

20 January 2026

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

Interim Results

Kromek Group plc (AIM: KMK), a leading developer of radiation and bio-detection technology solutions for the advanced imaging and CBRN detection segments, announces its unaudited interim results for the six months ended 31 October 2025.

Financial Highlights

- Revenue increased substantially to £15.0m (H1 2025: £3.7m)
 - Advanced Imaging revenue of £10.8m; revenue of £2.5m excluding Siemens Healthineers contribution, representing a 41% increase on an underlying basis (H1 2025: £1.7m)
 - CBRN Detection revenue more than doubled to £4.3m (H1 2025: £2.0m)
- Gross margin improved to 71.7% (H1 2025: 56.9%)
- Adjusted EBITDA* of £6.0m (H1 2025: £2.3m loss)
- Profit before tax of £3.1m (H1 2025: £5.7m loss)
- Cash and cash equivalents at 31 October 2025 were £1.2m (30 April 2025: £1.7m)
- Secured a revolving credit facility of £6.0m – of which £1.0m had been drawn as at 31 October 2025 – plus a £0.5m asset finance facility to ensure there is sufficient capital to drive further growth
- Board remains confident in the outlook for the year as the business continues to perform in line with market expectations

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

Operational Highlights

Advanced Imaging

- Substantial growth due to delivery under landmark agreements signed in FY 2025 with Siemens Medical Solutions USA, Inc. ("Siemens Healthineers") to enable the production of cadmium zinc telluride ("CZT") detectors for single photon emission computed tomography ("SPECT") application
- Sustained delivery under collaboration contracts and other component supply agreements, with customers including recognised Tier 1 OEMs, Analogic Corporation and Spectrum Dynamics
- Continued to make good operational and commercialisation progress in its photon-counting computed tomography ("PCCT") detector development, with the commercialisation programme on track amid accelerating industry-wide adoption of CZT technology
- Excellent results achieved in validation trials with a leading medical clinic headquartered in the US of technology developed under the ultra-low dose molecular breast imaging programme funded by Innovate UK

CBRN Detection

- Growth driven by execution on strategy to secure key government customers and expand distributor network alongside market recovery
- Initial order, worth £1.7m, received under the UK Government's Radiological Nuclear Detection Framework for the Group's nuclear security products
- Contract secured with the Defence Science and Technology Laboratory of the UK Ministry of Defence ("MoD"), worth £250k, for the development of novel methods of enhancing the detection of biological agents and incidents
- Received new CBRN Detection orders in the year from customers globally, including from the UK, Europe, the US, Japan, Canada and Australasia

Manufacturing and IP

- Continued to execute on programmes for the expansion of production capacity and process automation, resulting in greater manufacturing productivity and cost efficiency
- Applied for three new patents and had three further patents granted, with the total number of patents held being in excess of 190

Dr Arnab Basu, CEO of Kromek, said: “We are pleased with the strong performance delivered in the first half of the year, with growth achieved across both Advanced Imaging and CBRN Detection. Sales in our CBRN segment more than doubled during the period, reflecting the growing global focus on national security and the increasing adoption of our market-leading technologies. In Advanced Imaging, our underlying business saw an increase in revenue driven by renewed engagement with our customers following the completion of our deal with Siemens Healthineers. We are seeing good progress as our Advanced Imaging customers prepare for the launch of their next-generation scanners, reaffirming the value and relevance of our cutting-edge solutions in the market.

“Looking ahead to the second half of the year, with robust customer engagement and a good order book, we expect the momentum achieved in H1 to continue. As a result, we remain on track to deliver a full-year performance in line with market expectations, supported by focused execution of our strategy and the continued demand for our innovative technologies.”

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Kromek Group plc

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

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

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

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

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

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

Investor webinar

Arnab Basu, CEO, and Claire Burgess, CFO, will be hosting an online Q&A session for investors at 4.00pm GMT on Monday 26 January 2026 on the Investor Meet Company platform. A recording of the results presentation will be uploaded to the Investor Meet Company platform ahead of the webinar by midday on Friday 23 January 2026.

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

Operational Review

The Group made progress across the business during the six months ended 31 October 2025. While the main contributor to growth was revenue generated under the Group's agreement with Siemens Healthineers, signed in the prior year, to enable the production of CZT detectors for SPECT application (the "Enablement Agreement"), there was also a significant increase in revenue in the underlying Advanced Imaging business and in CBRN Detection. This reflects delivery of pre-existing orders as well as increased commercial momentum. In addition, the Group continued to implement operational improvements, particularly within the CZT manufacturing process.

Advanced Imaging

(Unaudited)	H1 2026	H1 2025
	£'000	£'000
Revenue	£10,762	£1,712
Operating profit/(loss)	£3,494	£(4,126)

Revenue in Advanced Imaging grew substantially to £10.8m (H1 2025: £1.7m), with the contribution from delivery under the Enablement Agreement accounting for £8.3m (H1 2025: £nil). It also reflects increased revenue in the underlying business with the regular sales activity in the first half of the prior year having been impacted by the discussions leading to the Enablement Agreement. Since the signing of the agreement in H2 2025, the Group has experienced renewed commercial momentum in Advanced Imaging, including ramping up the deliveries under its contract with Spectrum Dynamics. As a result of the increase in revenue, and the licensing revenue under the Enablement Agreement carrying a higher margin, the Group generated an operating profit in Advanced Imaging of £3.5m compared with an operating loss of £4.1m for H1 2025.

Medical Imaging

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

During the first half of 2026, the Group successfully delivered the milestones under the Enablement Agreement and received the second payment instalment of \$5.0m (being the cash payment received as opposed to the £8.3m recognised as revenue in accordance with accounting standards). Including the payment received in FY 2025, the Group has received \$30.0m to date under the Enablement Agreement. The remaining aggregate payments of \$7.5m are payable over the next c.3 years, with the third instalment expected to be received in the Group's financial year to 30 April 2027.

The Group continues to make good progress in the computed tomography ("CT") market, especially in PCCT, which is an advanced form of CT. The Group advanced key collaboration programmes initiated in prior years with a blue-chip Tier 1 health technology OEM and three other companies in this segment, all of which represent significant additional commercial avenues for Kromek. Technical progress in these projects enabled the transition of the Group's PCCT detector development into early-stage commercialisation. Engagements with leading OEMs in both medical and industrial imaging are progressing towards device validation and initial adoption.

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

Security & Industrial Screening

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

CBRN Detection

(Unaudited)	H1 2026	H1 2025
	£'000	£'000
Revenue	£4,251	£1,964
Operating loss	£(294)	£(662)

In CBRN Detection, revenue grew to £4.3m (H1 2025: £2.0m) as market conditions recovered from the impact in H1 2025 of the elections in the UK and US on government defence spending. This also reflects the Group's strategic execution in CBRN Detection in FY 2025, which was marked by multiple contract wins and increasing adoption and selection of Kromek's nuclear security solutions by key government and international customers, as well as expansion of its distributor network. As a result of the increased revenue, operating loss was reduced to £0.3m (H1 2025: £0.7m).

Kromek made good progress in executing on its strategy to expand its distribution presence, including into new territories, for its nuclear security and civil nuclear products. This year the Group has signed distribution agreements with five new partners across Europe, the Middle East and Asia, and now has representation in 39 countries.

This is already contributing to an increase in commercial momentum. During the current year to date, the Group has received new CBRN Detection orders totalling c.£4.8m from customers globally, including from the UK, Europe, the US, Japan, Canada and Australasia. These orders are predominantly scheduled for delivery within the current financial year – with approximately half still to be delivered – and reflect growing global demand for Kromek's mission-critical detection solutions.

Nuclear Security

During the period, the Group secured its first order – worth £1.7m – under the UK Government's Radiological Nuclear Detection Framework, which is for the supply of Kromek's D3S-ID wearable detector, along with training and maintenance. The majority of revenue from this order will be recognised in the current financial year. This framework, led by the Home Office, facilitates the procurement of radiological detection equipment and services. Kromek was selected as a supplier under the framework, which is a four-year programme, in FY 2025 and is pre-qualified in three key categories: handheld, wearable and large-volume static detectors.

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

Civil Nuclear

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

Biological-threat Detection

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

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

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

Manufacturing and IP

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

Kromek's commitment to innovation remains robust. During the period, Kromek filed three new patent applications and a further three patents were granted reinforcing the Group's technology leadership and protecting critical intellectual property. The total number of patents held at 31 October 2025 was in excess of 190. This ongoing investment in manufacturing excellence and IP development underpins Kromek's ability to meet growing market demand.

Financial Review

Revenue for the six-month period ended 31 October 2025 increased significantly to £15.0m (H1 2025: £3.7m). This is primarily due to the £8.3m contribution to revenue from the Enablement Agreement (H1 2025: £nil), but also reflects underlying growth in Advanced Imaging and in CBRN Detection as detailed above. The split between product sales, revenue from R&D contracts and revenue from licensing (the Enablement Agreement) is as follows:

	H1 2026 (Unaudited)		H1 2025 (Unaudited)	
	£'000		£'000	
Product	£4,894	33%	£2,347	64%
R&D	£1,770	12%	£1,329	36%
Licensing	£8,349	55%	-	-
Total	£15,013	100%	£3,676	100%

Gross margin improved to 71.7% compared with 56.9% for H1 2025. The increase is largely due to the mix of revenue in the period – including the high-margin contribution from licensing revenue as a result of the Enablement Agreement. On an underlying basis, the gross margins for the two divisions were comparable with the first half of the prior year. As a result of the increase in revenue and gross margin, gross profit was substantially higher at £10.8m (H1 2025: £2.1m).

Administrative expenses and distribution costs were £7.6m (H1 2025: £6.9m), representing a significantly lower proportion of revenue compared with H1 2025. The absolute increase is primarily due to a £0.2m rise in non-cash share-based payments due to directors electing to take bonuses in the form of options over ordinary shares, £0.2m increased property-related costs, £0.1m increased travel spend as well as a £0.2m reduction in the capitalisation of development costs. The Group's focus remains on tight cost control.

The Group generated an operating profit of £3.2m compared with a £4.8m loss for H1 2025, which is primarily due to the significant increase in revenue. After net finance costs of £0.1m (H1 2025: £1.0m), profit before tax was £3.1m (H1 2025: £5.7m loss).

The adjusted EBITDA for the period was £6.0m (H1 2025: £2.3m loss). Adjusted EBITDA is calculated as follows:

	H1 2026 (Unaudited)	H1 2025 (Unaudited)	FY 2025 (Audited)
	£'000	£'000	£'000
Profit/(loss) before tax	3,057	(5,742)	3,079
<i>EBITDA adjustments:</i>			
Net interest	143	954	1,658
Depreciation	760	808	1,612
Amortisation	1,522	1,475	2,956
Share-based payments	493	245	1,028
Adjusted EBITDA*	5,975	(2,260)	10,333

**Adjusted EBITDA is defined as earnings before interest, taxation, depreciation, amortisation, exceptional items and share-based payments. Share-based payments are added back when calculating the Group's adjusted EBITDA as this is currently an expense with a zero direct cash impact on financial performance. Adjusted EBITDA is considered a key metric to the users of the financial statements as it represents a useful milestone that is reflective of the performance of the business resulting from movements in revenue, gross margin and the costs of the business.*

The Group invested £2.1m in product development in the six-month period (H1 2025: £2.2m) that was capitalised on the balance sheet, which largely reflects:

- the continuing investment in cost reduction and productivity improvements in CZT crystal growth and detector manufacturing in Advanced Imaging; and

- the development of automated and autonomous biological-threat detection technology to detect airborne pathogens for the purposes of national security and protecting public health.

This expenditure was capitalised in accordance with IAS38 to the extent that it related to projects in the later stage (development phase) of the project life cycle.

Cash and cash equivalents at 31 October 2025 were £1.2m (30 April 2025: £1.7m). The £0.5m decrease in cash over the six-month period was due to the combination of the following cash inflows and outflows:

- £1.5m cash generated from operations, including changes in working capital;
- £(2.5)m investment in development costs, patents and capital expenditure;
- £0.3m net cash generated from financing activities (£1.0m net proceeds of new borrowings, less £0.7m of repayment of borrowings, lease repayments financing costs and loan interest payments); and
- £0.2m effect of foreign exchange rate changes.

Included within changes in working capital is a £5.4m decrease in payables and deferred income to £4.2m at 31 October 2025 (30 April 2025: £9.6m). This movement is primarily due to the accounting treatment of the Enablement Agreement, with trade and other payables of £3.6m resulting from the timing difference between revenue recognition and cash receipt. £0.7m of the movement related to payment of accrued interest on a secure term loan facility that was converted into shares during the period. The remaining £1.1m of the movement has arisen in the normal course of business.

Also included within changes in working capital is a £0.2m decrease in receivables to £6.3m (30 April 2025: £6.4m). This is the net effect of a £1.1m increase in relation to the accounting treatment of the Enablement Agreement and a £1.3m decrease from the normal course of business.

During the period, the Group secured a three-year, £6.0m revolving credit facility (“RCF”) with HSBC bank. The RCF carries interest of 2.75% over the Bank of England base rate. In addition, HSBC is providing a £0.5m asset finance facility to support limited capex within the Group. The RCF will provide a stable platform for growth and supports the working capital requirements of the Group for the foreseeable future. At 31 October 2025, total borrowings included in current liabilities were £1.0m (30 April 2025: £0.0m), which represents the Group’s drawdown of the RCF.

Outlook

Kromek continues to make good progress across both Advanced Imaging and CBRN Detection as it delivers on its growing order book and substantial market opportunity.

In CBRN Detection, interest in Kromek’s industry-leading solutions continues to grow, driven by the heightened prioritisation of national and global security strategies. The Group expects the growth in the second half of the year in this segment to be based on delivery under current contracts and agreements in the UK and US as well as the winning of new orders. As governments and organisations formalise their approach to CBRN threats as geopolitical tensions continue to rise on a global scale, Kromek anticipates further opportunities to capitalise on this expanding market.

In Advanced Imaging, market conditions remain favourable, driven by the adoption of new products launched by Kromek’s customers, which are gaining increasing traction. Building on the momentum achieved in the underlying business in H1, growth is set to continue into the second half of the year. Adoption of CZT detectors in PCCT and SPECT is accelerating as major players continue to introduce new products, further reinforcing Kromek’s opportunities and adoption timelines in this segment.

The Group remains committed to maintaining tight control of costs, ensuring the sustainability of underlying profit margins and preserving the Group's cash position. This disciplined approach supports the Group's ability to navigate the current macroeconomic environment effectively while continuing to invest in key growth areas.

With operational momentum, a strong pipeline of opportunities and effective cost management, the Group looks forward to continuing to execute on its strategy and deliver results for FY 2026 in line with market expectations.

Consolidated condensed income statement
For the six months ended 31 October 2025

		Six months ended 31 October 2025 £'000 (Unaudited)	Six months ended 31 October 2024 £'000 (Unaudited)	Year ended 30 April 2025 £'000 (Audited)
	Note			
Continuing operations				
Revenue	4	15,013	3,676	26,506
Cost of sales		(4,246)	(1,583)	(5,075)
Gross profit		10,767	2,093	21,431
Distribution costs		(273)	(219)	(470)
Administrative expenses		(7,294)	(6,662)	(16,224)
Operating profit/(loss)		3,200	(4,788)	4,737
Finance income		20	2	107
Finance costs		(163)	(956)	(1,765)
Profit/(loss) before tax		3,057	(5,742)	3,079
Tax	5	-	50	675
Profit/(loss) from continuing operations		3,057	(5,692)	3,754
Profit/(loss) per share	7			
-basic (p)		0.5	(0.9)	0.6
-diluted (p)		0.5	(0.9)	0.6

Consolidated condensed statement of comprehensive income
For the six months ended 31 October 2025

	Six months ended 31 October 2025 £'000 (Unaudited)	Six months ended 31 October 2024 £'000 (Unaudited)	Year ended 30 April 2025 £'000 (Audited)
Profit/(loss) for the period	3,057	(5,692)	3,754
Items that may be recycled to the income statement			
Exchange gains/(losses) on translation of foreign operations	413	(1,011)	(1,988)
Total comprehensive profit/(loss) for the period	3,470	(6,703)	1,766

Consolidated condensed statement of financial position
As at 31 October 2025

		31 October 2025 £'000 (Unaudited)	31 October 2024 £'000 (Unaudited)	30 April 2025 £'000 (Audited)
	Note			
Non-current assets				
Goodwill		1,275	1,275	1,275
Other intangible assets		34,331	33,076	33,422
Property, plant and equipment	8	6,775	8,036	7,066
Right-of-use asset		2,657	3,085	2,778
Deferred tax asset		474	-	474
		<u>45,512</u>	<u>45,472</u>	<u>45,015</u>
Current assets				
Inventories		12,021	11,051	12,108
Trade and other receivables		6,261	9,321	6,436
Current tax assets		708	422	608
Cash and bank balances		1,248	577	1,704
		<u>20,238</u>	<u>21,371</u>	<u>20,856</u>
Total assets		<u><u>65,750</u></u>	<u><u>66,843</u></u>	<u><u>65,871</u></u>
Current liabilities				
Trade and other payables		(3,481)	(6,738)	(8,821)
Lease obligation		(306)	(436)	(387)
Borrowings	10	(1,003)	(11,773)	(12)
		<u>(4,790)</u>	<u>(18,947)</u>	<u>(9,220)</u>
Net current assets		<u>15,448</u>	<u>2,424</u>	<u>11,636</u>
Non-current liabilities				
Deferred income		(768)	(869)	(819)
Lease obligation		(3,195)	(3,436)	(3,173)
Borrowings	10	(112)	(503)	(481)
		<u>(4,075)</u>	<u>(4,964)</u>	<u>(4,473)</u>
Total liabilities		<u><u>(8,865)</u></u>	<u><u>(23,911)</u></u>	<u><u>(13,693)</u></u>
Net assets		<u><u>56,885</u></u>	<u><u>42,932</u></u>	<u><u>52,178</u></u>
Equity				
Share capital	11	6,550	6,415	6,415
Share premium account		82,120	81,511	81,511
Merger reserve		21,853	21,853	21,853
Translation reserve		330	894	(83)
Accumulated losses		(53,968)	(67,741)	(57,518)
Total equity		<u><u>56,885</u></u>	<u><u>42,932</u></u>	<u><u>52,178</u></u>

Consolidated condensed statement of changes in equity
For the six months ended 31 October 2025

	Share Capital £'000	Share Premium Account £'000	Merger Reserve £'000	Translation Reserve £'000	Accumulated Losses £'000	Total £'000
Balance at 1 May 2025	6,415	81,511	21,853	(83)	(57,518)	52,178
Profit for the period	-	-	-	-	3,057	3,057
Exchange difference on translation of foreign operations	-	-	-	413	-	413
Total comprehensive profit for the period	-	-	-	413	3,057	3,470
Issue of shares	135	609	-	-	-	744
Credit to equity for equity-settled share-based payments	-	-	-	-	493	493
Balance at 31 October 2025	6,550	82,120	21,853	330	(53,968)	56,885
Balance at 1 May 2024	6,410	81,480	21,853	1,905	(62,294)	49,354
Loss for the period	-	-	-	-	(5,692)	(5,692)
Exchange difference on translation of foreign operations	-	-	-	(1,011)	-	(1,011)
Total comprehensive loss for the period	-	-	-	(1,011)	(5,692)	(6,703)
Conversion of convertible loan notes	5	31	-	-	-	36
Credit to equity for equity-settled share-based payments	-	-	-	-	245	245
Balance at 31 October 2024	6,415	81,511	21,853	894	(67,741)	42,932
Balance at 1 May 2024	6,410	81,480	21,853	1,905	(62,294)	49,354
Profit for the period	-	-	-	-	3,754	3,754
Exchange difference on translation of foreign operations	-	-	-	(1,988)	-	(1,988)
Total comprehensive (loss)/gain for the period	-	-	-	(1,988)	3,754	(1,766)
Conversion of convertible loan notes	5	31	-	-	-	36
Credit to equity for equity-settled share-based payments	-	-	-	-	1,028	1,028
Deferred tax movement	-	-	-	-	(6)	(6)
Balance at 30 April 2025	6,415	81,511	21,853	(83)	(57,518)	52,178

Consolidated condensed statement of cash flows
For the six months ended 31 October 2025

		Six months ended 31 October 2025 £'000 (Unaudited)	Six months ended 31 October 2024 £'000 (Unaudited)	Year ended 30 April 2025 £'000 (Audited)
	Note			
Net cash from/(used in) operating activities	9	1,488	(64)	15,901
Investing activities				
Interest received		20	2	107
Purchases of property, plant and equipment		(214)	(58)	(186)
Purchases of patents and trademarks		(130)	(57)	(106)
Capitalisation of research and development costs		(2,087)	(2,177)	(4,369)
Net cash used in investing activities		(2,411)	(2,290)	(4,554)
Financing activities				
New borrowings		1,000	3,400	4,400
Interest paid		(15)	(164)	(1,440)
Payment of loan and borrowings		(387)	(35)	(11,438)
Finance lease repayments		(271)	(221)	(660)
Financing costs		(45)	-	(55)
Net proceeds on issue of shares		1	-	-
Net cash generated from/(used in) financing activities		283	2,980	(9,193)
Net (decrease)/increase in cash and cash equivalents		(640)	626	2,154
Cash and cash equivalents at beginning of period		1,704	466	466
Effect of foreign exchange rate changes		184	(515)	(916)
Cash and cash equivalents at end of period		1,248	577	1,704

Notes to the unaudited interim statements
For the six months ended 31 October 2025

1. Basis of preparation

This interim financial report does not constitute statutory accounts as defined in section 434 of the Companies Act 2006. The auditors reported on the Kromek Group plc financial statements for the year ended 30 April 2025, their report was unqualified and did not contain a statement under section 498(2) or (3) of the Companies Act 2006. The Group's consolidated annual financial statements for the year ended 30 April 2025 have been filed with the Registrar of Companies and are available on the Group's website: www.kromek.com.

2. Interim report

This interim financial report will be available from the Group's website at www.kromek.com.

3. Going concern

The Directors have a reasonable expectation that the going concern basis of accounting remains appropriate and that the Group has adequate resources and facilities to continue in operation for the next 12 months based on its cash flow forecasts prepared. Accordingly, the Group's unaudited interim statements for the six months ended 31 October 2025 have been prepared on a going concern basis, which contemplates the realisation of assets and the settlement of liabilities and commitments in the normal course of operations.

4. Operating segments

Products and services from which reportable segments derive their revenues

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

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

Analysis by geographical area

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

	Six months ended 31 October 2025 £'000 (Unaudited)	Six months ended 31 October 2024 £'000 (Unaudited)	Year ended 30 April 2025 £'000 (Audited)
United Kingdom	2,329	1,323	6,055
North America	10,267	1,396	18,134
Asia and Middle East	99	141	118
Europe	2,318	796	2,178
Other	-	20	21
Total revenue	15,013	3,676	26,506

Analysis by business segment

The Group has aggregated its CGUs, being CBRN Detection, Advanced Imaging and Biological-threat Detection, into two reporting segments being CBRN/Biological-threat Detection and Advanced Imaging. The Board currently considers this to be the most appropriate aggregation due to the main markets that are typically addressed by the business units and the necessary skillsets and expertise.

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

Six months ended 31 October 2025

	Advanced Imaging £'000	CBRN/Bio £'000	Total for Group £'000
Revenue from sales			
Revenue by segment:			
-Sale of goods and services	2,219	2,619	4,838
-Revenue from grants	193	139	332
-Revenue from contract customers	8,350	1,493	9,843
Total sales	10,762	4,251	15,013
Segment result – operating profit/(loss)	3,494	(294)	3,200
Net interest	(109)	(34)	(143)
Profit/(loss) before tax	3,385	(328)	3,057
Tax credit	-	-	-
Profit/(loss) for the period	3,385	(328)	3,057
Other segment information			
Property, plant and equipment additions	167	47	214
Depreciation of property, plant and equipment	649	111	760
Intangible asset additions	895	1,322	2,217
Amortisation of intangible assets	939	583	1,522

Six months ended 31 October 2024

	Advanced Imaging	CBRN/Bio	Total for Group
	£'000	£'000	£'000
Revenue from sales			
Revenue by segment:			
-Sale of goods and services	1,511	911	2,422
-Revenue from grants	201	80	281
-Revenue from contract customers	-	973	973
Total sales	<u>1,712</u>	<u>1,964</u>	<u>3,676</u>
Segment result – operating loss	(4,126)	(662)	(4,788)
Net interest	<u>(463)</u>	<u>(491)</u>	<u>(954)</u>
Loss before tax	(4,589)	(1,153)	(5,742)
Tax credit	<u>5</u>	<u>45</u>	<u>50</u>
Loss for the period	<u>(4,584)</u>	<u>(1,108)</u>	<u>(5,692)</u>
Other segment information			
Property, plant and equipment additions	36	22	58
Depreciation of property, plant and equipment	684	128	812
Intangible asset additions	830	1,404	2,234
Amortisation of intangible assets	<u>891</u>	<u>584</u>	<u>1,475</u>

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

5. Tax

The Group has recognised R&D tax credits of £nil for the six months ended 31 October 2025 (six months ended 31 October 2024: £50k).

6. Dividends

The Directors do not recommend the payment of a dividend (six months ended 31 October 2024: £nil).

7. Earnings per share

The calculation of the basic and diluted earnings per share is based on the following data:

Profit for the year

	Six months ended 31 October 2025 £'000 (Unaudited)	Six months ended 31 October 2024 £'000 (Unaudited)	Year ended 30 April 2025 £'000 (Audited)
Profit/(loss) for the purposes of basic and diluted earnings per share being net profit/(loss) attributable to owners of the Group	3,057	(5,692)	3,754
	Six months ended 31 October 2025 '000 (Unaudited)	Six months ended 31 October 2024 '000 (Unaudited)	Year ended 30 April 2025 '000 (Audited)
Number of shares			
Weighted average number of ordinary shares for the purposes of basic earnings per share	651,773	641,431	641,489
Effect of dilutive potential ordinary shares:			
Share options	10,017	1,059	1,050
Weighted average number of ordinary shares for the purposes of diluted earnings per share	661,790	642,490	642,539
Basic earnings/(loss) per share (p)	0.5	(0.9)	0.6
Diluted earnings/(loss) per share (p)	0.5	(0.9)	0.6

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

8. Property, plant and equipment

During the six months ended 31 October 2025, the Group acquired property, plant and equipment with a cost of £214k (six months ended 31 October 2024: £58k).

9. Notes to the cash flow statement

	Six months ended 31 October 2025 £'000 (Unaudited)	Six months ended 31 October 2024 £'000 (Unaudited)	Year ended 30 April 2025 £'000 (Audited)
Profit/(loss) for the period	3,057	(5,692)	3,754
Adjustments for:			
Finance income	(20)	(2)	(107)
Finance costs	163	956	1,765
Income tax credit	(100)	(50)	(640)
Deferred tax movement	-	-	(630)
Depreciation of property, plant and equipment	760	812	1,612
Amortisation of intangible assets	1,522	1,475	2,955
Disposal of fixed assets	-	-	435
Share-based payment expense	493	245	1,028
Other non-cash movements	742	74	-
Operating cash flows before movements in working capital	6,617	(2,182)	10,307
Decrease/(increase) in inventories	87	(756)	(1,813)
Decrease in receivables	175	3,662	6,547
(Decrease)/increase in payables and deferred income	(5,391)	(788)	469
Cash generated from/(used in) operations	1,488	(64)	15,510
Income taxes received	-	-	391
Net cash from/(used in) operating activities	1,488	(64)	15,901

10. Borrowings

	Six months ended 31 October 2025 £'000 (Unaudited)	Six months ended 31 October 2024 £'000 (Unaudited)	Year ended 30 April 2025 £'000 (Audited)
Secured borrowing at amortised cost			
Revolving credit facility	1,000	-	-
Term loan facility	-	6,103	-
Other borrowings	115	6,173	493
Total borrowings	1,115	12,276	493
Amount due for settlement within 12 months	1,003	11,773	12
Amount due for settlement after 12 months	112	503	481

During the period, the Group secured a £6.0m revolving credit facility with HSBC to support and assist working capital requirements, of which £1.0m had been drawn down as at 31 October 2025. The facility is for a 36-month period. The facility is secured by a debenture and a composite guarantee across the Group. The interest rate on the revolving credit facility is Bank of England Base Rate +2.75%.

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

11. Share capital

During the period, 110,000 ordinary shares (six months ended 31 October 2024: nil) were issued to satisfy the exercise of employee share options. In June 2025, the Group exercised its option to repay the total accrued interest on the £5.5m secured term loan facility with Polymer N2 Ltd through the issue of new ordinary shares at the trailing 10-day volume weighted average price of the Company's ordinary shares on the date that payment fell due. This resulted in the issue of 13,440,514 new ordinary shares.

12. Events after the balance sheet date

The Group has drawn down a further £2.0m on the revolving credit facility with HSBC since the period-end to support and assist working capital requirements.