

**FILTRONIC PLC**  
 (“Filtronic”, the “Company” or the “Group”)

**HALF YEAR RESULTS FOR THE SIX MONTHS ENDED 30 NOVEMBER 2024**

Filtronic plc (AIM: FTC), the designer and manufacturer of products and sub-systems for the aerospace, defence, telecoms infrastructure, space and critical communications markets, announces its half year results for the six months ended 30 November 2024 (“H1 2025”).

**Financial Highlights**

	<b>H1 2025</b>	<b>H1 2024</b>
Revenue	<b>£25.6m</b>	£8.5m
Adjusted EBITDA <sup>1</sup>	<b>£8.7m</b>	£0.2m
Operating profit/(loss)	<b>£6.8m</b>	(£0.4m)
Profit/(loss) for the period	<b>£6.7m</b>	(£0.5m)
Basic earnings/(loss) per share	<b>3.08p</b>	(0.24p)
Diluted earnings/(loss) per share	<b>3.04p</b>	(0.24p)
Cash generated from operating activities	<b>£2.1m</b>	£1.8m
	<b>At 30 Nov 2024</b>	<b>At 31 May 2024</b>
Net cash when including right of use property leases	<b>£4.3m</b>	£4.2m
Net cash when excluding right of use property leases	<b>£5.1m</b>	£5.2m

<sup>1</sup> Adjusted EBITDA is earnings before interest, taxation, depreciation, amortisation, share-based payments and exceptional items.

**Operational Highlights**

- Strong order inflow from SpaceX in the period aligned with the Strategic Partnership agreement.
- Technology developments progressing well to deliver on our future product roadmap in conjunction with key customers.
- Excellent progress made with the recruitment drive to scale the engineering team to meet demand and serve the healthy opportunity pipeline. This has resulted in a 16% headcount increase including the recruitment of a design team in Cambridge.
- Two new production lines installed in the period to increase manufacturing capacity to support revenue growth.
- Healthy cash position enables continued investment in revenue growth initiatives to deliver the strategic plan.

**Post-period Highlights**

- Leadership team further strengthened with three key appointments added.
- Positive cadence of order intake has continued in H2 resulting in two material upgrades to market expectations in the last two months.

**Commenting, Jonathan Neale, Chairman, said:** “We are pleased to communicate these strong set of interim results. Robust order intake has resulted in the improved revenue and profit outlook in H2 which we communicated in market upgrades in December 2024 and January 2025. Investing in the business to underpin the orderbook has been timely and effective and we look forward to being able to communicate more about the next financial year as things develop during H2”.

## **Enquiries**

### **Filtronic plc**

Nat Edington, CEO

Michael Tyerman, CFO

[www.filtronic.com](http://www.filtronic.com)

01740 618800 or [investor.relations@filtronic.com](mailto:investor.relations@filtronic.com)

### **Cavendish Capital Markets Limited**

Jonny Franklin-Adams/Isaac Hooper/Trisyia Jamaludin (Corporate Finance)

Sunila de Silva (ECM)

020 7220 0500

### **Walbrook PR Limited**

Nick Rome/Joseph Walker

020 7933 8780 or [filtronic@walbrookpr.com](mailto:filtronic@walbrookpr.com)

## **Notes:**

This announcement contains inside information for the purposes of Article 7 of Regulation (EU) No 596/2014.

## **Forward-looking statements**

Certain statements in this half-yearly financial report are forward-looking. Where the half-yearly financial report includes forward-looking statements, these are made by the directors in good faith based on the information available to them at the time of their approval of this report. Such statements are based on current expectations and are subject to a number of risks and uncertainties, including both economic and business risk factors that could cause actual events or results to differ materially from any expected future events or results referred to in these forward-looking statements. Unless otherwise required by applicable law, regulation or accounting standard, the Group undertakes no obligation to update any forward-looking statements whether as a result of new information, future events or otherwise.

## Chairman's Statement

I am pleased to present the half year results for FY2025 and update shareholders on the progress we have made in the period. This is not only reflected in the financial results, but also the great strides we have made to develop the organisation and appropriately scale the business.

Engineering recruitment has been more successful, with a significant uplift in headcount, following the opening of a new design centre in Cambridge coupled with a re-energised recruitment strategy. To meet the growing demand, we have strengthened our leadership team not just in technical areas, but also in operations, engineering, commercial and business development.

We have an exciting technology roadmap, developing semiconductor and passive technologies in the millimetre-wave spectrum for both the ground station, payload and platform systems and components. These are supported by leading edge global semiconductor foundry technologies. The developments relating to these are progressing well and we still expect to deliver against critical timelines.

We continue our aim to deliver increased output from our existing operational facilities and production resources. To meet the strong demand, we successfully introduced two new production lines during the period to give further flexibility and enable further conversion of new business. As we move to larger premises at our headquarters in Sedgefield, County Durham, later this year we expect to see further gains to capacity and efficiency.

### Financial Performance Summary

The Board are pleased with the trading results in H1. Coupled with this, strong order intake resulted in the improved revenue and profit outlook in H2 which we communicated in December and January.

Group revenue for the first half of FY2025 increased by over 200% on the prior year with sales of £25.6m (H1 2024: £8.5m).

We have invested further in the business during the period to support the growth, leading to our overhead cost base increasing by 62%. Despite this, the revenue growth from increased trading has delivered an operating profit of £6.8m (H1 2024: operating loss of £0.4m) and adjusted earnings before interest, taxation, depreciation and amortisation ("adjusted EBITDA") of £8.7m (H1 2024: £0.2m).

At 30 November 2024, the Group recorded cash in the bank of £7.2m (31 May 2024: £7.2m), net cash of £5.1m when excluding the right of use property leases (31 May 2024: £5.2m) and net cash including right of use property leases of £4.3m (31 May 2024: £4.2m).

### Our Markets

The Low Earth Orbit ("LEO") space market remains a driving force for the business with the market still offering further significant growth potential.

Our strategic partnership with the market leader, SpaceX, continues to strengthen and grow. The success of the relationship has enabled us to deliver at high volume and high quality, working closely with our business and supply chain partners. This achievement has enabled both parties to consider further collaboration following the remarkable success of the Starlink constellation.

We still see LEO space payload as an exciting area for us and we have factored that into our technology road map. As a lead-in project to payload, we have a prestigious programme underway with the European Space Agency ("ESA") which is expected to complete over the next year with material revenues still to be recognised in FY2026.

We were delighted to see our customers, Almagest Space Corporation and XDLINX Space Labs, take our first mmWave product into space on their recently developed satellite using one of our Morpheus X2 E-band transceivers.

The defence pipeline contains several interesting opportunities particularly within airborne radar systems. Our active programmes, with QinetiQ will substantively complete in FY2025, and with BAE Maritime Systems within FY2026. The UK government's Strategic Defence Review pushed back the planned timing of a number of prospective opportunities but has not impacted financial forecasts.

We are pleased to see the UK Government secure the future of the semiconductor foundry at Newton Aycliffe, County Durham, safeguarding critical semiconductor components for the UK defence market and

providing longevity of supply. This creates an opportunity for us to align ourselves with the Defence Industrial Strategy where we can utilise our advanced semiconductor packaging and test capability which we see as essential for sovereign capability and competitiveness.

## **Outlook**

The Group has continued the momentum from H1 with a strong start to trading in H2. Our order book is healthy and underpins the recent upgrades, whilst the opportunity pipeline continues to build serving us well as we move towards the next financial year.

The overall macro factors for the low earth orbit (“LEO”) satellite market are robust, driven by the emergence of reusable launch vehicles and advanced manufacturing, which significantly reduces the cost of launch and enables more companies to participate in space activities. Commercial engagements, not only with SpaceX, have demonstrated to us the relevance of our technology to the wider satellite market serving a multitude of missions. This enables us to bring forwards leading-edge high-performance technology that we anticipate could be widely adopted.

The industry growth rates for LEO satellite market are projected to grow at a CAGR of over 9% by 2031 with the overall market size growing to \$310bn USD by 2031 (*Exactitude Consultancy*) whilst the defence market for electronic warfare is expected to grow to 2031 by 7% to \$35bn USD (*Insight Partners*).

I am grateful for the hard work and dedication of the entire Filtronic team and our impressive supply chain partners in their efforts to achieve considerable production volume ramps at the quality that premium markets expect. I would like to take this opportunity to publicly thank them all for their innovation, commitment and success.

Jonathan Neale

Chairman, 3 February 2025

**Condensed Consolidated Interim Income Statement**  
**For the period ended 30 November 2024**

		<b>6 months Ended 30 November 2024 (Unaudited) £000</b>	<b>6 months Ended 30 November 2023 (Unaudited) £000</b>	<b>Year Ended 31 May 2024 (Audited) £000</b>
<b>Continuing operations</b>	Note			
<b>Revenue</b>	5	<b>25,595</b> =====	<b>8,480</b> =====	<b>25,432</b> =====
<b>Adjusted EBITDA<sup>1</sup></b>		<b>8,712</b>	<b>206</b>	<b>4,889</b>
Depreciation of property, plant and equipment and right of use assets		<b>(607)</b>	<b>(451)</b>	<b>(945)</b>
Amortisation of intangible assets		<b>(258)</b>	<b>(124)</b>	<b>(287)</b>
Amortisation of contract assets	10	<b>(901)</b>	-	-
Share-based payments		<b>(185)</b>	-	<b>(47)</b>
<b>Operating profit/(loss)</b>	6	<b>6,761</b> -----	<b>(369)</b> -----	<b>3,610</b> -----
Finance costs	7	<b>(127)</b>	<b>(166)</b>	<b>(332)</b>
Finance income	8	<b>101</b> -----	<b>18</b> -----	<b>83</b> -----
<b>Profit/(loss) before taxation</b>		<b>6,735</b>	<b>(517)</b>	<b>3,361</b>
Taxation		<b>(7)</b> -----	<b>(5)</b> -----	<b>(220)</b> -----
<b>Profit/(loss) for the period</b>		<b>6,728</b> =====	<b>(522)</b> =====	<b>3,141</b> =====
<b>Basic and diluted earnings/(loss) per share (pence)</b>				
Basic earnings/(loss) per share	9	<b>3.08p</b>	<b>(0.24p)</b>	<b>1.45p</b>
Diluted earnings/(loss) per share	9	<b>3.04p</b>	<b>(0.24p)</b>	<b>1.41p</b>

- 1 Adjusted EBITDA is defined as profit before interest, taxation, depreciation, amortization, share-based payments and exceptional items which is a non-GAAP metric used by management and is not an IFRS disclosure.

**Condensed Consolidated Interim Statement of Comprehensive Income**  
**For the period ended 30 November 2024**

	<b>6 months Ended 30 November 2024 (Unaudited) £000</b>	6 months Ended 30 November 2023 (Unaudited) £000	Year Ended 31 May 2024 (Audited) £000
<b>Profit/(loss) for the period</b>	<b>6,728</b>	(522)	3,141
	-----	-----	-----
<i>Items that are or may be subsequently reclassified to profit and loss:</i>			
Currency translation arising on consolidation	(15)	(39)	(52)
	-----	-----	-----
<b>Total comprehensive income/(expense) for the period</b>	<b>6,713</b>	(561)	3,089
	=====	=====	=====

The total comprehensive income/(expense) for the period is attributable to the equity shareholders of the parent company Filtronic plc.

**Condensed Consolidated Interim Statement of Financial Position**  
**At 30 November 2024**

	Note	30 November 2024 (Unaudited) £000	30 November 2023 (Unaudited) £000	(restated) 31 May 2024 (Audited*) £000
<b>Non-current assets</b>				
Goodwill and other intangible assets		2,604	1,977	2,271
Right of use assets		3,774	3,566	3,756
Property, plant and equipment		2,061	764	1,153
Contract assets	10	1,302	-	1,302
Deferred tax		1,046	1,252	1,047
		<u>10,787</u>	<u>7,559</u>	<u>9,529</u>
<b>Current assets</b>				
Inventories		4,202	2,569	3,273
Trade and other receivables		15,070	4,545	6,550
Contract assets	10	401	-	1,303
Cash and cash equivalents		7,204	4,057	7,215
		<u>26,877</u>	<u>11,171</u>	<u>18,341</u>
<b>Total assets</b>		<u>37,664</u>	<u>18,730</u>	<u>27,870</u>
<b>Current liabilities</b>				
Trade and other payables		8,224	2,759	5,406
Provisions		493	363	493
Deferred Income	11	1,426	1,235	1,403
Lease liabilities		731	746	895
		<u>10,874</u>	<u>5,103</u>	<u>8,197</u>
<b>Long term liabilities</b>				
Deferred income	11	116	537	132
Lease liabilities		2,214	2,092	2,121
		<u>2,330</u>	<u>2,629</u>	<u>2,253</u>
<b>Total liabilities</b>		<u>13,204</u>	<u>7,732</u>	<u>10,450</u>
<b>Net assets</b>		<u>24,460</u>	<u>10,998</u>	<u>17,420</u>
<b>Equity</b>				
Share capital	12	10,800	10,796	10,798
Share premium	13	11,352	11,087	11,213
Share warrant reserve	10	2,605	-	2,605
Translation reserve		(537)	(509)	(522)
Retained earnings		240	(10,376)	(6,674)
<b>Total equity</b>		<u>24,460</u>	<u>10,998</u>	<u>17,420</u>

The total equity is attributable to the equity shareholders of the parent company Filtronic plc.  
Company number 2891064

\* Certain prior period figures are restated, please refer to note 15 for further information.



**Condensed Consolidated Interim Statement of Changes in Equity**  
**For the period ended 30 November 2024**

	Share capital	Share premium	Share warrant reserve	Translation reserve	Retained earnings	Total equity
	£000	£000	£000	£000	£000	£000
Balance at 30 November 2023	10,796	11,087	-	(509)	(10,376)	10,998
Profit for the period	-	-	-	-	3,663	3,663
New shares issued (net of issue costs)	2	126	-	-	-	128
Share warrants	-	-	2,605	-	-	2,605
Currency translation movement arising	-	-	-	(13)	-	(13)
Share-based payments	-	-	-	-	39	39
	-----	-----	-----	-----	-----	-----
Balance at 31 May 2024 (restated*)	10,798	11,213	2,605	(522)	(6,674)	17,420
Profit for the period	-	-	-	-	6,728	6,728
New shares issued (net of issue costs)	2	139	-	-	-	141
Currency translation movement arising	-	-	-	(15)	-	(15)
Share-based payments	-	-	-	-	186	186
	-----	-----	-----	-----	-----	-----
<b>Balance at 30 November 2024</b>	<b>10,800</b>	<b>11,352</b>	<b>2,605</b>	<b>(537)</b>	<b>240</b>	<b>24,460</b>
	=====	=====	=====	=====	=====	=====

\* Certain prior period figures are restated, please refer to note 15 for further information.

**Condensed Consolidated Interim Cash Flow Statement**  
**For the period ended 30 November 2024**

	<b>6 months Ended 30 November 2024 (Unaudited) £000</b>	<b>6 months Ended 30 November 2023 (Unaudited) £000</b>	<b>Year Ended 31 May 2024 (Audited) £000</b>
<b>Cash flows from operating activities</b>			
Profit/(loss) for the period	<b>6,728</b>	(522)	3,141
Taxation	<b>7</b>	5	220
Finance income	<b>(101)</b>	(18)	(83)
Finance costs	<b>127</b>	166	332
	-----	-----	-----
<b>Operating profit/(loss)</b>	<b>6,761</b>	(369)	3,610
Tax paid	<b>(7)</b>	(5)	(16)
Share-based payments	<b>186</b>	8	47
Depreciation	<b>607</b>	451	945
Amortisation of contract assets	<b>901</b>	-	-
Amortisation of intangible assets	<b>258</b>	124	287
Movement in inventories	<b>(926)</b>	186	(531)
Movement in trade and other receivables	<b>(8,534)</b>	766	(1,235)
Movement in trade and other payables	<b>2,820</b>	(906)	1,749
Movement in provisions	<b>-</b>	(1)	129
Change in deferred income	<b>8</b>	1,579	1,342
	-----	-----	-----
<b>Net cash generated from operating activities</b>	<b>2,074</b>	1,833	6,327
	-----	-----	-----
<b>Cash flows from investing activities</b>			
Capitalisation of development costs	<b>(486)</b>	(326)	(677)
Acquisition of intangible assets	<b>(103)</b>	-	(107)
Acquisition of plant and equipment	<b>(1,535)</b>	(162)	(666)
Acquisition of right of use assets	<b>-</b>	(34)	(120)
Interest received	<b>101</b>	14	83
	-----	-----	-----
<b>Net cash used in investing activities</b>	<b>(2,023)</b>	(508)	(1,487)
	-----	-----	-----
<b>Cash flows from financing activities</b>			
Interest paid	<b>(127)</b>	(166)	(332)
Proceeds from financing agreements	<b>-</b>	-	750
Exercise of employee share options	<b>141</b>	10	138
Repayment of principal element of lease liabilities	<b>(437)</b>	(411)	(784)
Receipt of interest-bearing borrowings	<b>364</b>	684	-
	-----	-----	-----
<b>Net cash generated (used in)/from financing activities</b>	<b>(59)</b>	117	(228)
	-----	-----	-----
<b>Movement in cash and cash equivalents</b>	<b>(8)</b>	1,442	4,612
Currency exchange movements	<b>(3)</b>	5	(7)
Opening cash and cash equivalents	<b>7,215</b>	2,610	2,610
	-----	-----	-----
<b>Closing cash and cash equivalents</b>	<b>7,204</b>	4,057	7,215
	=====	=====	=====

## **Notes to the Condensed Financial Statements**

### **1 Company information**

Filtronic plc is a company registered and domiciled in the United Kingdom and is listed on the AIM market of the London Stock Exchange. The Company's registered number is 2891064. The address of the Company's registered office is Filtronic plc, Plexus 1, NETPark, Thomas Wright Way, Sedgefield, County Durham, TS21 3FD.

Copies of the Company's Annual Report and interim financial report are available from the Company's registered office or the Company's website at [www.filtronic.com](http://www.filtronic.com).

### **2 Basis of preparation**

Whilst the financial information included in this preliminary statement has been prepared on the basis of the requirements of IFRSs in issue, this statement does not itself contain sufficient information to comply with IFRS.

These financial results for the six months ended 30 November 2024 do not comprise statutory accounts within the meaning of Section 434 of the Companies Act 2006. The interim report should be read in conjunction with the Annual Report 2024, which includes annual financial statements for the year ended 31 May 2024. Those accounts have been reported on by the Company's auditor and delivered to the registrar of companies. The report of the auditor was (i) unqualified (ii) did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying their report, and (iii) did not contain a statement under section 498 (2) or (3) of the Companies Act 2006.

The condensed consolidated financial statements for the six months ended 30 November 2024 consolidate the financial statements of the Company and all of its subsidiaries (together referred to as the "Group"). Transactions between Group companies, which are related parties, have been eliminated upon consolidation and therefore do not require disclosure.

The condensed consolidated financial statements for the six months ended 30 November 2024 and comparative period have not been audited. The interim financial report for the six months ended 30 November 2024 was approved by the Board on 3 February 2025.

### **3 Going Concern**

In accordance with corporate governance requirements 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.

The directors have reviewed the projected cash flow and other relevant information, including a 'severe but plausible' scenario and have a reasonable expectation that the Group has adequate resources to continue in operational existence and therefore it remains appropriate to adopt the going concern basis in preparing the interim financial report for the six months ended 30 November 2024.

## **4 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 and reported amounts of assets and liabilities, income and expenses. The accounting estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of the future that are believed to be reasonable under the circumstances. Actual results may differ from the expected results. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. The accounting estimates and judgements that have a significant effect on the financial statements are considered in the Filtronic plc Annual Report for the year ended 31 May 2024 which can be found on the Filtronic website. Unless stated below there is no material change to those judgements from the Annual Report in the basis of calculation.

There is one change to the accounting estimates and judgements in the period relating to the share warrants issued to SpaceX. This judgement is described in note 10.

## **5 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, budget 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 adjusted 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.

## 5 Segmental Analysis (continued)

### Revenue by Destination

The revenue presented is based on the geographic location of customers receiving the product/service from the continuing operations.

	<b>6 months Ended 30 November 2024 £000</b>	6 months Ended 30 November 2023 £000	Year Ended 31 May 2024 £000
<b>Revenue</b>			
United Kingdom	1,559	1,396	2,239
Europe	508	1,046	2,154
Americas	23,446	3,433	17,121
Rest of the world	82	2,605	3,918
	-----	-----	-----
	<b>25,595</b>	8,480	25,432
	=====	=====	=====

### Revenue from sales

The revenue presented is based on the Group deriving revenue from product sales and those received from Non-Recurring Engineering ("NRE") at a point in time when the performance obligation is satisfied.

	<b>6 months Ended 30 November 2024 £000</b>	6 months Ended 30 November 2023 £000	Year Ended 31 May 2024 £000
<b>Revenue</b>			
Sales of product	25,565	8,031	24,135
NRE - point in time	931	449	1,297
Amortisation of contract assets	(901)	-	-
	-----	-----	-----
	<b>25,595</b>	8,480	25,432
	=====	=====	=====

## 6 Operating profit/(loss)

	6 months Ended 30 November 2024 £000	6 months Ended 30 November 2023 £000	Year Ended 31 May 2024 £000
<b>Revenue</b>	<b>25,595</b>	8,480	25,432
<b>Material cost of goods sold</b>	<b>9,738</b>	3,245	9,357
Wages and salaries	<b>4,187</b>	3,171	6,092
Social security costs	<b>469</b>	316	650
Pension costs	<b>269</b>	182	372
Bonus	<b>540</b>	-	810
Temporary employees	<b>418</b>	-	208
Share-based payments	<b>186</b>	8	47
Employee costs	<b>6,069</b>	3,677	8,179
Amortisation of intangible assets	<b>258</b>	124	287
Depreciation of property, plant and equipment and right of use assets	<b>607</b>	451	945
Depreciation and amortisation	<b>865</b>	575	1,232
Other operating income	<b>(34)</b>	(153)	(326)
Other expenses	<b>2196</b>	1,505	3,380
<b>Total operating costs</b>	<b>9,096</b>	5,604	12,465
<b>Operating profit/(loss)</b>	<b>6,761</b>	(369)	3,610

Development costs of £486,000 were capitalised in HY2025 (HY2024: £295,000).

Other operating income relates to grants received for plant and machinery and R&D innovation whilst R&D tax credits claimed under the RDEC scheme are also recognised in operating profit.

## 7 Finance costs

	6 months Ended 30 November 2024 £000	6 months Ended 30 November 2023 £000	Year Ended 31 May 2024 £000
Interest expense for lease arrangements	<b>127</b>	114	236
Minimum service costs and interest charges on invoice discounting facilities	-	52	96
	<b>127</b>	166	332

## 8 Finance income

	6 months Ended 30 November 2024 £000	6 months Ended 30 November 2023 £000	Year Ended 31 May 2024 £000
Revaluation of foreign currency denominated intercompany balance	9	4	1
Interest receipt on treasury deposits	92	14	82
	-----	-----	-----
	101	18	83
	=====	=====	=====

## 9 Basic and diluted earnings/(loss) per share

	6 months Ended 30 November 2024 £000	6 months Ended 30 November 2023 £000	Year Ended 31 May 2024 £000
Profit/(loss) for the period	6,728	(522)	3,141
	=====	=====	=====
	'000	'000	'000
Basic weighted average number of shares	218,771	215,172	216,340
Dilution effect of share options	2,663	2,781	6,555
	-----	-----	-----
Diluted weighted average number of shares	221,434	217,953	222,895
	=====	=====	=====
Basic earnings/(loss) per share (pence)	3.08p	(0.24p)	1.45p
Diluted earnings/(loss) per share (pence)	3.04p	(0.24p)	1.41p
	=====	=====	=====

## 10 SpaceX share warrants

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 have made a judgement that the warrants should be treated as equity instruments as defined by IAS32. 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. As the warrants represent non-cash consideration payable to a customer under IFRS 15. 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 £901,000 charge to revenue.

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 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.



## 11 Deferred income

	6 months Ended 30 November 2024 £000	6 months Ended 30 November 2023 £000	Year Ended 31 May 2024 £000
Contract liabilities	1,484	1,198	1,369
Capital grant	29	37	34
<b>Total current deferred income</b>	<b>1,513</b>	<b>1,235</b>	<b>1,403</b>
Contract liabilities	-	392	-
Capital grant	116	145	132
<b>Total non-current deferred income</b>	<b>116</b>	<b>537</b>	<b>132</b>
<b>Total deferred income</b>	<b>1,629</b>	<b>1,772</b>	<b>1,535</b>
	=====	=====	=====

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.

## 12 Share Capital

	Deferred shares of 10p each Number '000	Ordinary shares of 0.1p each Number '000	£000
At 30 November 2023	106,877	215,321	10,796
Exercise of employee share options	-	1,800	2
At 31 May 2024	106,877	217,121	10,798
Exercise of employee share options	-	1,861	2
<b>At 30 November 2024</b>	<b>106,877</b>	<b>218,982</b>	<b>10,800</b>
	=====	=====	=====

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

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.

### 13 Share Premium

	£000
At 30 November 2023	11,087
Exercise of employee share options	126
	-----
At 31 May 2024	11,213
Exercise of employee share options	139
	-----
<b>At 30 November 2024</b>	<b>11,352</b>
	=====

### 14 Analysis of net cash

	1 June 2024 £000	Cash Flow £000	Other movements £000	<b>30 Nov 2024 £000</b>
Cash and cash equivalents	7,215	(8)	(3)	<b>7,204</b>
Lease liability – plant and equipment	(1,990)	296	(363)	<b>(2,057)</b>
	-----	-----	-----	-----
<b>Net cash when including all debt except property leases</b>	<b>5,225</b>	<b>288</b>	<b>(366)</b>	<b>5,147</b>
Lease liability – property lease	(1,027)	139	-	<b>(888)</b>
	-----	-----	-----	-----
<b>Net cash</b>	<b>4,198</b>	<b>427</b>	<b>(366)</b>	<b>4,259</b>
	=====	=====	=====	=====

Cash at bank earns interest at floating rates based on daily bank deposit rates.

The Group entered into a new financing arrangement in November 2024 with Santander UK plc. This included the operational banking facilities and successful attainment of a committed £5.0m Revolving Credit Facility (“RCF”) for three years from November 2024. Consequently, the invoice discounting facilities with Barclays Bank and Wells Fargo have been closed.

There were no drawings on the RCF facility at 30 November 2024 (31 May 2024: undrawn).

## 15 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 income statement or 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 <b>(Audited*)</b> £000
<b>Non-current assets</b>			
Contract assets	-	1,302	<b>1,302</b>
	-----	-----	-----
	8,227	1,302	<b>9,529</b>
	-----	-----	-----
<b>Current assets</b>			
Contract assets	-	1,303	<b>1,303</b>
	-----	-----	-----
	17,038	1,303	<b>18,341</b>
	-----	-----	-----
<b>Total assets</b>	25,265	2,605	<b>27,870</b>
	-----	-----	-----
<b>Net assets</b>	14,815	2,605	<b>17,420</b>
	=====	=====	=====
<b>Equity</b>			
Share warrant reserve	-	2,605	<b>2,605</b>
	-----	-----	-----
<b>Total equity</b>	14,815	2,605	<b>17,420</b>
	=====	=====	=====

\* Certain prior period figures are restated, please refer to note 15 for further information.