act 2006 not to present its individual income statement and related notes that form part of these approved financial statements.

The principal accounting policies adopted are the same as those set out in note 1 to the consolidated financial statements except as noted below.

2 Accounting estimates and judgements

The preparation of the financial statements requires the use of accounting estimates and judgements, that affect the application of accounting policies, which are described in note 1, and reported amounts of assets and liabilities, income and expenses. The directors are required to make accounting estimates and judgements which are continually evaluated. They are based on historical experience and other factors, including expectations and best estimates of the future, that are believed to be reasonable under the circumstances. Actual results may differ from the expected results.

Key sources of estimation uncertainty

The key estimates concerning the future, that have a significant effect on the financial statements are considered below:

Deferred tax asset

The recognition of deferred tax assets relating to tax losses carried forward depends on forecasts of the future taxable profits of the Company and its subsidiaries. The Group has assessed the recoverability of its deferred tax assets by reference to Board approved budgets and cash flow forecasts. These forecasts require the use of estimates and judgements about the future performance of the Company and its subsidiaries using the current order book, forecasts and market knowledge.

Deferred tax assets have been recognised where it is considered the Company or its subsidiaries will utilise, directly or indirectly, the deferred tax asset so a change to forecast customer demand would impact on the amount of deferred tax asset recognised. A 10% forecast reduction in the profitability of these subsidiaries would see deferred tax asset recognition reduce by an additional £122,000.

3 Auditor's remuneration

The auditor's remuneration for audit and other services is disclosed in note 6 to the consolidated financial statements.

4 Employees

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

	2025 Number	2024 Number
Administration	18	10
	18	10

All the directors were paid through the company, details of which can be found in the Directors remuneration report.



Notes to the Company financial statements continued

for the year ended 31 May 2025

5 Investments in subsidiaries

The Company's subsidiaries are related parties.

The subsidiaries at 31 May 2025, which were owned by Filtronic plc, were as follows:

Name of subsidiary	Country of incorporation	Description of equity held	Proportion held	Activity
Filtronic Broadband Limited ¹	UK	1p ordinary shares	100%	Design and manufacture of microwave products for telecommunication systems
Filtronic Holdings UK Limited ¹	UK	£1 ordinary shares	100%	Holding Company
Isotek (Holdings) Limited ¹	UK	1p ordinary shares	100%	Holding Company
Owned by Isotek (Holdings) Limited:				
Filtronic Wireless Limited ¹	UK	1p ordinary shares	100%	Design and manufacture of filters and related products for telecommunication systems
Filtronic Wireless Inc. ²	USA	US\$1 ordinary shares	100%	Design and manufacture of filters and related products for telecommunication systems
Owned by Filtronic Wireless Limited:				
Isotek Hong Kong Holdings Limited ³	Hong Kong	HK\$1 ordinary shares	100%	Holding Company
Owned by Isotek Hong Kong Holdings Limited:				
Isotek Telecommunications Suzhou Limited ⁴	China	US\$350,000 paid in share capital	100%	Design and manufacture of filters and related products for telecommunication systems

¹ Plexus 1, NETPark, Thomas Wright Way, Sedgefield, County Durham TS21 3FD, United Kingdom

² 700 Marvel Road, Salisbury, Maryland, 21801, USA

³ RM 1501, C1 Grand Millennium Plaza (lower block), 181 Queen's Road Central, Hong Kong

⁴ Room 2-2201 DC49, Dongfangzhi Building, No. 199 Xinggang Street, Suzhou Industrial Park

5 Investments in subsidiaries

	£000
Cost	
At 1 June 2023, 31 May 2024 and 31 May 2025	21,110
Impairment	
At 1 June 2023	(20,764)
Impairment in the year	(346)
At 31 May 2024 and 31 May 2025	(21,110)
Carrying amount at 31 May 2024	-
Carrying amount at 31 May 2025	-

The investments in subsidiaries are assessed annually to determine if there is any indication that any of the investments might be impaired. The assessment of the carrying amount is derived from the higher of the value in use and the fair value less costs to sell. Value in use is determined by discounting the future cash flows generated from the continuing use of the cash generating unit ("CGU") to which the investment relates whilst the fair value less costs to sell is the amount that a market participant would pay for the asset or CGU, less the costs of sale.

The carrying amount was calculated using the value in use model which returned a higher carrying value based on the following key assumptions:

- Budgets incorporating post-tax cash flows have been prepared to 31 May 2026 based on past experience, actual operating results, known future cash flows and estimates of future cash flows
- Cash flows for a further four years have been prepared based on the Company's long-range plan together with cost inflation and additional overhead assumptions. A perpetuity factor has been applied based on the year to 31 May 2030. A long-term growth factor of 3% was applied to the perpetuity cash flows; and
- The CGU has a pre-tax discount rate of 15% (2024:16%) which was applied in determining the recoverable amount of the unit, being the estimated weighted average cost of capital for the CGU.

The investments in subsidiaries are assessed annually to determine if there is any indication that any of the investments might be impaired. The recoverable amount of the investment in subsidiary of £nil was determined based on a value-in-use calculation which requires the use of key assumptions.

6 Taxation

	2025 £000	2024 £000
Recognised in the income statement		
Deferred tax		
Origination and reversal of temporary differences	(1,514)	-
Total deferred tax credit	(1,514)	-
Taxation credit	(1,514)	-

The reconciliation of the effective tax rate is as follows:

	2025 £000	2024 £000
Loss before taxation	(1,439)	(1,526)
Loss before taxation multiplied by the average standard rate of corporation tax in the UK (25%) (2024:25%)	(360)	(382)
Disallowable items	111	71
Losses surrendered to group relief in the year	249	-
Deferred tax asset not recognised	-	311
Recognition of deferred tax asset	(1,514)	-
Taxation credit	(1,514)	-

Notes to the Company financial statements continued for the year ended 31 May 2025

7 Intangible assets

	Software Costs £000	Total £000
Cost		
At 1 June 2023 and 31 May 2024	178	178
At 31 May 2025	178	178
Amortisation		
At 1 June 2023	102	102
Provided in the year	21	21
At 31 May 2024	123	123
Provided in the year	22	22
At 31 May 2025	145	145
Carrying amount at 31 May 2024	55	55
Carrying amount at 31 May 2025	33	33

8 Deferred tax

	2025 £000	2024 £000
Deferred tax assets		
Origination of tax losses	1,514	-
	1,514	-

Deferred tax assets within the UK and the USA have been recognised as the directors consider that future taxable profits will be available against which they can be used. Future taxable profits are determined based on business plans for individual subsidiaries in the Group and the reversal of temporary differences.

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such deductions are reversed when the probability of future taxable profits improves.

	2025 £000	2024 £000
Deferred tax assets which have been recognised:		
Tax losses carried forward	1,514	-
	1,514	-

	2025 £000	2024 £000
Deferred tax assets which have not been recognised:		
Depreciation in advance of capital allowances	510	510
Tax losses carried forward	12,936	14,450
Share options deferment	80	80
	13,526	15,040

9 Trade and other receivables

	2025 £000	2024 £000
Group receivables	5,685	4,497
Other receivables and prepayments	105	66
	5,790	4,563

There are no provisions for bad debt. The Group receivables in the Company were reviewed in the year for expected credit losses in accordance with IFRS 9.

Amounts owed to Group undertakings are unsecured, interest-free and payable on demand.

10 Contract assets

	2025 £000	Restated 2024 £000
Opening contact asset	2,605	-
New contract assets generated	3,504	2,605
Amortised to revenue	(1,303)	-
	4,806	2,605
Contract asset due in less than one year	1,302	1,303
Current contract assets	1,302	1,303
Contract asset due in one to five years	3,504	1,302
Non-current contract assets	3,504	1,302
Total contract assets	4,806	2,605

The contract asset is held in the Company and amortised against the variable consideration in which the warrants vested. Consequently, this amortisation charge is recharged to Filtronic Broadband Limited, the entity that supplies the product and generates the revenue from the sale of E-band SSPAs to SpaceX.

11 Trade and other payables

	2025 £000	2024 £000
Trade payables	47	71
Group payables	2,784	2,784
Other payables and accruals	1,290	336
	4,121	3,191

Amounts owed to Group undertakings are unsecured, interest-free and payable on demand.



Notes to the Company financial statements continued for the year ended 31 May 2025

12 Share capital

	Deferred shares of 10p each Number '000	Ordinary shares of 0.1p each Number '000	£000
At 1 June 2023	106,877	215,121	10,796
Exercise of share options	-	2,000	2
At 31 May 2024	106,877	217,121	10,798
Exercise of share options	-	1,881	2
At 31 May 2025	106,877	219,002	10,800

All shares are allotted, called up and fully paid. Holders of the ordinary shares are entitled to receive dividends when declared, and are entitled to one vote per share at meetings of the Company.

The deferred shares have no rights to vote or receive dividends.

13 Share premium

	£000
At 1 June 2023	11,077
Exercise of share options	136
At 31 May 2024	11,213
Exercise of share options	141
At 31 May 2025	11,354

14 Share-based payments and share warrant reserve

All of the Group's share options and share warrants relate to the equity in the Company. Full details of these can be found in notes 27, 31 and 32 in the consolidated financial statements.

15 Retained earnings

	£000
At 1 June 2023	(19,069)
Loss for the year	(1,526)
Share-based payments	47
At 31 May 2024	(20,548)
Profit for the year	75
Share-based payments	414
At 31 May 2025	(20,059)

16 Pension costs

	2025 £000	2024 £000
Defined contribution schemes	73	54

17 Financial instruments

Fair value

The carrying amount of all the financial assets and liabilities approximates to their fair value as described below.

Cash and cash equivalents comprise bank balances and bank deposits with a maturity of three months or less.

Trade and other receivables are all receivable in less than one year.

Trade and other payables are all payable in less than one year. Trade payables are generally payable within 30 days.

All financial assets and liabilities are held at amortised cost.

Liquidity risk

The Company has cash at bank of £183,000. Cash is held on bank deposit for varying periods from overnight to three months to ensure all liabilities can be met as they fall due. The amount of cash available to the Company and the money available in the Group results in a low liquidity risk.

Credit risk

The exposure to credit risk is limited to the carrying amount of cash and cash equivalents and trade and other receivables in the statement of financial position. The credit risk related to cash and cash equivalents is considered to be low due to the cash being held at banks with high credit ratings such as Santander and Barclays.

Credit risk is primarily related to Group receivables in the form of intercompany loan arrangements. Therefore, credit risk is considered to be low.

The Company has no trade receivables.

Interest rate risk

Cash is generally held on short-term bank deposits which earn interest at variable money market deposit rates. Cash is held in low interest rate bank accounts and therefore interest rate risk is considered to be low.

Foreign currency risk

The Company's reporting and functional currency is sterling with very limited exposure to foreign currency. Therefore, the Company has little foreign currency risk.

Capital management

The capital structure of the Company consists of equity and debt. Equity comprises ordinary share capital and retained earnings. Debt includes lease liabilities.

The objective when managing capital is to safeguard the Company's ability to continue as a going concern in order to maximise future returns for shareholders. Cash flow is controlled by ongoing justification, monitoring and reporting of capital expenditure and regular monitoring and reporting of operational costs.



Company information

Directors

Jonathan Neale - Non-Executive Chairman
 Nat Edington - Chief Executive Officer
 Michael Tyerman - Chief Financial Officer
 Pete Magowan - Non-Executive Director
 John Behrendt - Non-Executive Director

Company Secretary

Michael Tyerman

Company number

2891064

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 Email: filtronic@almastrategic.com

Nominated advisor and broker

Cavendish Capital Markets Limited
 1 Bartholomew Close
 London
 EC1A 7BL
 Tel: 020 7220 0500

Registrars

MUFG Corporate Markets
 Enquiries regarding shareholdings, change of address or similar particulars should be directed in the first instance to our Registrars, MUFG Corporate Markets whose address is:

MUFG Corporate Markets
 Central Square
 29 Wellington Street
 Leeds
 LS1 4DL
 Tel: +44 (0)871 664 0300

(calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom are charged at the applicable international rate). Lines are open 9.00am - 5.30pm Monday to Friday excluding bank holidays in England and Wales.

Shareholder portal

You can register online to view your holdings using the Signal Shares shareholder portal, a service offered by Link Group at www.signalshares.com. This is an online service enabling you to quickly and easily access and maintain your shareholding online – reducing the need for paperwork and providing 24 hour access for your convenience. Through the shareholder portal you can:

- Cast your proxy vote online
- View your holding balance and get an indicative valuation
- View movements on your holding
- Update your address
- Elect to receive shareholder communications electronically
- Access a wide range of shareholder information including the ability to download shareholder forms

Filtronic website

Shareholders are encouraged to visit our website (www.filtronic.com) which has more information about the Company.

Glossary

5G:	5th Generation mobile networks
Adjusted EBITDA:	EBITDA before exceptional items, share-based payments and share warrant charge
AGM:	Annual General Meeting
AIA:	Annual Investment Allowance
APM:	Alternative Performance Measure
ATS:	Attraction Talent System
Backhaul:	The portion of a hierarchical telecommunications network that comprises the intermediate links between the core network and the small subnetworks at the edge of the network
CEO:	Chief Executive Officer
CFO:	Chief Financial Officer
CGU:	Cash Generating Unit
CODM:	Chief Operating Decision Maker
DTEP:	The Defence Technology Exploitation Programme
EAP:	Employee Assistance Programme
E-band:	71GHz to 86GHz
EBITDA:	Earnings before interest, taxation, depreciation and amortisation
EDI:	Equality, Diversity and Inclusion
ESA:	European Space Agency
ESG:	Environmental, Social and Governance
ESOP:	Employee Share Option Plan
ETSI:	European Telecommunication Standards Institute
FVLCTS:	Fair value less costs to sell used for financial appraisal
FY:	Financial year
GEO:	Geostationary
GHG:	Greenhouse Gases
GHz:	Gigahertz: 10^9 Hertz
Gbps:	Gigabit Per Second
GP:	General Practitioner
HAPS:	High Altitude Pseudo-Satellites
HR:	Human Resources
IP:	Intellectual Property
Ka-band:	26.5GHz - 40GHz
KPI:	Key Performance Indicator
Ku-band:	12GHz - 18GHz
LED:	Light Emitting Diode
LEO:	Low Earth Orbit
MAR:	Market Abuse Regulation
MEO:	Medium Earth Orbit
MHz:	Megahertz
MMIC:	Monolithic Microwave Integrated Circuit
mmWave:	Millimetre Wave
MOD:	Ministry of Defence
NESST:	Northeast Space Skills and Technology Centre
NRE:	Non-recurring engineering
OEM:	Original Equipment Manufacturer
PA:	Power Amplifier
PDMR:	Person discharging managerial responsibility
Q-band:	33GHz to 50GHz
QCA:	Quoted Companies Alliance
RCF:	Revolving Credit Facility
RF:	Radio Frequency: a rate of oscillation in the range of around 3kHz to 300GHz
RNS:	Regulatory News Service



R&D:	Research and Development
SAYE:	Save As You Earn
SiP:	System in package. This is a number of integrated circuits enclosed in one or more chip carrier packages that may be stacked package on package
SLT:	Senior Leadership team
SME:	Small and medium-sized enterprises
SSPA:	Solid State Power Amplifier
STEM:	Science, Technology, Engineering and Mathematics in an educational context
SWaP:	Size, Weight and Power
TR Modules:	Transceiver Modules
TSR:	Total Shareholder Return
TxRx:	Transmit Receive
UTC:	University Technical College Newton Aycliffe
V-band:	40GHz to 75GHz
VIU:	Value In Use used for Financial appraisal
VOC:	Voice of the Customer
W-band:	92GHz to 115GHz
Xhaul:	The common flexible transport solution for future 5G networks, integrating the fronthaul and backhaul networks with wired and wireless technologies in a common packet based transport network



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