

Calnex Solutions plc
(“Calnex”, the “Company” or the “Group”)

Interim Results

Good progress in H1, delivering revenue growth while investing in areas of strategic opportunity

Calnex Solutions plc (AIM: CLX), a leading provider of test and measurement solutions for the global telecommunications, cloud computing and defence markets, announces its unaudited results for the six months ended 30 September 2025 (“H1 FY26” or “the Period”).

Financial Highlights

£000	H1 FY26	H1 FY25	YOY % change
	Unaudited	Unaudited	
Revenue	8,048	7,359	9%
Underlying EBITDA	(695)	(1,124)	38%
Loss before tax	(939)	(1,318)	29%
Closing cash including fixed term deposits	10,303	8,580	20%
Basic EPS (pence)	(0.80)	(1.13)	29%
Diluted EPS (pence)	(0.80)	(1.13)	29%

Financial Highlights

- Revenue growth of 9% to £8.0m (H1 FY25: £7.4m), benefiting from growth in all regions
- Gross margins resilient at 76% (H1 FY25: 74%)
- Selective investment in revenue generating areas, whilst maintaining strict cost controls
- Reduced loss before tax of £0.9m (H1 FY25: £1.3m)
- Healthy balance sheet with a cash balance of £10.3m as at period end (H1 FY25: £8.6m), supporting continued new investment
- Proposed interim dividend of 0.31 pence per share to be paid in December (H1 FY25: 0.31 pence) reflecting the Board’s ongoing confidence in the Group’s prospects

Operational Highlights

- Telecoms market remains stable and investment in test equipment is increasing, with substantial medium term growth drivers
- Continued demand for newly launched Paragon neo-S, for ultra-high-speed synchronisation testing, across telecoms and adjacent market segments
- Early traction in US government & defence for Network and Application Assurance offerings, and a growing understanding of the characteristics and sales patterns of these markets
- Progress within the fast-moving cloud computing & datacentre markets and ongoing discovery activities to identify areas of significant opportunity for infrastructure validation and application testing solutions
- Ongoing Partner network expansion as new channel strategy provides increased market access
- Select senior sales, marketing and leadership hires, to ensure we have the right structure to capitalise on our entry into growth markets
- Early Access agreement in progress, providing access to the high-speed chip set necessary to support 1.6T optical interfaces
- Partnership with Viavi to provide a suite of O-RAN testing solutions, with positive early customer feedback

Outlook

- Well positioned to convert the telecoms sales pipeline once the trading environment improves, but not reliant on this for a return to growth

- Expansion into the new market of US defence is a strategic focus, where we see significant opportunity for growth in the long-term
- Ongoing momentum from hyperscalers investing in datacentre operations
- Strengthened our operations, team and channel, and a healthy balance sheet enables continued and controlled investment in people, products, and partners to capitalise on future market opportunity
- Confident in continued growth in H2 to close the year in line with market expectations

Tommy Cook, Chief Executive Officer and founder of Calnex, said:

“Calnex is making solid progress as we continue to evolve in line with the shifting market dynamics across our markets. Our heritage in telecoms standards puts us at the forefront of innovation that is increasingly relevant across diverse end markets, with traction building in defence & government and cloud computing & datacentre markets as we look to understand the market dynamics and discover new opportunities.

We enter the second half with encouraging momentum and a clear strategy to drive growth. Our strong balance sheet enables us to continue investing in our products, team and routes to market to capture the growing demand for network infrastructure testing solutions, and we remain confident in delivering a full year performance in line with market expectations.”

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Overview of Calnex

Calnex Solutions designs, produces and markets test and measurement instrumentation and solutions for the telecoms, cloud computing and defence industries. Calnex's portfolio enables R&D, pre-deployment and in-service testing for network technologies and networked applications, enabling its customers to validate the performance of the critical infrastructure associated with telecoms and cloud computing networks and the applications that run on it.

To date, Calnex has secured and delivered orders in 68 countries across the world. Customers include BT, China Mobile, NTT, Ericsson, Nokia, Intel, Qualcomm, Nvidia and Meta.

CEO Statement

Overview

Calnex has delivered good progress in the first half, delivering revenue growth, resilient gross margins and ongoing investment into areas of strategic opportunity. The business continues to evolve in response to shifting market dynamics and is now a substantially more diverse organisation, with product innovation creating multiple avenues of future growth.

The Group has delivered revenue growth of 9% to £8.0m (H1 FY25: £7.3m), a reduced loss before tax of £0.9m (H1 FY25: £1.3m) and stable gross margins of 76% (H1 FY25: 74%). We maintain a healthy balance sheet with a cash balance of £10.3m as at period end (H1 FY25: £8.6m), enabling sustained investment in product development and entry into new markets. We have maintained a strict control on costs, while selectively investing in revenue generating areas.

Our heritage in telecoms standards puts us at the forefront of innovation across sectors, with significant opportunities presenting themselves in government & defence and cloud computing & datacentres sectors. Our Network and Application Assurance products (NAA) are proving successful in these newer markets in particular, with orders having increased on the comparable period, as anticipated.

We have strengthened our operations and channel, and supported by a healthy balance sheet, continue to selectively invest in the people, products and partners needed to capitalise on future market opportunity.

We are confident in H2 performance and expect to deliver full year results in line with market expectations.

Market backdrop

As both the standards landscape and our products have evolved, so too has the breadth of our end markets and avenues of future growth. Our strategic approach to innovation is led by tracking the higher speeds and standards within the telecoms market - whose robust standards and technology are then adopted by other sectors using networking technologies, such as datacentres.

As a result, our offerings are now seeing increasing uptake across the government & defence and cloud computing & datacentres sectors, as well as telecoms. Reflecting this, our mix of orders across end markets has evolved over the past three years. Cloud computing & datacentres was our largest end market by proportion of orders for the first time in FY25 as customers invest in high-speed connectivity infrastructure. Government & defence, although a smaller percentage of overall orders, has grown steadily and is an area where we see long-term growth opportunity.

Telecoms

While the telecoms market remains subdued, we are seeing signs across all sub-applications that investment in test equipment is increasing, from the purchase of ultra-high-speed testing capabilities, to upgrades within our installed base, as well new sales to existing customers.

In the medium to long term, the underlying telecoms market drivers remain intact. The need for reliable test equipment increases in tandem with the evolution of network infrastructure and the testing requirements that new advances bring. Operators will be required to increase investment in their networks and services as they move towards increased 5G rollout and the emergence of 6G, navigate the changes that come with generative AI, and commence work around the 1.6Tb/s wavelength.

Meanwhile, standards development is continuing, guiding the application of these telecoms technologies into other sectors, such as the recently approved 'PTP profile' for timing in datacentres, presenting further opportunity for Calnex.

Cloud computing & datacentres

We are actively deploying resource into the fast-moving cloud computing & datacentre market to identify the optimal opportunities for Calnex. Global AI workloads are expected to increase datacentre demand by more than 50% by 2030,

forcing substantial upgrades to network infrastructure.¹ This offers opportunity and challenge in equal measure, given the pace and scale of investment. We continue to enjoy repeat orders from existing customers and are exploring the potential for our products in areas such as edge computing and datacentre infrastructure.

Government & defence

The government and defence sector is proving an exciting opportunity for Calnex. The industry's need to ensure reliable application performance in high-stakes military environments is driving demand for our NAA products, with success in the US federal space as per the well-documented increase in government spending on defence technology in the US and Europe alike. We are starting to better understand the different characteristics and sales patterns of the market in contrast to our more established markets. Opportunities are largely tied to major projects for industry leaders, so order values tend to be large, but the decision-making process is difficult to predict, making order visibility challenging. The initial focus of the year has been actively pursuing opportunities in the US, with a dedicated resource to focus on federal accounts established in FY25. We are now exploring opportunities for greater European activity.

We continue to have a clear strategy for establishing our footprint in this evolving sector and we aim to maintain a consistent revenue profile, whilst building a sustainable business model.

Product innovation

In H1 FY26 we have continued to channel R&D spend into product innovation both within the telecoms market and within other market segments showing the most near-term resilience and potential, as described above.

Lab synchronisation driving growth in telecoms and adjacent markets

We have an active development program to track the higher speeds and standards within the telecoms market and produce next-generation capabilities to our solutions. Paragon neo-S, our 800Gb/s synchronisation testing solution launched in H2 FY25, received steady orders in H1 FY26, in line with our expectations. Paragon neo-S is the industry's first synchronisation testing solution to sub-billionth of a second accuracy for multiple rates, ensuring highly accurate timing. Designed to cater to the test requirements of enhanced 5G and O-RAN timing standards as well as datacentre requirements, the product feeds into both the core telecoms sector and the datacentre market, exemplifying the relevance of synchronisation testing, originally focused on telecoms, across other adjacent market segments. For example, post period-end, we were pleased to secure a significant repeat order for our Field sync solution from a major hyperscaler investing in its datacentre operations.

We continue to see opportunities for revenue growth from our substantial existing telecoms customer base through adoption of Calnex Support Service (CSS) maintenance agreements, providing customers with access to ongoing software updates, new feature releases and technical support, ensuring their installed platforms remain aligned to the latest standards and evolving testing requirements. With a large installed base of units, this presents an area of potential future incremental revenue.

Post-period end, we were pleased to announce a partnership with Viavi Solutions for a suite of solutions for Open RAN testing, to simply and cost-effectively pre-test Open RAN systems prior to validation. This increases our market penetration by selling joint solutions that offer a compelling case against other products available, providing us with access to Viavi's large installed base and the potential to upsell. The partnership has seen positive early customer feedback, not only positioning Calnex as a leader in telecoms infrastructure innovation but also pointing to a vertical within telecoms that is seeing growth.

In H1 FY26, Calnex commenced preparation to deliver a 1.6Tb/s synchronisation solution in calendar year 2027, and we are entering into an Early Access program for the cutting edge high-speed chip set necessary to support 1.6Tb/s optical interfaces. Crucially, we are seeing demand for high-speed synchronisation testing in both the telecoms market and other standards-driven market segments, as networks move to the next wave, underpinning our product innovation strategy which will in turn drive order growth.

¹ [AI power: Expanding data center capacity to meet growing demand](#),” McKinsey, October 29, 2024.

NAA progress across cloud computing & datacentres and government & defence

Our NAA testing platforms performed well in H1 FY26, with success in the US government & defence sectors being the primary contributors to order growth. This includes the SNE emulation network range such as SNE-X supporting 400GbE interfaces, as well as NE-ONE application testing, which are proving relevant solutions applicable to a broad range of needs. The level of product innovation for our NAA platforms has continued in H1 FY26 in line with our go-to-market strategy, which is unlocking significant opportunity in the defence, federal and satellite markets, where multi-domain applications testing is increasingly necessary. SNE infrastructure validation is also relevant to the cloud computing industry and we continue to work closely with customers on the use of 400G SNE-X, to ensure alignment with the evolving customer requirements of the datacentre market.

Our market discovery activities increased in H1 FY26 and we have contracted an additional Product Management resource to support the AI wave and target emerging opportunities, such as modelling algorithms, inference testing and other AI-related opportunities.

Channel Partner Network and Operational Enhancements

We continue to strengthen and broaden our global partner network, scaling our market presence across both established and emerging sectors, and are benefitting from broadened sales coverage as a result. New North American partners were onboarded in the period and we have now moved in the enablement phase of partner onboarding.

We are refreshing our channel relationship with Viavi (formerly Spirent) in line with our new channel strategy. With the engagement with Viavi Wireless already underway, we look to continue to engage with the group who have recently joined Viavi from Spirent, in areas where we have traditionally been successful working together.

Operationally, we have strengthened our global sales and marketing infrastructure to support continued growth. Senior appointments across Sales, Marketing and Partner Management, including the addition of a US-based Partner Manager, are already demonstrating positive impact through new customer wins. Meanwhile, the additional Product Management resources across cloud computing & datacentres are generating opportunities to support the AI wave.

Outlook

We enter the second half of the year with encouraging momentum and a clear strategy to drive growth across both established and new market segments. The Board remains confident in delivering continued growth in the second half, with full year performance anticipated to be in line with market expectations.

The progress achieved in expanding the channel network and implementing operational enhancements provides a strong foundation for further progress. Supported by a robust balance sheet, Calnex will continue to invest in its people, products and partners to ensure it is well placed to capture the opportunities arising from the ongoing evolution of global network infrastructure and the increasing demand for test and measurement solutions across our end markets.

We remain well positioned to convert the telecoms sales pipeline once the trading environment fully recovers, but we are not reliant on this for continued growth, driven by strong traction in newer verticals such as US defence, which represents a significant long-term growth opportunity.

Financial Review

The Group experienced revenue growth of 9% in the Period which, alongside a two percentage point improvement in gross margin, resulted in an improvement in profitability compared to the prior period. Gross margins have remained strong at 76% and all costs are tracking to plan. We continue to benefit from a strong cash balance with the Period end cash balance of £10.3m.

Key performance indicators

£000	H1 FY26 Unaudited	H1 FY25 Unaudited	FY25 Audited
Revenue	8,048	7,359	18,386
Gross Profit	6,128	5,439	13,763
Gross Margin	76%	74%	75%
Underlying EBITDA ¹	(695)	(1,124)	1,151
Underlying EBITDA margin %	-9%	-15%	6%
(Loss)/profit before tax	(939)	(1,318)	720
(Loss)/profit before tax margin %	-12%	-18%	4%
Closing cash	10,303	8,580	10,912
Capitalised R&D	2,788	2,619	4,836
Basic EPS (pence)	(0.80)	(1.13)	0.38
Diluted EPS (pence)	(0.80)	(1.13)	0.36

¹ EBITDA after charging R&D amortisation.

A reconciliation between the statutory reported income statement and the alternative performance measures is shown below and in note 18 to the financial statements.

Reconciliation of statutory figures to alternative performance measures – Income Statement

	H1 FY26 £000	H1 FY25 £000
Revenue	8,048	7,359
Cost of sales	(1,920)	(1,920)
Gross Profit	6,128	5,439
Other income	396	102
Administrative expenses (excluding depreciation & amortisation)	(4,946)	(4,557)
EBITDA	1,578	984
Amortisation of development costs	(2,273)	(2,108)
Underlying EBITDA	(695)	(1,124)
Other depreciation & amortisation	(363)	(348)
Finance costs	(37)	(8)
Interest received	156	162
Loss before tax	(939)	(1,318)
Tax	235	328
Loss for the Period	(704)	(990)

Revenue

Revenue generated in the first half of the year was £8.0m, representing a 9% growth on H1 FY25 revenue of £7.4m. All regions experienced growth in revenues, with Americas increasing revenues 5% on the prior period to £3.0m (H1 FY25: 2.9m), North Asia growing 18% to £2.1m (H1 FY25: 1.8m) and ROW improving by 9% to £2.9m (H1 FY25: £2.7m)

The split of revenues across the regions was broadly in line with the prior period. Americas accounted for 38% of total revenues (H1 FY25: 39%), ROW 36% (H1 FY25: 37%), and North Asia 26% (H1 FY25: 24%) in the year.

In H1 FY26, 75% (H1 FY25: 75%) of the Group's revenues were generated from the sale of bundled hardware and software products, with 25% (H1 FY25: 25%) of revenues coming from software support and extended warranty programmes. Bundled hardware and software revenues grew 9% on the prior period and revenues from software support and extended warranty programmes increasing by 10% on prior period revenues, demonstrating the value our customers place on ensuring they can continue to receive support on our offerings.

Gross Margin

Gross Profit for the Period was £6.1m, an improvement of £0.7m on the prior period, as a result of the increase in revenue volumes and a two-percentage point uplift in margin. Gross margin remained robust at 76% (H1 FY25: 74%) driven by a strong product mix. Gross margin is net of commissions payable to our channel partners and can fluctuate with product mix and timing of the hardware and software bundles shipped in a Period.

The Board continues to monitor the effects of potential US tariff arrangements as we work with our customers and partners to navigate the new landscape effectively.

Underlying EBITDA

Underlying EBITDA is EBITDA stated after charging R&D amortisation. Underlying EBITDA was a £0.7m loss in the Period (H1 FY25: £1.1m loss), an improvement of £0.4m on the prior period, driven predominantly by the growth in revenue, improved gross margin and increased other income, offset partially by increases in administration costs and R&D amortisation. As a result, Underlying EBITDA margin improved from -15% in the prior period to -9%.

Other income

The new merged R&D expenditure credit (RDEC) scheme combines the previous RDEC and the SME R&D tax reliefs into a single scheme for accounting periods beginning on or after 1 April 2024. The merged scheme provides a 20% expenditure credit on qualifying expenditure, which is allocated to 'other income' in the profit and loss account and is taxable. The 86% rate on qualifying expenditure under the previous SME scheme is no longer available.

The mechanics of the merged scheme allow for recognition to be more predictable and the Group has recognised £0.3m of RDEC income within other income for the Period.

Administration costs

Administration costs (excluding depreciation and amortisation) increased by £0.4m on the prior period to £4.9m (H1 FY25: £4.6m), with £0.3m of the increase coming from the planned increases to Sales, Marketing and Partner Management headcount and inflationary salary cost increases. The remaining £0.1m of the increase was as a result the fluctuations in the USD:GBP exchange rates at the start of the Period. Whilst cost controls have continued across all cost lines and departments, the Group continues to maintain investment in product development and customer engagement as the Board views this is fundamental to support future growth.

Amortisation of R&D Costs

Amortisation of R&D costs in H1 FY26 was £2.3m (H1 FY25: £2.1m). The increase on the prior period is due to the impact of the 5-year amortisation profile and growth in capital spend in prior years.

Loss before tax

Loss before tax was £0.9m in the Period (H1 FY25: £1.3m loss), with the Underlying EBITDA drivers detailed above resulting in a year-on-year improvement of £0.4m. Loss before tax margin was -12% compared to -18% in the prior period.

Tax

The Group's loss-making position resulted in a tax credit of £0.2m for the Period (H1 FY25: £0.3m), based on an effective tax rate of 25% for this point in the year.

Earnings per share

Basic earnings per share was a loss of 0.80p in the Period (H1 FY25: 1.13p loss), with the movement compared to the prior period attributed to the improvement in profitability in the current Period.

Cashflows

The Group experienced a cash outflow of £0.6m in the Period (H1 FY24: £3.3m), reflecting the loss made in the Period offset by positive movements in working capital.

Working capital in the Period decreased by £1.3m (H1 FY25: £1.3m increase), predominantly due to positive movements in trade receivables. The 31 March 2025 trade receivable balance of £5.3m was higher than prior periods due to the timing of shipments and increased trading in Q4 of FY25 and this cash was collected throughout H1 FY26, bringing the balance at 30 September 2025 to £2.4m.

Cash used in investing activities is principally cash spent on R&D activities which is capitalised and amortised over five years. Investment in R&D in the Period was £2.8m, slightly above prior period (H1 FY24: £2.6m).

The Group places surplus cash balances not required for working capital into high interest deposit accounts, either overnight, weekly or notice accounts.

Closing cash at 30 September 2025 was £10.3m (30 September 2025: £8.6m; 31 March 2025: £10.9m).

Dividend

The Board retains full confidence in future growth and accordingly has resolved to pay an interim dividend of 0.31 pence per ordinary share on 19 December 2024 to those shareholders on the register as at 28 November 2025, the record date (FY25 Interim dividend 0.31p). The ex-dividend date is 27 November 2025.

Calnex Solutions plc
Consolidated Statement of Comprehensive Income
For the period ended 30 September 2025

		6 months to 30 Sep 2025 (Unaudited) £'000	6 months to 30 Sep 2024 (Unaudited) £'000	Year ended 31 Mar 2025 (Audited) £'000
Revenue	4,5	8,048	7,359	18,386
Cost of sales		(1,920)	(1,920)	(4,623)
Gross profit		6,128	5,439	13,763
Other income	6	396	102	913
Administrative expenses		(7,582)	(7,013)	(14,239)
Operating (loss)/profit		(1,058)	(1,472)	437
<i>Presented as:</i>				
EBITDA		1,578	984	5,422
Depreciation and amortisation of non-R&D assets		(363)	(348)	(714)
Amortisation of R&D asset	9	(2,273)	(2,108)	(4,271)
Operating (loss) / profit		(1,058)	(1,472)	437
Interest received	15	156	162	320
Finance costs		(37)	(8)	(37)
(Loss)/profit before taxation		(939)	(1,318)	720
Taxation	7	235	328	(383)
(Loss)/profit and total comprehensive income for the year		(704)	(990)	337
Earnings per share (pence)				
Basic (loss)/earnings per share	8	(0.80)	(1.13)	0.38
Diluted (loss)/earnings per share	8	(0.80)	(1.13)	0.36

Calnex Solutions plc
Consolidated statement of financial position
For the period ended 30 September 2025

		6 months to 30 Sep 2025 (Unaudited) £'000	6 months to 30 Sep 2024 (Unaudited) £'000	Year ended 31 Mar 2025 (Audited) £'000
Non-current assets				
Intangible assets	9	12,633	12,483	12,255
Goodwill	10	2,000	2,000	2,000
Plant and equipment	11	177	271	187
Right of use assets	12	979	169	1,115
Deferred tax asset		566	533	299
		<u>16,355</u>	<u>15,456</u>	<u>15,856</u>
Current assets				
Inventory	13	5,248	6,086	5,358
Trade and other receivables	14	3,040	2,956	5,669
Corporation tax receivable		1,018	1,148	684
Cash and cash equivalents	15	10,303	8,580	10,912
		<u>19,609</u>	<u>18,770</u>	<u>22,623</u>
Total assets		<u>35,964</u>	<u>34,226</u>	<u>38,479</u>
Current liabilities				
Trade and other payables	16	4,215	3,258	5,467
Lease liability payable within one year	12	261	127	289
		<u>4,476</u>	<u>3,385</u>	<u>5,756</u>
Non-current liabilities				
Trade and other payables	16	1,102	1,976	1,411
Lease liabilities payable later than one year	12	819	147	928
Deferred tax liability		2,940	2,497	2,940
Provisions		-	15	-
		<u>4,861</u>	<u>4,635</u>	<u>5,279</u>
Total liabilities		<u>9,337</u>	<u>8,020</u>	<u>11,035</u>
Net assets		<u>26,627</u>	<u>26,206</u>	<u>27,444</u>
Equity				
Share capital		110	109	110
Share premium		7,703	7,511	7,671
Share option reserve		2,164	1,814	1,764
Retained earnings		16,650	16,772	17,899
Total equity		<u>26,627</u>	<u>26,206</u>	<u>27,444</u>

Calnex Solutions plc
Consolidated cashflow statement
For the period ended 30 September 2025

		6 months to 30 Sep 2025 (Unaudited) £'000	6 months to 30 Sep 2024 (Unaudited) £'000	Year ended 31 Mar 2025 (Audited) £'000
Cashflow from operating activities				
(Loss)/profit before tax from continuing operations		(939)	(1,318)	720
<i>Adjusted for:</i>				
Finance costs		37	8	37
Interest received	15	(156)	(162)	(320)
Government grant income	6	(91)	(102)	(200)
R&D tax credit income	6	(305)	-	(713)
Share based payment transactions		400	400	432
Depreciation	11	89	90	182
Amortisation		2,547	2,365	4,803
Impairment of intangibles		-	-	167
Movement in inventories		177	(982)	(405)
Movement in obsolescence provision		(67)	268	421
Movement in trade and other receivables		2,632	386	(2,334)
Movement in trade and other payables		(1,473)	(1,020)	738
Cash inflow / (outflow) generated from operations		2,851	(67)	3,528
Movement in provisions		-	-	(15)
Corporation and foreign tax payments	7	(62)	(52)	635
R&D tax refunds received		-	-	435
Net cash inflow / (outflow) from operating activities		2,789	(119)	4,583
Investing activities				
Purchase of intangible assets	9	(2,788)	(2,620)	(4,864)
Purchase of plant and equipment	11	(79)	(20)	(28)
Interest received	15	156	162	320
Net cash outflow from investing activities		(2,711)	(2,478)	(4,572)
Financing activities				
Payment of lease obligations	12	(174)	(149)	(314)
Dividends paid		(545)	(542)	(814)
Share options proceeds		32	-	161
Net cash outflow from financing activities		(687)	(691)	(967)
Net (decrease) in cash and cash equivalents		(609)	(3,288)	(956)
Cash and cash equivalents at the beginning of the period		10,912	11,868	11,868
Cash and cash equivalents at the end of the period		10,303	8,580	10,912

Calnex Solutions plc
Consolidated statement of changes in equity
For the period ended 30 September 2025

	Share capital £'000	Share premium £'000	Share option reserve £'000	Retained earnings £'000	Total Equity £'000
6 months to 30 September 2024					
Balance as at 31 March 2024	109	7,511	1,414	18,304	27,338
<i>Transactions with owners in their capacity as owners</i>					
Share options exercised	-	-	-	-	-
Share based payments	-	-	400	-	400
Dividends	-	-	-	(542)	(542)
	-	-	400	(542)	(142)
Loss for period ended 30 September 2024	-	-	-	(990)	(990)
Balance as at 30 September 2024	109	7,511	1,814	16,772	26,206

	Share capital £'000	Share premium £'000	Share option reserve £'000	Retained earnings £'000	Total Equity £'000
12 months to 31 March 2025					
Balance as at 31 March 2024	109	7,511	1,414	18,304	27,338
<i>Transactions with owners in their capacity as owners</i>					
Share options exercised	1	160	(72)	72	161
Share options	-	-	422	-	422
Dividend	-	-	-	(814)	(814)
	1	160	350	(742)	(231)
Profit for period ended 31 March 2025	-	-	-	337	337
Balance as at 31 March 2025	110	7,671	1,764	17,899	27,444

	Share capital £'000	Share premium £'000	Share option reserve £'000	Retained earnings £'000	Total Equity £'000
6 months to 30 September 2025					
Balance as at 31 March 2025	110	7,671	1,764	17,899	27,444
<i>Transactions with owners in their capacity as owners</i>					
Share options exercised	-	32	-	-	32
Share options	-	-	400	-	400
Dividend	-	-	-	(545)	(545)
	-	32	400	(545)	(113)
Loss for period ended 30 September 2025	-	-	-	(704)	(704)
Balance at 30 September 2025	110	7,703	2,164	16,650	26,627

Calnex Solutions plc
Notes to the interim consolidated financial statements
For the period ended 30 September 2025

1. General information

The interim consolidated financial statements cover the consolidated entity Calnex Solutions plc and the entities it controlled at the end of, or during, the interim period to 30 September 2025 (“the Group”).

Calnex Solutions plc (“the Company”) is a public limited company and is domiciled and incorporated in Scotland.

The registered office is:

Oracle Campus
Linlithgow
West Lothian
EH49 7LR

The principal activity of the Group is the design, production and marketing of test instrumentation and solutions for network synchronisation and network emulation enabling its customers to validate the performance of critical infrastructure associated with telecommunications networks, enterprise networks and data centres.

The interim consolidated financial statements for the period ended 30 September 2025 are unaudited, and do not constitute statutory accounts as defined in section 434 of the Companies Act 2006. They do not therefore include all the information and disclosures required in annual statutory financial statements and should be read in conjunction with the Group annual report and accounts for the year ended 31 March 2025.

The Group annual report and accounts for the year ended 31 March 2025 were approved by the Board of Directors on 19 May 2025 and have been delivered to the Registrar of Companies. The auditor’s report on those accounts was unqualified, did not draw attention to any matters by way of emphasis and did not contain a statement made under Section 498(2) or (3) of the Companies Act 2006.

The interim consolidated financial statements for the period ended 30 September 2025 were approved by the Board of Directors on 17 November 2025.

2. Basis of preparation

The interim consolidated financial statements for the period ended 30 September 2025 have been prepared in accordance with IAS 34 ‘Interim Financial Reporting’ as issued by the International Accounting Standards Board, endorsed by, and adopted for use in, the United Kingdom.

The accounting policies and methods of computation adopted are consistent with those applied in the Group’s consolidated financial statements for the year ended 31 March 2025 and have been applied consistently to all periods presented.

There have been no new standards or amendments to existing standards effective from 1 April 2025 that are applicable to the Group or that has had any material impact on the financial statements and related notes as at 30 September 2025. Changes to IFRS18 *Presentation and Disclosure of Financial Statements*, are effective for reporting periods beginning on or after 1 January 2027, as such will not be represented until the presentation of the financial statements for the year ended 31 March 2028.

3. Going concern

The interim consolidated financial statements have been prepared on the basis that the Group will continue as a going concern.

In adopting the going concern basis, the Directors have considered the principal risks and uncertainties of the group, which remain unchanged from those reported in the Group annual report for the year ended 31 March 2025, a copy of which is available on the Company's website at: <https://investors.calnexsol.com>. The uncertainties arising from the macro-economic backdrop and inflationary pressures are covered by existing risks, and these continue to be closely monitored.

The Board has reviewed cashflow forecasts and availability of cashflow to fund the ongoing operations of the Group. Based on this review, along with regular oversight of the Group's risk management framework, the Board has concluded the going concern basis to remain appropriate.

4. Operating segments

Operating segments are based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers) in assessing performance and determining the allocation of resources. As the Group has a central cost structure and a central pool of assets and liabilities, the Board of Directors do not consider segmentation in their review of costs or the balance sheet. The only operating segment information reviewed, and therefore disclosed, are the revenues derived from different geographies.

	6 months to 30 Sep 2025 £'000	6 months to 30 Sep 2024 £'000	Year ended 31 Mar 2025 £'000
Americas	3,045	2,905	7,258
North Asia	2,083	1,764	3,333
Rest of world	2,920	2,690	7,795
Total revenue	<u>8,048</u>	<u>7,359</u>	<u>18,386</u>

5. Revenue

	6 months to 30 Sep 2025 £'000	6 months to 30 Sep 2024 £'000	Year ended 31 Mar 2025 £'000
Sale of goods	6,056	5,544	14,516
Rendering of services	1,992	1,815	3,870
Total revenue	<u>8,048</u>	<u>7,359</u>	<u>18,386</u>

6. Other income

	6 months to 30 Sep 2025 £'000	6 months to 30 Sep 2024 £'000	Year ended 31 Mar 2025 £'000
Government grant income	91	102	200
R&D tax credit	305	-	713
Total revenue	<u>396</u>	<u>102</u>	<u>913</u>

Following the UK Government's reform of R&D tax relief effective from 1 April 2024, the previous SME and RDEC schemes have been consolidated into a single, unified RDEC-style framework.

As a result, the Group has recognised £305,000 of R&D tax credit within other income for the six-month period ended 30 September 2025 (2024: £nil). This reflects management's confidence in the eligibility of the Group's R&D activities under the revised scheme, greater clarity and consistency in the treatment of qualifying R&D expenditure from the unified scheme, and a strong history of successful claims and alignment with HMRC's qualifying criteria.

Had this changed approach to R&D tax credit income recognition been introduced in the prior interim to 30 September 2024, £300,000 of R&D tax credit income would have been recognised in other income within the interim financial statements.

7. Taxation

	6 months to 30 Sep 2025 £'000	6 months to 30 Sep 2024 £'000	Year ended 31 Mar 2025 £'000
Current taxation			
UK corporation tax on profits for the period	-	-	160
Foreign current tax expense	62	52	30
Adjustments relating to prior years	-	-	(794)
Deferred taxation			
Origination and reversal of temporary differences	(297)	(380)	27
Adjustments relating to prior years	-	-	960
Taxation charge	<u>(235)</u>	<u>(328)</u>	<u>383</u>
(Loss)/profit before tax for the year	(939)	(1,318)	720
Effective tax rate	25%	25%	53%

8. Earnings per share

Basic earnings per share is calculated by dividing the earnings attributable to ordinary shareholders by the weighted average number of Ordinary Shares in issue during the year.

Diluted earnings per share is calculated by dividing the earnings attributable to ordinary shareholders by the total of the weighted average number of Ordinary Shares in issue during the year and adjusting for the dilutive potential Ordinary Shares relating to share options.

	6 months to 30 Sep 2025	6 months to 30 Sep 2024	Year ended 31 Mar 2025
(Loss)/profit after tax attributable to shareholders	(703,602)	(990,533)	336,671
Weighted average number of shares used in calculation:			
Basic earnings per share	87,786,080	87,546,846	87,613,858
Diluted earnings per share	92,924,458	92,827,819	92,852,208
(Loss)/earnings per share – basic (pence)	(0.80)	(1.13)	0.38
(Loss)/earnings per share – diluted (pence)	(0.80)	(1.13)	0.36

9. Intangible Assets

Included within intangible assets are the following significant items:

- Intellectual property representing the cost of patent applications and on-going patent maintenance fees.
- Acquired intellectual property from business combinations.
- Capitalised development costs representing expenditure relating to technological advancements on the core product base of the Group. These costs meet the requirement of IAS 38 (Intangible Assets) and will be amortised over the future commercial life of the related product. Amortisation is charged to administrative expenses.

	Intellectual property £'000	Development Costs £'000	Total £'000
Cost			
At 1 April 2025	3,559	36,524	40,083
Additions	10	2,778	2,788
Disposals	-	-	-
At 30 September 2025	<u>3,569</u>	<u>39,302</u>	<u>42,871</u>
Amortisation			
Balance at 1 April 2025	3,023	24,805	27,828
Charge for the period	137	2,273	2,410
Eliminated on disposal	-	-	-
At 30 September 2025	<u>3,160</u>	<u>27,078</u>	<u>30,238</u>
Net book value			
As at 31 March 2025	<u>536</u>	<u>11,719</u>	<u>12,255</u>
As at 30 September 2025	<u>409</u>	<u>12,224</u>	<u>12,633</u>

10. Goodwill

	6 months to 30 Sep 2025 £'000	6 months to 30 Sep 2024 £'000	Year ended 31 Mar 2025 £'000
Cost	<u>2,000</u>	<u>2,000</u>	<u>2,000</u>

The Group tests goodwill for impairment annually, or more frequently if there are indications that the goodwill has been impaired. The Group has an annual impairment testing date of 31 March. As at 30 September 2025, management has reviewed goodwill for indicators of impairment, and has considered the Group's trading performance, the Group's principal risks and uncertainties, and the other assumptions utilised in the value in use calculation. Management has performed sensitivity analyses on the key assumptions both with other variables held constant and with the other variables simultaneously changed. Management has concluded that there are no reasonable changes in the key assumptions that would cause the carrying amount of goodwill to exceed the value in use for the cash generating unit.

No evidence of impairment was found at balance sheet date.

11. Plant & equipment

	6 Months to 30 Sep 2025 £'000	6 Months to 30 Sep 2024 £'000	Year ended 31 Mar 2025 £'000
Cost			
At 1 April	700	676	676
Additions	79	20	28
Disposals	-	-	(4)
At 30 September	<u>779</u>	<u>696</u>	<u>700</u>
Amortisation			
Balance at 1 April	513	335	335
Charge for the period	89	90	182
Eliminated on disposal	-	-	(4)
At 30 September	<u>602</u>	<u>425</u>	<u>513</u>
Net book value			
Balance b/fwd into period	<u>187</u>	<u>341</u>	<u>341</u>
Balance c/fwd from period	<u>177</u>	<u>271</u>	<u>187</u>

12. Leases

The Group has recognised a right-of use asset and a lease liability for the lease of land and buildings for its head office in Linlithgow, Scotland.

The Group leases IT equipment with contract terms ranging between 1 to 2 years. The Group has recognised right-of use assets and lease liabilities for these leases.

The Group leases office space in Belfast and Stevenage, as well as one motor vehicle. These leases are low-value, so have been expensed as incurred. The Group has elected not to recognise right-of-use assets and lease liabilities for these leases.

Information about the right of use assets and leases for which the Group is a lessee is presented below:

	6 months to 30 Sep 2025 £'000	6 months to 30 Sep 2024 £'000	Year ended 31 Mar 2025 £'000
Right of use assets			
Balance at 1 April	1,115	287	287
Additions to right of use assets for the period	-	-	1,079
Disposal of right of use assets in the period	-	-	(852)
Amortisation charge for the period	(136)	(118)	(251)
Amortisation eliminated on disposal	-	-	852
NBV carried forward for the period	<u>979</u>	<u>169</u>	<u>1,115</u>
	6 months to 30 Sep 2025 £'000	6 months to 30 Sep 2024 £'000	Year ended 31 Mar 2025 £'000
Lease liabilities			
Balance brought forward in the period	1,217	415	415
Lease additions for the period	-	-	1,079
Payment of lease expense	(174)	(149)	(314)
Interest on lease expense	37	8	37
Balance carried forward for the period	<u>1,080</u>	<u>274</u>	<u>1,217</u>
<i>Represented as:</i>			
Due within 1 year	261	127	289

Due in more than 1 year	819	147	928
Total amounts due	<u>1,080</u>	<u>274</u>	<u>1,217</u>

13. Inventory

	6 months to 30 Sep 2025 £'000	6 months to 30 Sep 2024 £'000	Year ended 31 Mar 2025 £'000
Finished goods	6,104	6,856	6,281
Provision for obsolescence	(856)	(770)	(923)
	<u>5,248</u>	<u>6,086</u>	<u>5,358</u>

14. Trade and other receivables

Trade receivables are consistent with trading levels across the Group and are also affected by exchange rate fluctuations. No interest is charged on the trade receivables.

The Group has performed a review for estimated irrecoverable amounts in accordance with its accounting policy, and at the balance sheet date, there are no amounts outstanding beyond agreed commercial terms.

	6 months to 30 Sep 2025 £'000	6 months to 30 Sep 2024 £'000	Year ended 31 Mar 2025 £'000
Trade receivables	2,425	2,589	5,313
Other receivables	118	7	-
Prepayments and accrued income	497	360	356
	<u>3,040</u>	<u>2,956</u>	<u>5,669</u>

The Directors consider that the carrying amount of trade and other receivables approximates their fair value.

15. Cash and cash equivalents

Cash and cash equivalent amounts included in the Consolidated Statement of Cashflows comprise the following:

	6 months to 30 Sep 2025 £'000	6 months to 30 Sep 2024 £'000	Year ended 31 Mar 2025 £'000
Cash at bank	10,303	8,580	10,786
Cash on short term deposit	-	-	126
Total cash and cash equivalents	<u>10,303</u>	<u>8,580</u>	<u>10,912</u>

The Group utilises overnight high interest trade accounts to generate interest on cash held.

	6 months to 30 Sep 2025 £'000	6 months to 30 Sep 2024 £'000	Year ended 31 Mar 2025 £'000
Interest received	<u>156</u>	<u>162</u>	<u>320</u>

16. Trade and other payables

Trade and other payables are consistent with trading levels across the Group but are also affected by exchange rate fluctuations. Trade payables and accruals principally comprise amounts outstanding for trade purchases and ongoing costs. The Group has financial risk management policies in place to ensure all payables are paid within the agreed credit terms.

Deferred income relates to fees received for ongoing services to be recognised over the life of the service rendered.

	6 months to 30 Sep 2025 £'000	6 months to 30 Sep 2024 £'000	Year ended 31 Mar 2025 £'000
Trade payables	655	400	987
Other taxes and social security	234	204	226
Other payables	103	91	88
Accruals	401	628	739
Deferred income	2,822	1,935	3,427
	<u>4,215</u>	<u>3,258</u>	<u>5,467</u>
<i>Amounts due in more than one year</i>			
Deferred income	1,102	1,976	1,411
	<u>5,317</u>	<u>5,234</u>	<u>6,878</u>
Total amounts due			

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

17. Dividends paid and proposed

	6 months to 30 Sep 2025 £'000	6 months to 30 Sep 2024 £'000	Year ended 31 Mar 2025 £'000
Proposed but not yet recognised			
Interim dividend 2026: 0.31 per share	272	-	-
Declared and paid			
Final dividend 2025: 0.62p per share	545	-	-
Interim dividend 2025: 0.31p per share	-	-	271
Final dividend 2024: 0.62p per share	-	543	543

An interim dividend of 0.31 pence per Ordinary Share (FY25 interim dividend: 0.31 pence per Ordinary Share) was declared by the board on 18 November 2025 and will be paid to ordinary shareholders on 19 December 2025. The dividend is payable to all shareholders on the Register of Members at the close of business on 28 November 2025, the record date.

All dividends are determined and paid in Sterling.

18. Alternative performance measures ('APMs')

The performance of the Group is assessed using a variety of performance measures, including APMs which are presented to provide users with additional financial information that is regularly reviewed by the Board of Directors. These APMs are not defined under IFRS and therefore may not be directly comparable with similarly identified measures used by other companies.

	6 months to 30 Sep 2025 £'000	6 months to 30 Sep 2024 £'000	Year ended 31 Mar 2025 £'000
Underlying EBITDA	(695)	(1,124)	1,151
Underlying EBITDA margin %	(9%)	(15%)	6%
Capitalised R&D spend	2,778	2,609	4,836

- Underlying EBITDA: EBITDA including R&D amortisation
- Underlying EBITDA margin %: EBITDA including R&D amortisation as a percentage of revenue

Reconciliation of statutory figures to alternative performance measures – Income Statement

	6 months to 30 Sep 2025 £'000	6 months to 30 Sep 2024 £'000	Year ended 31 Mar 2025 £'000
Revenue	8,048	7,359	18,386
Cost of sales	(1,920)	(1,920)	(4,623)
Gross profit	6,128	5,439	13,763
Other income	396	102	913
Administrative expenses (excl depreciation and amortisation)	(4,946)	(4,557)	(9,254)
EBITDA	1,578	984	5,422
Amortisation of development costs	(2,273)	(2,108)	(4,271)
Underlying EBITDA	(695)	(1,124)	1,151
Other depreciation and amortisation	(363)	(348)	(714)
Operating (loss)/ profit	(1,058)	(1,472)	437
Interest received	156	162	320
Finance costs	(37)	(8)	(37)
(Loss)/profit before tax	(939)	(1,318)	720
Tax	235	328	(383)
(Loss)/profit for the year	(704)	(990)	337

19. Availability of Interim Report

The Company's Interim Report for the six months ended 30 September 2025 will be available to view on the Company's website <https://investors.calnexsol.com>.