Enabling the world's energy transition

Tekmar

Annual Report 2025

tekmargroup.com

Cautionary note and disclaimer

Forward-looking statements. This Annual Report contains certain forward-looking statements with respect to the operations, strategy, performance, financial condition and growth opportunities of the Group. By their nature, these statements involve uncertainty and are based on assumptions and involve risks, uncertainties and other factors that could cause actual results and developments to differ materially from those anticipated. The forward-looking statements reflect knowledge and information available at the date of preparation of this Annual Report and, other than in accordance with its legal and regulatory obligations, the Company undertakes no obligation to update these forward-looking statements. Nothing in this Annual Report should be construed as a profit forecast.

Non-GAAP measures and why we use them. Throughout this report we present underlying reports and measures. These underlying measures allow stakeholders to better compare the performance of the Group between current and prior periods by removing the impact of one-off or non-operational items. Exceptional items are explained in the Notes to the accounts and a reconciliation of GAAP to non-GAAP measures is also included within the report.

Strategic Report	3	Audit Committee Report	38
Highlights	3	Remuneration Committee Report	39
Chairman's Statement	4	Nomination Committee Report	41
Chief Executive Review	6	Directors' Report	42
Market Review	10	Statement of Directors' Responsibilities	44
Our Strategy	12	**Auditor's Report**	45
Vision, Mission and Values	14	**Financial Statements**	57
Key Performance Indicators	16	Consolidated Statement of Comprehensive Income	57
Group Financial Review	17	Consolidated Statement of Financial Position	58
Principal Risks and Uncertainties	22	Consolidated Statement of Changes in Equity	59
ESG Framework	25	Consolidated Statement of Cash Flows	60
Corporate Governance Statement	25	Consolidated Notes to the Accounts	61
Sustainability Report	29	Parent Company Statement of Financial Position	85
S172 Statement	32	Parent Company Statement of Changes in Equity	86
The Board	34	Parent Company Notes to the Accounts	87
Key Management	37		

Key Headlines

1. FY25 was a year of positive transition

The business has been aligned to deliver Project Aurora – the Group's value creation strategy - under the leadership of Richard Turner in his first year as CEO. Tekmar is now organised across two verticals - Asset Protection Technology and Offshore Energy Services. This creates a leaner cost base with greater level of operational efficiency.

2. Significant progress under Project Aurora

The Group's strategic focus has been sharpened on higher-quality, technology-led activities, strengthening operational discipline and positioning Tekmar for scalable, profitable growth across our primary markets of Offshore Energy (Wind, Oil and Gas) and Marine Infrastructure.

3. Increased order intake including several major contract awards

During the year, the Group secured several significant contract awards, strengthening order book quality and future revenue visibility. Highlights included:

- US$10 million+ offshore energy and subsea infrastructure contract in the Middle East;
- ~£5 million offshore wind contract for the supply of next-generation cable protection systems on a UK wind farm; and
- €3.5 million contract for a major offshore energy project in the Middle East.

Together with a number of additional project awards, these wins reinforced Tekmar's positioning in core Offshore Energy and Marine Infrastructure markets.

4. Resolved legacy claims and strengthened risk profile

The Group made significant progress in resolving legacy project claims and contractual matters, reducing historical risk exposure and with no net cash impact for Tekmar.

5. Improved balance sheet supports the objectives of Project Aurora

The improving financial performance, including in the second half of FY25, the stronger order backlog and greater revenue visibility alongside continued focus on costs and cash management strengthens the platform for more predictable and sustainable growth.

Post Year-End

Subsequent to the year end, the Group has continued to deliver strong commercial momentum, securing a number of significant contract awards, including two major offshore wind contract awards, each in excess of €8 million, for the supply of next-generation cable protection systems. These awards further strengthen the Group's order book, improve revenue visibility into FY26 and FY27, and underline Tekmar's leading position in the global offshore wind cable protection market.

Chairman's Statement

The 2025 financial year was an important period for Tekmar as we strengthened the business and focus on delivering sustained future returns for its shareholders.

Under the leadership of Richard Turner as CEO, who joined in September 2024, the business has been aligned to deliver Project Aurora – our value creation strategy. The ambition we have for Tekmar is strong and the commercial traction we have now established, evidenced by our growing, more diversified and high-quality order book, demonstrates that the Tekmar team is delivering positive results.

After a challenging first half in 2025, the financial performance in the second half of the year was significantly stronger and reflected the business' success in converting the healthy pipeline into orderbook and then orderbook into revenue. This positive momentum has continued into the new financial year with a current order book of £40m+, the highest reported since Tekmar's admission to AIM in 2018. This gives us greater and improving revenue visibility over the next 12-24 months and a stronger platform to build on. There is still a lot we can do, and are doing, to scale the business but, as a Board, we are greatly encouraged by the tangible progress the business is making. This underpins the Board's confidence in a positive outlook for Tekmar.

We have a clear strategy to deliver value for shareholders and the team is in place to deliver the plan.

Our organic growth plan remains to deliver strong financial results by leveraging our leading position in growing end markets and to utilise our exceptional asset base more fully. Importantly, we can drive significant growth with our current resources, amplifying the benefits of our operational gearing.

Our organic growth is augmented by our strategic investment strategy. We continue to assess new opportunities to add further scale and strengthen our offering. This is a balanced strategy that provides the Group multiple ways to accelerate shareholder value creation.

As we execute on these plans, we are benefitting from the direction and support provided by our Board. The Board was substantially refreshed in the summer of 2024, with the appointments of Lars Bondo Krogsgaard and David Kemp as Non-Executive Directors. The Board members bring deep and highly relevant experience reflecting their diverse backgrounds in growing large, international businesses and creating value for investors.

In August 2025, we announced the appointment of Phil Lanigan as Chief Financial Officer. Phil brings a strong track record as a public and private market CFO and a wealth of experience in business transformation and integration, growth and M&A. With Phil's appointment the senior leadership team is in place to deliver on the medium-term value creation strategy.

Tekmar's highly differentiated market position is created by its expertise and the capability of its people.

Tekmar plays a vital role in protecting critical assets and infrastructure in harsh marine environments. Our know-how and industry expertise are hard-earned and our technology is without equal in the industry - and highly valued by our customers. Our track record in offshore wind highlights this pedigree with our technologies protecting more than 50 GW of offshore wind capacity across over 120 projects worldwide. Similarly in Oil & Gas and Marine Infrastructure, our technology is deployed globally to ensure assets are able to operate reliably in complex and dynamic situations for the duration of their design life.

Our team is our greatest asset and brings unrivalled experience and expertise to provide innovative, high-quality solutions that support the success of clients' complex projects. They demonstrate this excellence consistently and this underpins the Group's reputation for technology leadership.

Their commitment to doing business the right way is also reflected in our safety record. We operate at world class Health, Safety & Environment levels. This not only protects our people, it supports operational effectiveness and exemplary customer service – it is our licence to operate and an important representation of our culture. On behalf of the Board, I would like to express our thanks to all Tekmar colleagues for their sustained efforts throughout 2025.

As a Board, we believe the successful execution of Project Aurora will build a differentiated, diverse and profitable technology business with the attributes that are valued by investors, customers and our people alike.

The Group is now well-positioned to capture the opportunity presented by the favourable prevailing demand across our end markets. We have a strengthening order book and an unprecedented sales opportunity pipeline, centred around our own core IP, and a balanced strategy to capitalise on the growth opportunities ahead. This gives the Board confidence that we will continue to grow progressively and deliver increasing shareholder value.

Our commitment as a Board remains to be careful stewards of the business, to drive solid financial decisions that promote the best interests of Tekmar's people, shareholders and broader stakeholders as we build our path towards longer-term success.

Thank you.

Steve Lockard
Chairman

1. Current order book is defined as revenue to be recognised from executed contracts and purchase orders post 1 October 2025

Chief Executive Review

An improved H2 25 performance and record order book

In FY25, the Group delivered revenue of £28.7m (FY24: £32.8m) and Adjusted EBITDA1 of £0.1m (FY24: £1.7m). This was in line with market expectations and showed a material improvement in second half profitability. FY25 was my first year as CEO of Tekmar following my appointment in September 2024. It has been a productive year as we have reorganised the business as well as launching and starting to execute on Project Aurora – our value creation strategy.

In early December 2025, we provided a market update on Project Aurora. In the update, we highlighted positive business momentum including a leaner and more focussed organisation structure, improvements to the balance sheet and the increasing pipeline of opportunities that had yielded £43m of new orders secured since 1 July 2025. This positive momentum has continued into the first half of FY26 with further significant contract wins with our Order Book1 standing at £40.7m as at the date of this announcement.

This is not only a record level for the business but is also well balanced across our end markets and geographies. The business is in a much better position than it was a year ago. We are in a good position to continue to deliver sustained progress and results in FY26 and beyond.

Significant progress on Project Aurora

In December 2024, three months after I joined Tekmar, and following a review of the business at all levels, we set out the Project Aurora strategic plan. In this framework we identified three "pillars" of strategic initiatives; Scaling the business, Operational Excellence and Strategic Investment - the delivery of which will result in a significantly larger, more diversified and more resilient business.

We are very encouraged by the progress we are making on these key elements of the plan:

Scaling the business

Growing orderbook and longer-term visibility

In H1 FY25 order volumes were low which translated to revenue of £12.3m and an Adjusted EBITDA loss of £0.7m. Following the launch of Project Aurora, we reorganised and refocused the front end of our business and implemented the first steps of our sales growth plan. We saw the benefit of our improved commercial effectiveness progressively throughout the year, with the increasing order intake supporting revenue of £16.5m and Adjusted EBITDA of £0.8m for the second half.

Since 1 July 2025, Tekmar has secured new orders of £43m supporting an order book as at the date of this release of £40.7m . This is 116% per cent higher than the equivalent period one year ago. These orders support significantly improved revenue visibility with approximately £26m of revenue already secured for FY26 and £15m for subsequent years. This is a fundamentally stronger position for the business.

Key markets - a balanced portfolio

Tekmar is a technology leader in three primary global markets; Offshore Wind, Oil & Gas and Marine Infrastructure

The significant number of contract awards since the start of July 2025 demonstrate that the strategy to drive balanced growth across end markets and geographies is working:

Offshore Wind – since the beginning of December 2025, we have announced three significant contract awards supporting offshore wind projects in Europe and cumulative orders value in that period in excess of £20m. These contracts see Tekmar partnering with leading EPC customers and reinforce our position as the market leader in subsea asset protection, with our technologies protecting two thirds of the world's installed offshore wind capacity. The scope of these contracts includes Front End Engineering and Design (FEED) and supply of our latest Cable Protection System (CPS) technology. These are typically multi-year contracts and our bidding success provides increasing revenue visibility for the Group over the next two to three years.

Oil & Gas – since the start of July 2025, the Group has received contract awards with a cumulative value in excess of £42m, of which c.£22m are for Oil & Gas customers. This includes a US$10m contract to provide CPS technology for a major offshore energy project in the United Arab Emirates. This was followed by a €3.5m contract in November 2025 with a leading global oilfield services provider. These contracts evidence our successful focus on broadening our commercial activity in this very active region. We also delivered a £2m+ contract in the Middle East announced in July 2025 to supply engineered subsea structures for a new pipeline project. This highlights the significant quick turnround work that Tekmar has the capacity to deliver. Furthermore, through our Offshore Energy Services division we have been very successful in securing repeat business for our offshore grouting services, both during new foundation installation but also in the Inspection Maintenance and Repair (IMR) market where we have supported multiple pipeline rectification projects deploying Tekmar's in-house remediation design and deployment technology.

Marine Infrastructure – In October 2025, Tekmar announced a $1.5m contract award for the provision of bespoke engineered scour protection and specialised deployment equipment for a new port development. This was followed by a further contract award of a similar size to supply engineered scour protection solutions for a major port infrastructure development in the Middle East. Marine Infrastructure including ports & harbours and flood defence represents a significant growth opportunity for the Group, extending its asset protection expertise beyond offshore energy into wider marine infrastructure applications. We anticipate further success in this growing market segment. Being able to deliver this breadth of protection technology and complementary services sets us apart in the market and puts us ahead of the competition in being able to support the full lifecycle of offshore energy and marine infrastructure projects.

In addition to these secured orders, we are extending and deepening our partnerships with blue-chip customers, including through framework agreements. Two key frameworks were announced in 2025, one with Jan De Nul in October 2025, supporting TenneT's 2GW Program in Germany, and one with Nexans, announced in February 2025. These multi-year agreements reflect our standing in the market and our commitment to providing innovative, high-quality solutions that support the success of our partners' projects.

Product Development

As pioneers and technical leaders, we are constantly learning, challenging and pushing the boundaries to find solutions to tomorrow's challenges. Our technology roadmap is built on several key principles:

- Evolving design methods, principles and testing practice to meet industry needs
- Incremental developments to our core asset protection technology products and services
- Incorporation of digital condition monitoring solutions into our asset protection technology
- Development of sustainable, ecological solutions that reduce CO2 footprint and reduce impact on marine life
- Diversification of core capabilities into adjacent sectors such as subsea energy infrastructure defence
- We also collaborate with Industry stakeholders at all levels, and are active members of several Joint Industry Programs (JIPs) aimed at driving technological advancements to reduce LCOE

Growth financing

Tekmar has an improving balance sheet which supports the delivery of the objectives through Project Aurora. During 2025 Tekmar renewed its £4m trade loan facility with Barclays, which is 80% backed by UK Export Finance. Tekmar also established a new amortising £2m three-year term loan with the British Business Bank, which replaced the £3m CBILs loan which was repaid in October 2025. Together these facilities provide flexible support for ongoing working capital.

Going forward, the balance sheet provides further opportunity to support growth. The growing backlog provides an improved level of revenue visibility for the next 12 to 24 months supporting Tekmar's ability to secure competitive financing options. The disciplined approach to costs and cash management also continues to support an improving balance sheet.

Operational Excellence

Greater volume translating into greater profitability

Tekmar is very well equipped to deliver significantly higher volumes than it has produced in recent years. Operationally we are able to more than treble our output without the need for significant expansionary capex. The aggregated demand from our primary markets is increasing and our sales growth initiatives gives us multiple routes to outperform this growth in market demand. This means that our utilisation will steadily increase giving us a significant gearing effect in our P&L.

We saw this effect very clearly in FY25, where in the first half, due to lower levels of volume we incurred a loss of £0.7m Adjusted EBITDA. In the second half of the year, utilisation increased progressively and our revenue with it. We maintained a disciplined commercial approach throughout the period and this helped deliver a gross profit margin of 34%, ahead of the prior year's 32% and FY25 H2 Adjusted EBITDA of £0.8m.

We also kept tight controls on overhead costs although the impact of the lower volumes and revenue in the first half limited the level of Adjusted EBITDA we were able to deliver for the full year.

A simpler, more streamlined business

Our changes to our organisational design give us greater accountability on sales and operational effectiveness and are allowing us to both secure sustainably higher volumes of good quality work, but also to deliver it on time and on budget.

Reflecting the core capabilities of the Tekmar Group, we have reorganised the business across two scalable value streams:

Asset Protection Technology: this includes our end-to-end engineering and analysis capability, from feasibility, through to installation, commissioning and operations, augmented with our advanced technology in polymer and hybrid-concrete protection systems. These capabilities have been the primary profit generators for Tekmar historically and we expect this revenue stream to continue to grow as we deliver the organic growth potential of the Group under Project Aurora.

Offshore Energy Services: this includes our grouting and offshore equipment rental services, where we have an established fleet of assets. Although a smaller proportion of Group revenue today, we see the opportunity for revenues to increase to be a significant proportion of Group revenue – we are targeting 25% over the time horizon of Project Aurora. Demand for these services is increasing, and this market segment provides the opportunity to access recurring revenue streams as well as exposure to the large and predictable IMR market within offshore energy.

Significant progress in resolving legacy warranty claims

During FY25, we announced commercial settlement agreements with two customers concerning legacy defect notifications relating to the industry-wide issue regarding abrasion of legacy cable protection systems installed at offshore windfarms. Tekmar agreed settlement terms with both customers with no admission of liability and no conclusion of defect with the Company's products and were fully covered by the insurance monies already received by Tekmar with nil net cash impact for Tekmar. Discussions remain ongoing to close out the final legacy defect notifications.

Strategic Investment

Continuing to actively assess and progress accretive investment opportunities

We continue to work hard on our strategic investment strategy which is based on accelerating scale and strengthening our offering through a logical broadening of the portfolio via expansionary Capex or M&A.

There is an active acquisition pipeline in place with discussions ongoing with selected targets. The Board continues to adopt a disciplined approach to assessing acquisition opportunities to ensure value for shareholders. We are also developing a number of business cases for growth investment in additional asset capacity in Offshore Energy Services as well as targeted R&D in AI/digitalisation and cable system defence.

Current trading and outlook

The Board is encouraged by the positive momentum carried forward from H2 25 and the strong start to the current financial year, with a current order backlog of £40.7m, including £26m scheduled for delivery in FY26. This represents a marked improvement in revenue visibility as the strategic initiatives begin to deliver tangible results. The Board expects H1 26 performance to be ahead of H1 25 and full year performance to be in line with current market forecasts, reflecting a significant year-on-year improvement in performance.

Tekmar operates in markets underpinned by clear long-term structural growth drivers and the Group remains confident in its strategy to capture the opportunities available. The Board believes the Group is well-positioned to outperform these growing markets and to deliver sustainable growth, increasing shareholder value.

The Board believes the successful execution of Project Aurora will build a differentiated, diverse and profitable technology business with the attributes valued by investors, customers and colleagues alike.

Richard Turner
Chief Executive Officer

9 March 2026

1 Adjusted EBITDA is a key metric used by the Directors. 'Earnings before interest, tax, depreciation and amortisation' are adjusted for material items of a one-off nature and significant items which allow comparable business performance. Details of the adjustments can be found in the Group Results section of this report. Adjusted EBITDA might not be comparable to other companies.

Current order book is defined as revenue to be recognised from executed contracts and purchase orders post 1 October 2025

Market Review

The offshore energy and marine infrastructure markets continue to expand and diversify, creating strong opportunities for Tekmar Group to deliver growth through its integrated offer across Asset Protection Technology and Offshore Energy Services. This review highlights key trends shaping offshore wind, oil and gas, marine infrastructure and supporting infrastructure through to 2035.

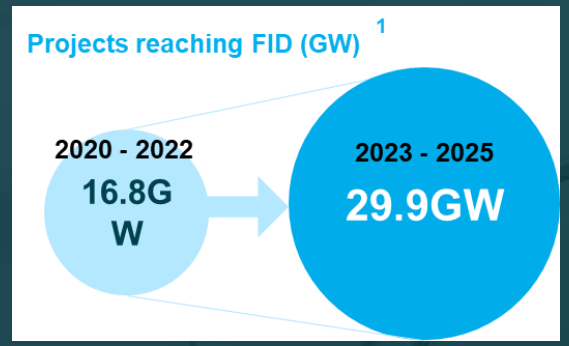
A New Era for Offshore Energy

Global momentum toward a balanced energy mix remains strong. Compared to political commitments there has been a lag in deployment of renewable energy. On the one hand this is creating more sustained demand in traditional energy generation markets and is creating pent-up demand on the other as Governments are aiming to ramp up offshore renewable deployment while maintaining offshore oil and gas in conjunction with carbon capture as part of a secure low carbon energy mix.

Offshore Wind — Reset and Recovery

According to the latest TGS / 4C Offshore forecast, global offshore wind capacity (fixed and floating) is expected to reach 364 GW by 2035, growing at a CAGR of 10.5%[1]. This growth will not be without challenges —US projects are all at risk, Japan's first-round developments have faced setbacks, and some European auctions have seen limited bids. Despite this the underlying trajectory remains upward. Governments are improving auction frameworks, financing costs are easing, and supply-chain investment is returning.

In Project Aurora Tekmar has taken a conservative view on the timing of the build out of offshore wind, meaning that although annual volumes may currently be lower increasing demands and growth are likely to be more sustained. This means that our growth plans are not dependant on the prevailing market forecasts in the industry being met. Globally, ~84 GW of offshore wind capacity is now commissioned[1]. Of this installed based, over 50GW are protected by Tekmar technology. The UK is leading the way in Europe with (16 GW), followed by Germany (9 GW) and the Netherlands (5GW)[1] underscoring offshore wind's maturity and resilience as a global industry. The offshore wind market has become increasingly geographically diverse in particular in the Asia Pacific region with 8GW already installed and plans to reach 90GW by 2040[1].



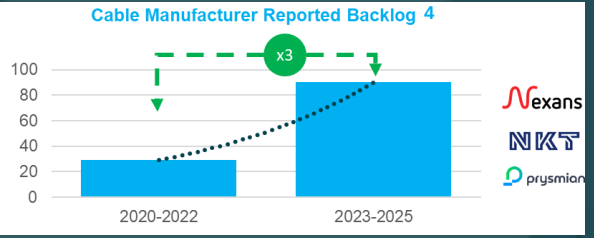
Following a period of cost inflation and project delays, the offshore wind sector is stabilising. Governments are recalibrating strike prices, developers are remodelling business cases with a longer-term view, and investor confidence is starting to return. This is evidenced by the UK's Allocation Round 7 (AR7), which delivered 8.4 GW of new offshore wind capacity[2] and signalled a return of investor confidence and bankable project structures.

This recovery favours Tekmar's differentiated, value-adding subsea technology providing robust solutions in cable protection and subsea stabilisation.

While floating wind continues to advance, Tekmar views it as a longer-term opportunity. The Group remains engaged in early-stage studies and collaborations while prioritising resources toward established fixed-foundation markets where demand is immediate and scalable.

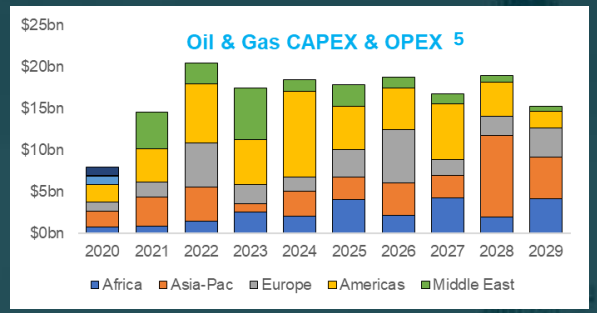
The subsea interconnector cable market is expanding as nations are increasingly reliant on intermittent renewable energy, in particular offshore wind and need to be able to strengthen energy security and resilience by sharing and trading energy. According to Ember, Europe alone has added around 23 GW of new cross-border interconnector capacity since 2022, with further reinforcements planned through 2030[3].

Linked to these market trends reported order backlogs at the major global subsea cable manufacturers have increased significantly in recent years, providing a strong positive indicator of sustained project activity and growing long-term demand for Tekmar's core asset protection and offshore energy services offering.



Oil & Gas — Transition Partner

Offshore oil and gas remain essential to global energy security, while natural gas continues to play a critical role in the energy transition, including through its increasing integration with carbon capture and storage (CCUS) infrastructure. In parallel, operators are prioritising asset life extension, brownfield redevelopment and tie-back projects, driving sustained investment in subsea infrastructure even as the wider energy mix evolves.



Global offshore upstream capital expenditure is forecast to remain resilient over the medium term, supported by continued investment in key regions including the Middle East, Africa and the Americas, with a growing proportion of spend directed towards subsea developments, life-extension projects and infrastructure-led tie-backs. In addition, LNG-led developments and associated export infrastructure continue to underpin long-cycle project sanctioning in multiple basins.

The subsea services market - covering inspection, maintenance, integrity and protection - was valued at approximately US$15.6 billion in 2024 and is forecast to reach around US$28 billion by 2034 (CAGR ~6%)[6]. Global offshore EPC contract awards are projected at approximately US$54 billion in 2025, with a substantial share linked to subsea equipment, pipelines and field infrastructure[7].

These trends highlight sustained long-term demand for high-integrity subsea protection systems and offshore engineering services required to ensure the reliability and longevity of critical marine infrastructure. In addition, the same subsea protection, stabilisation and integrity technologies are directly applicable to emerging offshore energy transition systems, including CCUS, hydrogen and repurposed pipeline networks. This positions Tekmar strongly to support both the continued development of offshore oil and gas and the parallel build-out of transition-aligned infrastructure across the full energy mix.

Marine Infrastructure — Critical to Offshore Energy, Global Logistics & Defence.

With increased reliance on offshore energy, as well as significant growth in the global freight and logistics markets, there is the need to invest significantly in critical marine infrastructure such as ports and harbours, break waters and tidal & flood defence.

Ports and harbours, an area of growing strategic focus for Tekmar, underpinning the entire offshore energy value chain - from wind farm component manufacturing, storage and marshalling and floating platform assembly, to oil and gas logistics, cable-laying operations and future CCUS export hubs.

There is increasing demand for port capacity, quay development, and with it, specialist marine civils expertise. Tekmar's portfolio of subsea scour protection, stabilisation as well as offshore grouting solutions supports the construction, and protection of these critical coastal assets, enabling efficient, safe, and sustainable operations.

Outlook Summary

Tekmar's primary markets of offshore wind, oil & gas and marine infrastructure are all growing. Even with a moderate scenario for this growth, the aggregated demand supports the delivery of the growth targets set out in Project Aurora and does not depend on global wind targets, Oil and Gas expenditure forecasts or marine infrastructure investment plans to all be met - in fact we assume they will not be and that demand will be slower but more sustained.

Even taking a prudent view on market growth, Tekmar has a number of ways to deliver the 3-5 year growth plan and is well positioned to deliver reliable, integrated solutions across all end markets - driving growth, financial resilience, and long-term value creation.

1. TGS | 4C Offshore, Global Offshore Wind Outlook to 2035 (2025).
2. CFDallocationround.uk – record breaking auction for offshore wind secured to take back control of Britain's energy
3. Ember, Breaking Borders: The Future of Europe's Electricity Is in Interconnectors (2024).
4. Reported backlogs, Nexans, NKT and Prysmian (Respectively)
5. Westwood Energy Subsea Logix (2025).
6. Precedence Research, Subsea and Offshore Services Market 2024–2034 (2025).
7. Procurement Magazine, "Global EPC Offshore Oil & Gas Contracts Forecast 2025." (2025).

Our Strategy

Tekmar has established a stable and scalable platform for growth through two complementary divisions:

- **Asset Protection Technology** – Delivering market-leading subsea protection and stabilisation systems that safeguard cables, pipelines, and marine infrastructure throughout their operational life.

- **Offshore Energy Services** – Providing offshore grouting, subsea equipment and rental services that enhance installation efficiency and performance. Future strategic investments under Project Aurora may further expand this division's specialist offshore service capabilities.

Project Aurora is Tekmar's value creation strategy. It is a three-to-five-year strategic framework design to bring true scale, profitability, and resilience to the group. Aurora is built around three pillars – Scaling the Business, Operational Excellence and Strategic Investment.
Our approach in 2025 was guided by Project Aurora, we are now seeing the benefits of this work — a more focused organisation, stronger operational performance, and a larger and more diversified orderbook giving us a clear pathway to deliver on our strategic priorities.

Scaling the business
Driving organic growth by capitalising on Tekmar's technology leadership, expanding products and services, and diversifying revenue streams across our core markets: Offshore Wind, Oil & Gas and Marine Infrastructure.

In 2026, we aim to capitalise on our differentiated position in growing end markets to build a larger and more diversified order book, while advancing our subsea protection technologies and developing innovative solutions that support the evolving needs of our customers.

Operational Excellence
Improving returns and cash generation by increasing utilisation of existing assets and benefiting from strong operational gearing, whilst shifting the mix towards recurring revenue from Offshore Energy services.

This year we are continuing to streamline our operations, standardise processes, and enhance delivery performance across all sites, developing efficiency and economies of scale as volume grows and utilisation increases. We are also investing in our teams, developing talent, and fostering a culture of safety, collaboration.

AllSafe
Achieving excellence in HSE is the foundation of everything we do. Our Allsafe program allows us to approach continuous improvement in HSE performance with openness, transparency and proactiveness.

Strategic Investment
Our organic growth plans are augmented by our strategic investment strategy which is based on accelerating, scaling and strengthening our offering through a logical broadening of the portfolio via expansionary Capex and M&A.

Bringing Our Vision, Mission, and Values to Life at Tekmar Group

At Tekmar, we are proud to share the guiding principles that define who we are and what we do: our vision, mission, and values. These principles are not just statements—they are the foundation of our organisation, shaping our strategy, culture, and day-to-day operations.

Our Vision: A Responsibility to Future Generations

Our vision is both ambitious and purpose-driven: to enable the world's energy transition, reflecting our responsibility to future generations.

At Tekmar, we deliver tangible results. We have already safeguarded over 50GW of offshore wind capacity and supplied over 12,000 cable protection systems across more than 120 projects worldwide. These solutions play a crucial role in the reliability and longevity of offshore wind and tidal energy projects, ensuring they perform optimally for decades.

Our commitment extends beyond products to include world-class expertise. We have delivered over 180,000 hours of analysis and more than 160,000 hours of geotechnical design, helping clients optimise their projects for performance, safety, and sustainability. Additionally, with over 100,000 engineered subsea structures in active service, we are making a measurable impact on the global offshore energy infrastructure.

Our Mission: Innovating for the Global Offshore Energy Market

To fulfil our vision, we are guided by our mission: to provide innovative engineering solutions and products for the global offshore energy & marine infrastructure markets. This mission reflects our technical expertise, our commitment to solving complex challenges, and our focus on delivering value to clients around the world.

Innovation is at the core of what we do. As our markets evolve, so too do the demands for robust and efficient solutions. Our advanced subsea protection technology combined with our offshore services provide clients with the tools they need to succeed in a competitive and fast-changing industry.

Our 100,000 engineered subsea structures, currently in service, are a testament to our ability to deliver solutions that stand the test of time. These products, alongside our cable protection systems and engineering expertise, ensure that our clients' offshore assets are safeguarded in the most challenging environments.

Global reach is another cornerstone of our mission. Tekmar is a trusted partner for developers, contractors and cable companies across all continents. By combining local insights with global expertise, we deliver solutions that are tailored, effective, and forward-looking.

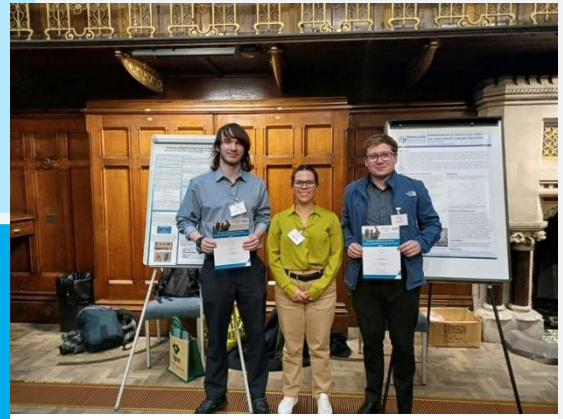
Our Values: The Heart of Tekmar's Culture

At the heart of Tekmar are our values: work together, do things right, and break the boundaries. These principles define our culture, guide our decision-making, and influence how we engage with our clients, partners, and colleagues.

Work Together

Do Things Right

Break the Boundaries



Breaking the Boundaries – Tekmar Geotechnical Engineer, Anthony Bradshaw (left), wins regional award in Young Engineers Geotechnical Poster Competition.

Work Together

Collaboration is essential to our success. At Tekmar, we believe that by working together, we can achieve more both as a team and with our clients and partners. This spirit of collaboration fosters innovation, ensures seamless delivery, and builds strong relationships that stand the test of time.

Do Things Right

Integrity and excellence are non-negotiable. Whether it's delivering high-quality subsea stabilisation products, performing meticulous geotechnical designs, or conducting thorough analysis, we are committed to doing things the right way. By adhering to the highest standards of safety, quality, and sustainability, we maintain the trust and confidence of our stakeholders.

Break the Boundaries

Innovation means pushing limits. At Tekmar, we encourage our people to think differently, embrace challenges, and explore new possibilities. Breaking boundaries is about more than technological advancements; it's about finding better, smarter, and more sustainable ways to serve our clients and contribute to the offshore energy market.

Living Our Principles Every Day

Bringing our vision, mission, and values to life is an ongoing journey that involves every aspect of our organisation. It's evident in the way we design and deliver our products, the relationships we build with our clients, and the contributions we make to the offshore energy industry.

At Tekmar, we are not just meeting the demands of today's markets; we are shaping the future. By working together, doing things right, and breaking the boundaries, we are powering and protecting the world and building a legacy that we—and future generations—can be proud of.

Work Together– Tekmar team comes together to build key work streams under Project Aurora.

Do Things Right – Tekmar completes delivery of Doggerbank offshore wind farm, overcoming various technical challenges due to the harsh environment.

When operational, Doggerbank will become the world's largest offshore wind farm.

Key Performance Indicators

		FY25	FY24
Safety	Lost Time Incident Rate	**0.00**	1.54
	Accident Frequency Rate	**0.9**	17.1
Delivery	On Time Delivery	**90%**	89%
Financial	Order Intake	**£31.6m**	£32.4m
	Revenue	**£28.7m**	£32.8m
	Gross Margin %	**34.8%**	32.1%
	Adj. EBITDA	**£0.1m**	£1.7m
People	Retention	**86%**	88%
	Hive 5s	**277**	343

Lost Time Incident Rate (LTIR)

Measures the number of work-related injuries that result in an employee being unable to work per 100,000 hours.

Accident Frequency Rate (AFR)

Measures the total number of recordable workplace accidents across the business per 100,000 hours.

On-Time Delivery

Measures the percentage of products and projects delivered to customers on or before the agreed schedule.

Employee Retention

Measures the percentage of employees who remain with the Group over the reporting period.

Hive 5s

Measures employee recognition and engagement through the number of peer-to-peer thank-you acknowledgements shared across the business.

Group Financial Review

A year of transition

Summary

- Revenue £28.7m (FY24 £32.8m)
- Revenue H1 £12.3m: H2 £16.5m
- Gross Margin 34.2% (32.0%)
- Gross Margin H1 28.7%: H2 38.4%
- Adjusted EBITDA £0.1m (FY24 £1.7m)
- Adjusted EBITDA H2 £0.8m: H1 loss £0.7m
- Loss before tax £4.2m (FY24 loss £4.5m)
- EPS loss 2.83p per share (FY24 loss 3.74p per share)
- Cash (outflow)/inflow from operating activities £(1.0)m (FY24 inflow £3.3m)
- Capital expenditure £0.7m (FY24: £1.9m)
- Net Debt £2.4m (FY24 £1.6m)

Group Results
For the year ended 30 September 2025

	FY25 £m	FY24 £m
Revenue	**28.7**	32.8
Gross Profit	**9.8**	10.5
Gross Margin	**34.2%**	32.0%
Adjusted EBITDA[1]	**0.1**	1.7
Exceptional expenses	**(1.8)**	(2.4)
Depreciation	**(1.5)**	(1.3)
Amortisation of Intangibles	**(0.3)**	(1.9)
Net finance cost	**(0.7)**	(0.7)
Loss before taxation	**(4.2)**	(4.5)
Loss for the year	**(3.9)**	(6.4)
EPS	**(2.83p)**	(3.74p)

[1]. Adjusted EBITDA is a key metric used the Directors. 'Earnings before interest, tax, depreciation and amortisation' are adjusted for material items of a one-off nature and significant items which allow comparable business performance. Details of the adjustments can be found in the Group Results section of this report. Adjusted EBITDA might not be comparable to other companies.

Group Financial Review continued

For the year ended 30 September 2025, the Group reported revenue of £28.7m (FY24 £32.8m). The shortfall in revenue on FY24 reflects a period of lower volume that commenced in second half of FY24 with recovery commencing in the second half of FY25. Revenue in second half of FY25 was £16.5m which was up 33% on the first six months. The increase in revenue fed through to an Adjusted EBITDA of £0.8m FY25 H2 compared to reported Adjusted EBITDA loss of £0.7m in H1 FY25 .

The Adjusted EBITDA for the full year of £0.1m (FY24 £1.7m) was offset by exceptional costs of £1.8m (FY24 £2.4m), depreciation and amortisation charges of £1.8m (FY24 £3.2m) and net finance costs of £0.7m (FY24 £0.7m). The Group's loss before tax from continuing operations was £4.2m (FY24 £4.5m).

Whilst revenue was lower than prior year, the Group's improved contracting policies, project execution and strategic supply chain initiatives helped margins to improve. Gross margin in the year was 34.2% an increase of 2.2% on prior year.

The Group has been restructured in the year into Asset Protection Technology and Offshore Energy Services to better align products and services with markets to generate synergies in revenue and deliver cost savings.

Revenues in Asset Protection Technology were down 15.2% on FY24 at £26.5m. These revenues delivered an Adjusted EBITDA of £1.8m (FY24 £4.6m). Gross margins showed an improvement on prior year of 35.1% (34.2%). The division recorded an operating loss of £0.4m (FY24 loss £0.3m).

Within Asset Protection Technology £17.6m (FY24 £17.1m) of revenue was derived from Offshore Wind and Renewables reflecting the Group's heritage in this market. The other major sector served by the division is Oil & Gas and revenues in FY25 were £8.4m (FY24 £14.5m) primarily from the Middle East.

Marine Infrastructure represent the major proportion of the remaining revenue with Tekmar supporting ports & harbours projects. This market represents a potential growth opportunity for the Group in future years.

Revenues in Offshore Energy Services increased to £2.2m (FY24 £1.5m), an increase of 46%, primarily driven by offshore grouting services. The division recorded an Adjusted EBITDA of £0.3m (FY24 loss £0.3m) as the business became more established and customers' increasing confidence in the business delivered a more consistent flow of work.

Operating expenses

Operating expenses for the 12-month period to 30 September 2025 were £13.5m compared to £14.4m for the previous year.

As part of Project Aurora, the Group has sought to balance the requirement to cut costs with the need to invest in the right areas. We have invested in our people supporting them with cost of living pay rises and improvements in pension contributions, in addition to the higher employer national insurance contributions. We have invested in management resource in FY25 in the Middle East to support our growth aspirations in this region.

The implementation of our new ERP system, SAGE Intacct, commenced last year and went live this year. The system provides a platform for the Group to centralise functions improving cost efficiency which commenced in FY25.

FY24 included a goodwill impairment charge of £1.5m relating to offshore energy CGU within Asset Protection Technology division, there is no requirement for further impairment in FY25.

Adjusted EBITDA

Adjusted EBITDA is a primary measure used by management to monitor and provide a consistent measure of trading performance from one period to the next. The adjustments to EBITDA remove material items of a one-off nature or of such significance that they are considered relevant to the user of the financial statements as it represents a useful measure that is reflective of the comparable performance of the business.

The below table shows the adjustments that have been made to calculate Adjusted EBITDA in the year ended 30 September 2025.

	FY25 £m	FY24 £m
Exceptional share-based payments	**0.17**	0.16
Foreign exchange losses	**-**	0.62
Exceptional IT costs	**0.05**	0.17
Warranty provision	**0.22**	0.66
Expected credit loss	**0.51**	0.52
Restructuring costs	**0.85**	0.23
Exceptional costs	**1.80**	2.36

The one-off costs treated as exceptional in FY25 were restructuring £0.9m (£0.2m), these costs included the departure of former CEO and CFO, and recruitment costs for replacements. The other exceptional cost included £0.5m (FY24 £0.5m) further provision against unpaid invoices from China plus professional fees supporting recovery of those old invoices to be paid and payable, warranty provision costs £0.2m (FY24 £0.7m), share based payments £0.2m (FY24 £0.2m) and IT costs relating to new ERP system £0.1m (FY24 £0.2m). FY24 exceptional costs included FX losses of £0.6m.

73% (FY24 82%) of the Group's projects and revenue is derived from sales outside of the United Kingdom and, as a result, the Group has exposure to fluctuations in foreign currency rates.

The Group mitigates exposure to fluctuations in foreign exchange rates by the use of derivatives, mainly forward currency contracts and options. At the year end the Group held forward currency contracts to mitigate the risk of receivables balances for both Euros and Dollars. At the year end the Group had a derivative liability of £0.1m (FY24 asset of £0.3m).

On certain overseas projects the Group can, in some cases, create a natural hedge by matching the currency of the supply chain to the contracting currency, this helps to mitigate the Group's exposure to foreign currency fluctuations.

The Group uses derivatives to assist in managing its FX exposures and these helped mitigate the Group's FX risk. The Group's net loss from FX in FY25 was minimal (FY24 £0.6m).

The Group's financing costs were £0.7m (FY24: £0.7m) with reduction in UK interest rates and lower utilisation of the Trade Loan. The average draw down in FY25 was £2.5m (FY24 £3.1m) reducing the Group's bank interest charges. Financing costs include £0.1m (FY24 £Nil) relating to the unwind of discount applied to provisions within long term liabilities.

The tax credit for the year is £0.2m (FY24 charge £0.6m). The tax credit in FY25 is due to reversal of timing differences and a small taxation charge on profits earned overseas. The FY24 tax charge includes an adjustment in respect of prior years.

The result for the period is a loss of £3.9m (FY24: £6.6m). The loss in FY24 contains losses of £1.3m from Subsea Innovation Limited, a business sold in FY24 and treated as discontinued operations.

Balance Sheet

A summary balance sheet is presented below:

Trade and other receivables are down £6.1m from 30 September 2024. Included within Trade and other receivables on 30 September 2024 was a £5.2m Warranty Insurance Debtor. These monies were received in the financial year and a significant proportion paid out as settlement on warranty issues without admission of liability.

Balance Sheet

£m	FY25	FY24
Fixed Assets	**3.8**	4.5
Other non-current assets	**16.5**	19.6
Inventory	**1.3**	1.9
Trade & other receivables	**14.2**	20.3
Assets held for resale	**2.8**	-
Cash	**3.4**	4.6
Current liabilities	**(17.0)**	(20.9)
Non-current liabilities	**(0.6)**	(1.8)
Equity	**24.4**	28.2

At 30th September 2025, the Group holds a debt of £1.1m outside of standard credit terms with a customer in China, following recoveries of £1m+ in FY25. Prior to FY24, the Group had recovered 100% of receivable balances and no credit losses have previously been accounted for. In FY24, the Group made a credit loss provision in line with IFRS9 of £0.5m in relation to a specific historic debt in China. This has been increased by £0.5m in FY25 which includes fees incurred in supporting the recovery of monies totalling approximately £1.5m. The loss provision covers all amounts not party to the formal recovery agreement with the Chinese customer.

The Group continues to operate in global markets where payment practices surrounding large contracts can be different to those within Europe. The flow of funds on large capital projects within China tend to move only when the windfarm developer approves the completion of the project. The Group has a number of trade receivable balances, within its subsidiary based in China, which have been past due for more than 1 year. Following receipt of £1.1m over the past year, the value of the overdue trade receivables had reduced to £1.1m (FY24 £2.0m), of a total outstanding trade receivable balance for the entity of £1.2m (FY24 £2.2m). These amounts are not in dispute from the customer, however given the range of possible outcomes and duration of the outstanding debt, the Group has increased the expected credit loss provision in relation to the outstanding China debt by £0.2m to £0.7m. Further details can be found in note 16 of the Annual Report.

Included within other current liabilities is a provision of £2.0m (FY24 £5.1m) and non-current liabilities a provision of £nil (FY24 £0.7m). The provision covers the warranty matters outlined in note 20 of the Group financial statements.

The gross cash balance at 30 September 2025 was £3.4m with net debt (gross cash less bank facilities) of £2.9m. The Group's cash position at year end includes £1.1m received from Insurers for settlement of warranty claims and its use is restricted.

The Group repaid its CBILs facility of £3.0m in full on 30 October 2025 and replaced it with a GGS Loan of £2.0m. The GGS loan is repayable at quarterly intervals over 3 years. The UKEF backed trade loan facility of £4.0m remains available to Tekmar, with the next annual review date with Barclays Bank being in June 2026. These facilities continue to support the working capital requirements of the Group in delivering the projects the Group undertakes. The expected continued renewal of the banking facilities forms part of the Directors going concern assumptions which are detailed on page 42.

Of the £4.0m trade loan facility available, £2.8m was drawn against supplier payments at the year end and is repayable within 90 days of drawdown. The FY24 comparative is £3.2m. The change in the value borrowed is dependent on the timing of the loan drawdowns and the Group's immediate funding requirements. The trade loan facility balance and the CBILS loan of £3.0m are reported within current liabilities as both are fully repayable within 12 months of the balance sheet date.

The Group experienced a net outflow of cash in the year of £1.2m (FY24 outflow £0.3m).

The net cash outflow from operating activities was £1.3m (FY24 £0.5m) with lower Adjusted EBITDA of £0.1m (FY24 £1.7m) being offset by significant one-off costs including restructuring costs and further credit provision against old Chinese receivables.

There was no real net movement on Working Capital in the year with the recovery of £1.1m of old Trade Receivables in China helping to offset other working capital movements.

Cash Flows

£m	FY25	FY24
Cash inflows/(outflows) from:		
Operating activities	**(1.3)**	(0.5)
Changes in working capital	**0.3**	3.4
Investing activities	**1.1**	(2)
Financing activities	**(1.3)**	(1.6)
Net Cash Outflow	**(1.2)**	(0.3)

The net cash inflow from investing activities was £1.09m (FY24 outflow £1.96m). £1.74m was deferred consideration received from sale of Subsea Innovation.

Net cash outflows from financing activities of £1.29m (FY24 £1.61m). The decrease is primarily due to lower interest costs of £0.52m (FY24 £0.79m) arising from reduction in UK interest rates and lower average utilisation of the Trade Loan compared to FY24. The average drawdown on the Trade Loan in FY25 was £2.5m (FY24 £3.2m).

Effective cash management remains a priority for management to ensure that the growth opportunities available to the Group can be supported from its existing resources as the business scales.

Post Balance Sheet Events

On 30 October 2025, the CBILS facility of £3.0m was repaid in full. On 30 October 2025, the Group entered into a new £2m GGS loan which was drawn down in full. The GGS loan is repayable at quarterly intervals over 3 years.

On 27 February 2026, the Group legally completed the sale of Innovation House and adjacent land. The property was held in the accounts as an "asset held for resale" at a value of £2.84m. The net proceeds, after deduction of selling expenses, are estimated to be £2.84m.

Summary

The business has had a challenging twelve months but has emerged in a stronger position, better positioned to succeed in the future. Further progress has been made in dealing with past issues, including non-core operations, legacy warranty issues and old China debtors.

The improved performance in H2 provides an indicator of what the business can deliver with an improving orderbook which converts into profitable revenues.

The recent contract wins and agreement to sell the Investment property represent a good start to FY26 building upon the foundations laid over the past year.

Philip Lanigan
Chief Financial Officer

9 March 2026

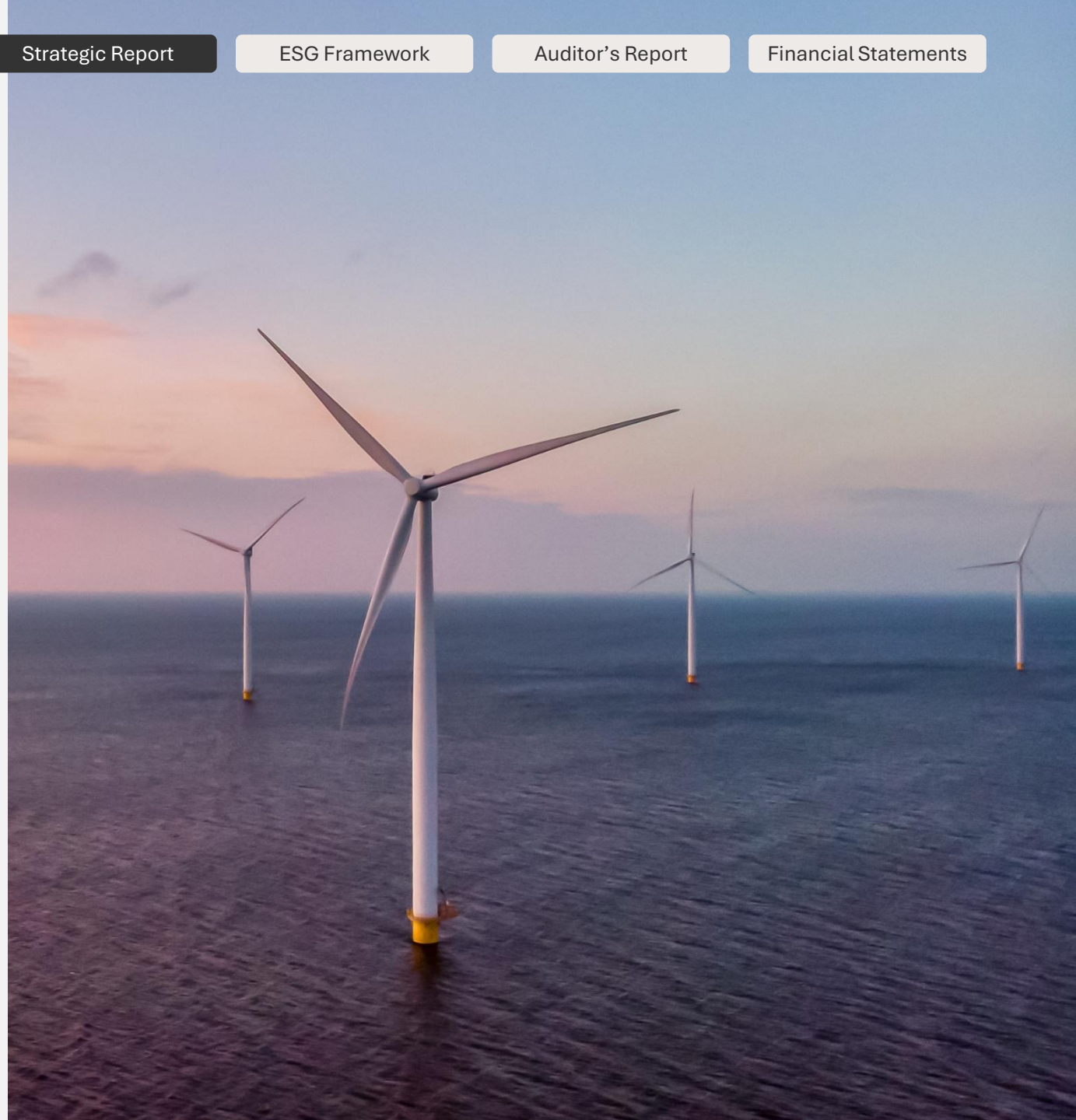
Principal Risks and Uncertainties

Identifying, evaluating and monitoring the key indicators to the success of our business is pivotal to informing our strategic decision making.

The Board has overall responsibility for setting the course for the Group's risk management objectives and policies. Working within the offshore energy industry, managing risk is integral to our business and we continuously review our policies, procedures and behaviours to mitigate our risks and reduce them to acceptable levels.

The objective of the Board is to set policies that seek to mitigate ongoing risk as far as possible whilst maintaining the Group's competitiveness and flexibility. The Board believes this helps to sustain stakeholder value; from key suppliers to end-customers, while also protecting the Group's established corporate culture and creating shareholder value.

The Group operates a structured process in relation to risk management, including both financial and non-financial controls, which identifies and evaluates risks and uncertainties and reviews activity to mitigate those risks. The most salient and significant risks that the Board considers could potentially impact the business are described below. We consider the nature of the Group's principal risks and uncertainties have not materially changed since last year:



1 **Macroeconomic Conditions**	2 **Access to Capital and Liquidity**	3 **Infrastructure and IT systems**	4 **Risks of claims and failure to meet contractual obligations**
Risk Type Financial, Operational	**Risk Type** Strategic, Financial	**Risk Type** Operational, Compliance	**Risk Type** Strategic, Financial, Operational
Risk Description and impact General economic conditions: This risk relates to the Group's exposure to short-term macroeconomic conditions in our sector such as inflation, cost increases and supply chain logistics. The factors driving the market changes (e.g. electricity price, commodity prices etc) can be outside of the Group's control and difficult to forecast. The Group may experience increased supply chain costs and general cost inflation. These Macroeconomic changes have the potential to reduce profitability of the group.	**Risk Description and impact** Linked to Macroeconomic environment, access to capital is a significant factor in our plans to grow the business. There is uncertainty in relation to how, when and to what extent developments will impact on the markets we operate in, the wider economy, levels of investor activity and confidence and exchange rates. Without access to sufficient finance the Group may struggle to undertake all aspects of its growth plans.	**Risk Description and impact** IT systems are vital to the operations of the Group. Failure to adequately invest in and maintain the Group's systems could lead to the loss or theft of sensitive data or compromise the Group's ability to effectively carry out operations. Systems failures could lead to an inability to meet customers' needs and lead to reputational damage. The loss of sensitive information could lead to significant damage with an associated risk of fines.	**Risk Description and impact** The Group enters contracts that contain terms that, in some cases, contain wide reaching indemnities and warranties. These terms are commonplace in the subsea industry and do not unfairly prejudice the Group, nor do they put the Group in a materially worse position than its competitors. These warranties and indemnities lead to an inherent risk that the Group's liability for any breach could be extensive, especially if these are given without appropriate limitations. A failure to meet contractual terms could have a major impact on the business' ability to fulfil its contractual obligations and adversely impact on the future growth strategy for the business.
Mitigation The Group cannot control the market conditions in which it operates but seeks to diversify revenue streams to protect the business from over exposure to a single market, product or Territory. The Group has implemented effective cost initiatives, enhanced controls surrounding pricing and gross margin management.	**Mitigation** The business has ongoing relationships with banks and other financial institutions that offer the required level of support and continuously review potential access to improvements or enhancements of the same. The Group has signed a contract post balance sheet to sell its Investment Property, which is not required for its future business operations. The cash proceeds of the sale will enhance the net cash/debt position of the Group.	**Mitigation** The Group predominantly outsources provision of IT services to a suitably qualified third-party, whose competence and service are regularly reviewed (including by third party experts). Regular staff training is offered or mandated, depending upon the nature of the training, to ensure that all staff maintain awareness of their responsibilities with respects to IT security, with particular focus on cyber-security. The Group is currently strengthening the internal IT capability within the Group under supervision of experienced IT professionals.	**Mitigation** The Group retains inhouse experienced legal and commercial colleagues to ensure the Group's contractual obligations are fully understood. Contracts are reviewed extensively prior to signing, and the likelihood of risks assessed by legal and technical teams. Where possible the Group insures against risks to minimise the potential financial impact. There is a strong focus across the Group on high quality project execution which is regularly reviewed under independent ISO certification where appropriate.
Change	**Change**	**Change**	**Change**
Governance oversight The Board continues to review the success of the strategic initiatives to diversify into new markets and geographies. The Board continues to closely monitor the increased risks macroeconomic risks which are mitigated by enhanced controls.	**Governance oversight** The Board review the Group's capital, facilities and liquidity at every meeting.	**Governance oversight** The increasing prominence of high-profile IT incidents that risk in this field is increasing requiring the Group to continuously review its approach and ensure vigilance.	**Governance oversight** Monitored by board

5 **Non-compliance with legislation and regulations**	6 **Financial management risks**	7 **Technology development and new competition**
Risk Type **Financial, Operational**	**Risk Type** Financial	**Risk Type** Strategic
Risk Description and impact The Group sells globally, and each jurisdiction has its own regulatory and compliance frameworks which require monitoring to ensure the Group maintains full compliance with all legislative and regulatory environment. The Group utilises hazardous materials in its production processes, and any incident of major injury or which results in significant environmental damage could result in reputational or financial damage to the Group.	**Risk Description and impact** Interest Rate Risk: Current economic outlook suggests that borrowing rates are likely to remain at a higher level than seen in previous years in the short term. Higher interest rates lead to higher annual borrowing costs for the Group. Exchange Rate Risk: The Group's continued expansion into international markets increases the Group's exposure to risks associated with changes in foreign currency exchange rates on sales and operations. The proportion of revenue denominated in currencies other than pound sterling is increasing. Exchange rate variations could have an impact on the Groups reported financial results. Credit Risk: The ability of the Group along with its key stakeholders, customers and suppliers to avoid default on credit is key to future growth strategy of the business. Without access to sufficient finance the company may struggle to undertake its strategic plans.	**Risk Description and impact** The risk of new competitors could lead to a reduction in pricing. in the market resulting in loss of market share and/or profitability. Design changes could lead to technology obsolescence and subsequently reduced volume of sales. The Group may have to increase its capital expenditure to develop new products to maintain competitiveness.
Mitigation Expertise in the Group is supplemented by advice from external professional advisors who are consulted on a regular basis, especially in respect of any territory in which the Group has a local entity The Group employs appropriately qualified and experienced health and safety personnel to ensure compliance, alongside robust systems and processes which underpin and support legislative compliance.	**Mitigation** The business has ongoing relationships with banks and other financial institutions that offer the required level of support. Cash flow forecasts are updated and discussed regularly, with analysis prepared at both geographic and Group level. Exchange Rate Risk: Where revenues are generated in international markets, with contracts denominated in non-sterling currencies, the Group aims to create a natural hedge by matching the currency of the supply chain to the currency of the revenue stream. Where natural hedges are not available or do not sufficiently cover the exposure, management will consider the use of forward currency contracts to mitigate exchange rate risks.	**Mitigation** The business undergoes a detailed technology readiness level (TRL) programme when developing new products, which includes an assessment of competition and what our ultimate value proposition should be. Significant investment is made in the continuous development of existing products to ensure they keep pace with current market trends. Our more diversified product portfolio allows us to offer a unique proposition to customers.
Change	**Change**	**Change**
Governance oversight The Group CEO is responsible for Health & Safety within the Group. The Board receive updates and KPIs on Health & Safety on a regular basis.	**Governance oversight** The Board review on a regular basis the Group's exposure to customers, foreign exchange fluctuations and the Group's cash flow.	**Governance oversight** Monitored by board

This Strategic Report was approved by order of the Board.

Philip Lanigan
Chief Financial Officer
9 March 2026

ESG Framework

Corporate Governance Statement

The Board is focussed on effective strategy development and deployment to ensure the long-term sustainable success of the Group, generating value for shareholders whilst managing risk. We adhere to the QCA Code in support of this and demonstrate our commitment to all stakeholders, including shareholders, with a description of how we apply the ten governance principles below.

Principle	Application and key actions
Principle 1 Establish a purpose, strategy and business model which promote long-term value for shareholders	The Board has a clear strategy for delivering long-term shareholder value, referred to as "Project Aurora" which was communicated to shareholders in 2025. Our ambition is to: Create greater scale, resilience and return on capital by: • Doubling Tekmar's revenue within 3-5 years through organic growth with additional growth to be delivered through targeted M&A • Delivering earnings growth that outperforms revenue growth • Strengthening Tekmar's technology leadership position within the offshore energy industry • Diversifying Tekmar's offering, expanding service revenues and expanding geographical reach to capitalise on expanding global offshore energy markets and provide additional resilience • Creating an expanding, diverse and dynamic environment that provides our people with the platform and opportunities to drive success and to develop with our business The key focus areas within our growth strategy: • Organic Growth – Capitalising on our industry experience and the improving market conditions to materially increase our orderbook to support sustainable revenue growth • Utilisation - Utilising existing capacity to improve operational efficiencies alongside maintaining commercial discipline to deliver higher % profits and positive cash generation • Sustainable business –Targeting long term customer framework arrangements, alongside ongoing business improvement underpinned by our People Strategy and our ESG Strategy • Platform - Invest strategically in businesses and technology to strengthen our position as a complete subsea systems solutions provider
Principle 2 Promote a corporate culture that is based on ethical values and behaviours	We have a clear vision and values set by the Board and which are communicated to all colleagues on a regular basis. Our values are: • **Work Together-** We foster teamwork without boundaries, to ensure the best results are delivered in an environment where people feel empowered, safe, trusted, confident and inspired to develop. • **Do Things Right** - We take a united approach towards Safety, Quality and Delivery. We lead by example and constantly find ways to raise standards. We challenge the norm and have courage to stand up for what is right. • **Break the boundaries** - We collaborate with our customers and constantly look for ways to develop our technology and services to make today's impossible tomorrow's deliverable. The Board advocates ethical responsibility and good conduct within the Group, encouraging a culture of inclusion, responsibility and openness which is consistent with the Group's objectives. We constantly strive to actively promote a proactive attitude towards HSQE by all stakeholders and we have a safety-first approach in everything we do. The Group is an equal opportunities employer and actively encourages diversity at all levels. These values are embedded in the Group's leadership and throughout the organisation.

Principle	Application and key actions
Principle 3 Seek to understand and meet shareholder needs and expectations	We are committed to communicating regularly, clearly and openly with shareholders to ensure that our strategy, business model and performance are clearly understood. The Company presents formally to its shareholders at the half year and full year end. At the AGM, all Directors are available to take questions both formally and informally after the meeting. Our CEO and CFO meet formally with institutional shareholders, usually after the interim and final results' announcements. The Chair, Senior Independent Director and Executive Directors are available for dialogue with major shareholders (and potential investors) to answer any questions on the Company's plans and objectives and may meet with them as appropriate. These meetings are usually arranged through our nominated adviser (NOMAD). By engaging with our shareholders, we aim to understand their longer-term needs and to align these with our business strategy.
Principle 4 Take into account wider stakeholder interests, including social and environmental responsibilities, and their implications for long-term success	The Board strives to create a socially and ethically responsible business and has developed an ESG Strategy to formalise our alignment to the UN Sustainable Development Goals. The Executive Team maintain oversight over the delivery of this strategy going forward including delivery against targeted improvements. The Board appreciates the need to maintain effective working relationships across a wide range of stakeholders, including investors, employees, partners and local communities. Our ESG Strategy will continue to evolve as we respond to feedback from our wider stakeholders and actions taken as a result seen as an essential part of ensuring long term success.
Principle 5. Embed effective risk management, internal controls and assurance activities, considering both opportunities and threats, throughout the organisation	The Board has overall responsibility for the Group's risk management. This risk management and seeking to maximise any opportunities stemming therefore, is included in and reviewed as part of our annual business plan and Strategic Review. Operating in the offshore energy sector, managing risk is fundamental to our everyday responsibilities and our policies, procedures and behaviours are continuously reviewed to ensure these are appropriate. Business operations include risk assessment at all levels of project review and implementation, and Quality Management is an integral function across the Group. The Board aims to set policies that provide a balance between reducing risk as far as possible, without unduly impacting the Group's competitiveness and flexibility.

Principle	Application and key actions
Principle 6. Establish and maintain the Board as a well-functioning, balanced team led by the Chair	The Chair has overall responsibility to ensure that the Board is run effectively. In addition to the Chair, the Board comprises two Executive Directors and four Non-Executive Directors, three of whom are independent Non-Executive Directors. The Non-Executive Directors bring valuable knowledge and expertise to the Group in seeking to achieve its aims and the Board believes that this composition provides an effective balance between executive leadership, independence and industry experience. The Board has three key Committees chaired by independent Non-Executive Directors: Audit, Nomination and Remuneration Committee meetings are scheduled at least once a year with other ad hoc meetings as appropriate. In addition to the monthly scheduled Board Meetings, there is frequent contact between all the Directors in connection with the Group's business and ad hoc meetings are scheduled as required. Board performance and effectiveness are kept under review, led by the Chair of the Board, which considers individual effectiveness and collective contributions to ensure the Board remains well functioning and balanced. The Board is supported by a Company Secretary.
Principle 7. Maintain appropriate governance structures and ensure that individually and collectively the Directors have the necessary up-to-date experience, skills and capabilities	The Directors recognise the importance of high standards of corporate governance and believe the QCA Code provides the most appropriate guidance for the Group by setting out a standard best practice for small and mid-size quoted companies, particularly those listed on AIM. The Chairman maintains overall responsibility for ensuring the Group's compliance with the QCA Code. The Non-Executive Directors share responsibility for the effective running of the Board's committees which comprise an important element of the governance process. In line with QCA guidance, three of the Non-Executive Directors are independent. The Non-Executive Directors of the Board have been selected with the desire to increase the breadth of skills and experience of the Board and bring constructive challenge to the Executive Directors. The Board is confident that its members have an appropriate balance of backgrounds, skills and knowledge in order to deliver on its core objectives. The members of the Board have particular experience in offshore energy; engineering; manufacturing; operations and finance, covering both private and public companies. The Nomination Committee is responsible for overseeing the selection of Board members that possess an appropriate range of experience, knowledge, integrity and ethics. The Nomination Committee also addresses the structure, size and composition of the Board compared to its current position and makes recommendations to the Board with regard to any changes. Throughout the year, the Directors can access advice and services of independent professional advisors as may be necessary/required at the expense of the Company. Each of the Directors are active in the energy sector and continually refine and seek opportunities to improve their knowledge in order to ensure they are adding maximum value to the Board.

Principle	Application and key actions
Principle 8. Evaluate Board performance based on clear and relevant objectives, seeking continuous improvement	The Board has an annual process for the performance appraisal of its members, the scope of which includes skills, experience and capabilities, and incorporates consideration of additional responsibilities such as chairing or membership of the Board committees. The annual appraisal is carried out by the Chair with regards to the competencies and responsibilities set out by the Nomination Committee pursuant to each Board role. As part of this process, any training and personal development needs will be identified and a plan formulated to ensure these are met over an appropriate timeframe. The Chair's performance is also appraised through a process managed by a Chair Appraisal Group, comprising the Chief Executive Officer and the Chief Financial Officer. The responsibilities of the Board are to review, formulate and approve the Group's strategy, budgets and corporate activities, and to oversee the Group's progress towards its goals. The Group has a defined process for evaluating the performance of the Board, its committees and the individual Directors, including the Chair, in respect of these objectives. The Board carries out an evaluation of its performance regularly, covering Board composition and skills, strategy and performance, governance and organisation, Board dynamics, and communication with shareholders and other key stakeholders. This evaluation is based upon the self-assessment of the Chair and Directors. If deemed necessary, an external adviser may be brought in to support with the evaluation. The Nomination Committee may use the output of the evaluation process when evaluating the composition of the Board for selecting new Board members, and in succession planning for the Directors of the Board as well as key executive team members.
Principle 9. Establish a remuneration policy which is supportive of long-term value creation and the company's purpose, strategy and culture	Key components of the remuneration policy can be found on page 39 of the Annual Report in the remuneration report.
Principle 10. Communicate how the company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders	We are committed to communicating openly with our shareholders to ensure our strategy, business model and performance are all clearly understood. Understanding what key stakeholders think about us, including the drivers behind their investment decisions, is a key part of developing our business. We also maintain a strong focus on ensuring our stakeholders understand our business. The principal methods of communication with shareholders are the Annual Report, the interim and full-year results announcements, the Annual General Meeting and other announcements as and when applicable on the Group's investor website. In support of this communication the company meets at least bi-annually with institutional investors and also utilises the Investor Meets Company platform at relevant points during the year to address the retail investor community. Where possible, we proactively support investor roadshows at key dates throughout the year, attend investor conferences and host site visits to Tekmar premises, including ad-hoc meetings by exception. The website is updated regularly with information regarding developments across the Group, and users can register to receive email alerts regarding new announcements, reports and events, including Annual General Meetings.

Sustainability Report

Our Approach to Sustainability

At Tekmar Group, sustainability is central to how we operate and grow. We recognise our responsibility to minimise environmental impact, support our people and communities, and uphold strong governance standards across every aspect of our business.

Our approach is built on continuous improvement—embedding environmental responsibility, strengthening ethical and operational governance, and deepening engagement with employees, customers, and partners.

In 2025, we focused on converting our long-term ambitions into practical, measurable progress. This included advancing our Carbon Reduction Plan, improving the accuracy and scope of our emissions data, enhancing supplier engagement, and integrating sustainability principles more deeply into our day-to-day operations.

These efforts reflect our commitment to building a resilient, responsible business that contributes positively to the global energy transition while supporting the wellbeing of our people and the communities where we operate.

Environmental Progress

Following the completion of our first full carbon measurement in 2024, this year Tekmar has focused on maintaining momentum toward our long-term Net Zero 2050 commitment and our Scope 1 Net Zero 2030 near-term target.

Key developments in 2025 include:

- Carbon Reduction Plan: Implemented across all business areas with clear actions identified to address major emission sources.
- Expanded Scope Coverage: Full Scope 1 and 2 emissions measured, with Scope 3 now broadened and better defined to capture upstream and downstream activities.
- Supplier Engagement: Ongoing collaboration with key suppliers to improve data quality and reduce emissions across the value chain.
- Localisation Strategy: Continued focus on regionalising production to reduce logistics-related emissions and enhance efficiency.
- Green Energy Framework: Agreement reached to increase renewable energy procurement and limit non-essential business travel.
- On-site Power Generation: Feasibility studies completed for renewable power investment options under active consideration.

We continue to build on our EcoVadis membership and work toward future accreditation improvements, strengthening our external benchmarking and customer confidence in our sustainability practices.

Governance

Strong governance remains the backbone of Tekmar's ESG framework. During 2025 we maintained our ISO 9001, 14001, and 45001 certifications, reaffirming our commitment to quality, environmental, and safety management.

Other progress includes:

- Ongoing preparation for the Carbon Border Adjustment Mechanism (CBAM), ensuring readiness for upcoming UK adoption in 2026.
- Maintaining adherence to the QCA Corporate Governance Code and continuous oversight by the Board and ESG Committee.
- Building toward future EcoVadis Gold recognition by maintaining performance and expanding supplier evaluation.
- Governance excellence ensures that Tekmar continues to operate with transparency, ethical integrity, and accountability across all aspects of its business.

Our People: Culture, Inclusion and Development

Key interventions in FY25 have included:

Communication & Engagement

In FY25 we have taken further positive steps to implement our strategy by:

- Workshops to support our senior managers in their understanding and application of our approach to Communication & Engagement.
- Implementation of our Briefing framework, including monthly team briefings and quarterly Town Halls for everyone across the Group.
- Extension of our Employee Forum representation to include colleagues from our entities across the Group.

Remuneration and Recognition Strategy

We are continuing to develop this strategy. Through further research and analysis, we have a better understanding of where our remuneration and benefits offering is positioned relative to the market. So far, our research has shown us that:

- Our employer pension contributions are among the top for employers in our local labour markets and represent a valuable benefit for those colleagues who participate in our Company pension scheme
- Tekmar's health related benefits, including Company sick pay, are competitive and our policies, such as enhanced parental leave and our progressive annual leave framework compare favourably to other organisations and support us in our employment attraction and retention.
- We have continued to promote positive teamwork through our colleague recognition and 'thank you' system and we were delighted to smash our own internal target for this KPI.

Community Engagement and STEM Initiatives

In FY 25 Tekmar has continued to support our local communities through STEM education and outreach and charitable commitments by colleagues.

Our enthusiasm for supporting STEM is underpinned by our 11 STEM Ambassadors who are from a variety of functions and at different levels of seniority business-wide. We also have a further 2 colleagues who are in the process of applying to be Ambassadors.

In FY25 we supported 4 STEM promotional events, as follows:

- Yarm School, UTC, Newton Aycliffe Open Evenings
- STEMFEST, Mock interviews at Hummersknott Academy
- We hosted a UTC student visit to our Newton Aycliffe site at the end of November 2025.
- Tekmar will also be supporting, for the third consecutive year, the UTC Industry Project that launched on 8th January 2026.

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Customers, Suppliers, and Continuous Improvement

Tekmar continues to work closely with customers and suppliers to advance shared sustainability goals:

- Supply Chain Integrity: Regular audits and transparent engagement to uphold ethical and environmental standards.
- Customer Collaboration: Ongoing technical support and framework agreements focused on solving industry challenges and improving efficiency.
- Operational Excellence: Continuous improvement through the Sharing in Growth (SIG) programme and Key Account Management to enhance responsiveness and customer satisfaction.

Looking Ahead

As we move into 2026, Tekmar will continue to build on the progress achieved this year by:

- Setting quantified Scope 2 and Scope 3 reduction targets.
- Continuing supplier engagement and improving value chain data accuracy.
- Advancing toward EcoVadis Gold accreditation.
- Enhancing our Reward and Recognition and Employee Engagement frameworks.
- Expanding community and STEM outreach initiatives.

Sustainability remains at the heart of Tekmar's strategy. We are proud of the progress made to date and remain committed to continuous improvement, ensuring that our business, our people, and our planet move forward together.

NESF Yarm School Prep STEM event

Year 12 T Level students from UTC South Durham

STEMFest 2025

Annual Food Donation for Junction 7

S172 Statement

In accordance with section 172(1) (a)-(f) of the Companies Act 2006, a Director of a company must act in the way he or she considers, in good faith, would be most likely to promote the success of the Group for the benefit of its members as a whole. Tekmar continued its period of transition through 2025, with changes to both the executive and management teams, with launch of Project Aurora covering the next five years positioning the Group for success. Particular attention has been paid to key areas to ensure the long term success of the Company, including:

- The implementation of the new Group strategy
- The improvement of engagement with the Group's shareholders
- The interests of the Group's employees
- The need to cultivate the Group's business relationships with customers and suppliers
- The impact of the Group's operations on the community and the environment
- The desirability of the Group maintaining a reputation for high standards of business conduct
- The need to act fairly between members of the Group

The Board recognises that stakeholder communication is critical in delivering long term value for Tekmar. The Board has agreed that Tekmar should commit to increasing those levels, both internally within the business and with external stakeholders.

Shareholders

Historically, the CEO and CFO have met with institutional investors at least on a bi-annual basis, both in person and virtually. In the future, the Tekmar Board will be in regular communication with the broader shareholder base of Tekmar, including retail investors. The Company also seeks improved levels of communication with a bolstered financial PR and Investor Relations function, the use of the Investor Meet Company platform and a commitment to host investors at Tekmar's facilities where appropriate. Additional information in relation to the Company, garnered from these engagements will be relayed back to the Board by the CEO and CFO, to ensure the concerns of shareholders are promptly addressed.

All Directors will normally attend each AGM and shareholders are given the opportunity to ask questions. The most recent AGM was held on 27 March 2025. Shareholders voted on each resolution by way of a poll, the results of which were published on the Company website:

https://investors.tekmar.co.uk/investors/circulars-and-notices/

In addition to our shareholders, other key stakeholders for Tekmar include the Group's employees, customers and suppliers. The views and opinions expressed by these Groups are crucial to the Board's decision-making process.

The Tekmar Team

The overarching success of the Group's growth and ability to implement the new strategic plans are dependent on our people. The Board recognises the importance of investing in our team and curating an environment that cultivates success.

The development and retention of our people remain key areas of focus, and these are monitored by the Board on a regular basis. The Company has been focusing its efforts on improving rates of employee retention over the past few years and is pleased with the improved sustained result which shall continue to be a key measure.

The training and development of our teams plays a key part in our retention strategy, alongside ensuring quality performance and development conversations are taking place.

The Group has a range of communication channels which encourage Employee Voice, in the form of annual surveys, employee engagement forums, and Open Door, an anonymous feedback and question channel. We are committed to enhancing our communications and engagement strategy. Our CEO, Richard Turner, holds 'vertical slice' sessions whereby a cross section of employees from across the Company have a one-hour meeting with Richard in an open forum discussion. Hive-HR tool is utilised for employee surveying, celebrating and recognising colleagues, and submitting anonymous questions, concerns or feedback.

From FY25, engagement metrics (eNPS and engagement index) are monitored as key measures with quarterly pulse surveys in place. The results from the annual employee engagement survey are used as a benchmark to improve upon year on year. Clear action plans are devised which highlight areas of focus and are led by the Senior Leadership Team with HR support to drive cultural change and improvements.

Tekmar continues with its commitment to focus on diversity and inclusion as it grows, ensuring the workplace represents the communities in which it operates. The Group has a Business Integrity Policy that communicates the expected business behaviours of all employees, and this policy incorporates a whistleblowing policy, noting an employee's responsibility should they become aware of inappropriate business behaviours or any similar concern.

We are proud of Tekmar Group's diverse nationality mix, operating across our various regions. In FY25 we commenced an EDI improvement journey, which began with a current state assessment of the whole Group. This leads to the commencement of the journey, which will be driven by leadership and will involve awareness sessions, training, policy review and further actions.

Customers & Suppliers

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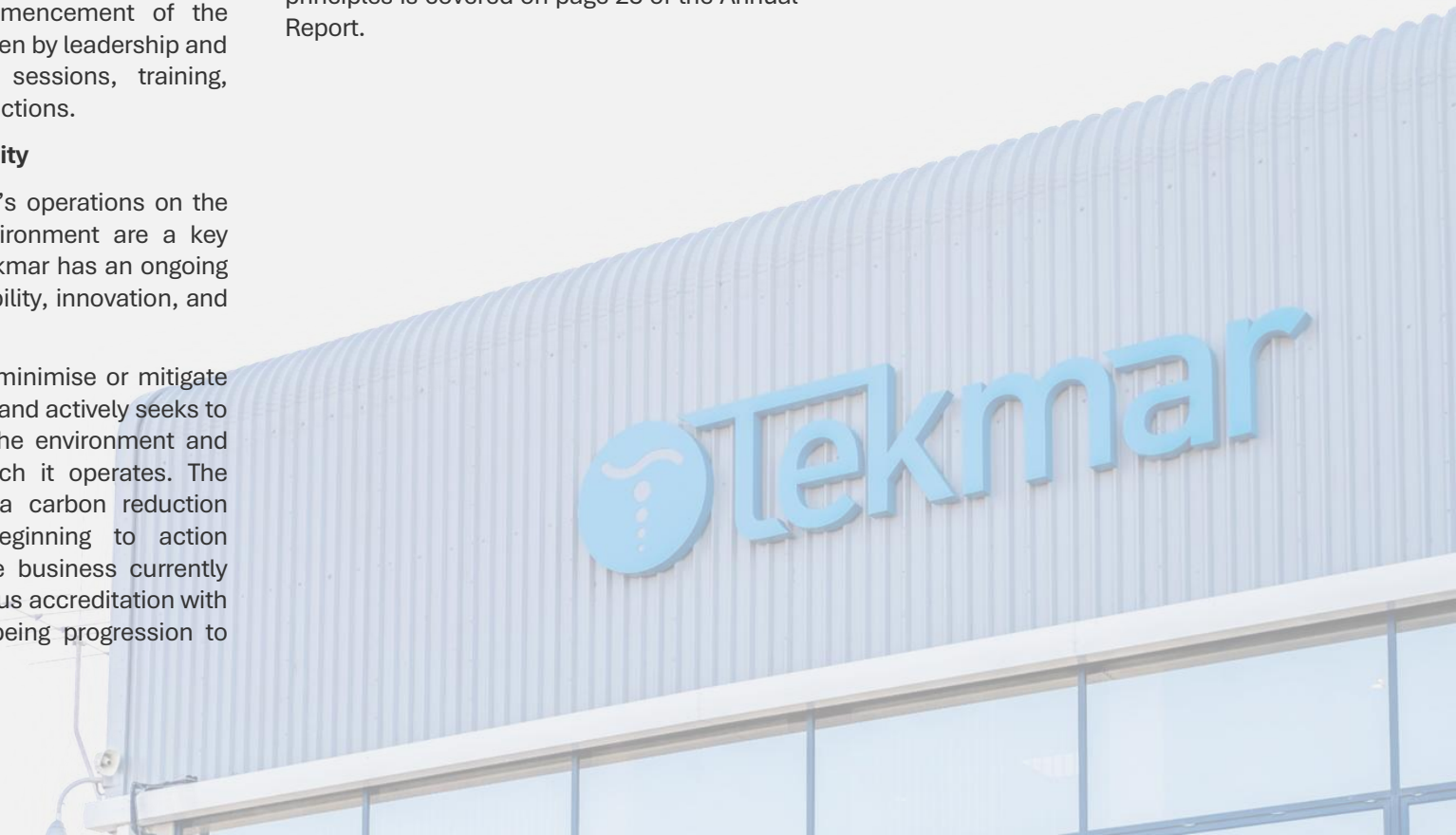
Environment & Community

The impact of the Group's operations on the community and the environment are a key concern to the Board. Tekmar has an ongoing commitment to sustainability, innovation, and community engagement.

The Company strives to minimise or mitigate any harm that it might do and actively seeks to contribute positively to the environment and the communities in which it operates. The Group has established a carbon reduction action plan and is beginning to action measures to deliver. The business currently holds Ecovadis Silver status accreditation with a key priority for FY26 being progression to Gold status, representing the company's commitment to sustainable and ethical practices.

More information on the Company's approach to ESG and the efforts of the ESG committee can be found in our Sustainability Report on page 29.

The Group's approach to the QCA Code and its principles is covered on page 25 of the Annual Report.



The Board

Steve Lockard

Chair and Non-Executive Director

Steve Lockard was appointed Chair of Tekmar Group in 2024, having joined the Board in 2023 following investment from SCF Partners. With over 40 years of global operations leadership experience, Steve brings invaluable expertise in renewable energy and company platform building. In addition to his role at Tekmar, Steve is an operating partner and supports energy transition investments at SCF. Steve is the former CEO and current Chairman of TPI Composites (NASDAQ: TPIC), where he transformed the business into the world's largest independent wind blade manufacturer, driving significant growth in the global onshore wind sector.

He also serves as a board member of D2Zero Limited, a UK based company delivering solutions to decarbonize industry. Steve leads impact projects for OpenMinds, a U.S based nonprofit made up of senior executives who are working to solve the Dual Challenge of Energy and Climate.

Steve served for 10 years on the board of the American Wind Energy Association (AWEA), including as Chairman, and helped to create the American Clean Power Association (ACP).

Steve's strategic guidance and deep industry expertise position him to help drive Tekmar's growth and leadership in offshore wind and energy transition markets. Based in Arizona, Steve enjoys golf, skiing, and spending time with his family.

Richard Turner

Chief Executive Officer

Richard Turner joined Tekmar Group as CEO in September 2024, bringing extensive leadership experience in the offshore energy sector. With a strong track record of driving transformational growth, Richard has delivered significant value through strategic vision, operational excellence, and commercial acumen in his previous roles.

Richard joined Tekmar from Geoquip Marine, where he served as CEO. During his tenure, he developed and executed a clear strategy that delivered substantial revenue and profitability growth. This was achieved through reorganising the business, enhancing operational performance, and implementing new front-end processes. Prior to Geoquip, Richard was CEO of BEL Valves, where he successfully led a significant rightsizing program, rebuilt key customer relationships, and developed a spares and O&M business.

Richard was also COO of JDR Cable Systems, a market leader in subsea cables. Following the successful sale of the business to a trade buyer, as President and CEO he delivered a significant increase in order intake and led a major strategic investment program.

Phil Lanigan

Chief Financial Officer

Phil brings extensive CFO experience across both public market and private equity-backed businesses. Most recently, he served as Group CFO at CRC Evans, an energy services business, where he played a central role in acquiring and integrating Stanley Black & Decker Inc.'s Oil & Gas division to form CRC Evans. With a proven track record of driving business transformation, growth and M&A, Phil has consistently delivered enhanced shareholder value. He is a Chartered Accountant (FCA) and Chartered Tax Adviser (ATII).

David Wilkinson

Senior Independent

Non-Executive Director

David is a Fellow of the Institute of Chartered Accountants and holds the ICAEW's Corporate Finance qualification. He was a Partner at Deloitte for almost 30 years, initially being responsible for Corporate Finance advisory and transaction support work, but later in his career undertook audits as the Responsible Individual for large private companies and public limited companies within a diverse range of industries, including the technology, manufacturing, and engineering sectors. In recent years, David has taken up several Non-Executive Director roles in Technology and engineering companies.

Colin Welsh

Non-Executive Director

Colin Welsh joined the Board of Tekmar Group as a Non-Executive Director in 2023, following the investment from SCF Partners. As a Partner at SCF Partners, Colin brings extensive experience in international energy investment banking and corporate finance, contributing valuable strategic insights to the Group.

Prior to joining SCF Partners in 2017, Colin served as Chief Executive Officer and Head of International Energy Investment Banking at Simmons & Company International. Joining Simmons in 1999, he was instrumental in expanding the firm's activities outside North America, establishing offices in Aberdeen, London, and Dubai. Under his leadership, Simmons & Company International grew significantly, culminating in its sale to Piper Jaffray (NYSE: PJC) in February 2016.

A Scottish Chartered Accountant, Colin has over 30 years of experience in the energy sector. Before his tenure at Simmons & Company, he spent 16 years with Ernst & Whinney, Touche Ross, and RMD, where he gained extensive experience in accounting, auditing, and financial advisory services.

Colin's deep understanding of the global energy market and his expertise in strategic growth and investment align with Tekmar's ambitions. His involvement strengthens the Board's capacity to drive Tekmar's expansion and deliver long-term value to shareholders.

Lars Bondo Krogsgaard

Non-Executive Director

Lars Bondo Krogsgaard joined the Board of Tekmar Group as a Non-Executive Director in 2024, bringing over 20 years of leadership experience in the global wind industry. Lars has an extensive track record of leading publicly listed companies and driving growth across wind turbine manufacturing, renewable energy project development, and supply chain activities.

Previously, Lars served as Onshore CEO at Siemens Gamesa Renewable Energy, a leading global wind turbine manufacturer with revenues of approximately €10.2 billion. Before his role at Siemens Gamesa, Lars was Co-CEO at MHI Vestas Offshore Wind, where he played a pivotal role in advancing offshore wind technology and market growth. He also served as a member of the Management Board and CEO of Nordex, a publicly listed German wind turbine manufacturer, where he oversaw significant organisational and market expansions.

Lars' deep industry knowledge, operational expertise, and proven leadership in the renewable energy sector make him an invaluable member of Tekmar's Board. His experience aligns with Tekmar's strategic focus on the offshore wind market and supports the Group's ambitions.

David Kemp

Non-Executive Director

David Kemp joined the Board of Tekmar Group as a Non-Executive Director in 2024, bringing extensive financial and strategic leadership experience from a distinguished career in FTSE 250 companies and global organisations.

Most recently, David served as Group CFO at John Wood Group Plc ("Wood Group"), a global engineering and consulting company with over 35,000 professionals across 60 countries and revenues of approximately US$6 billion. During his decade-long tenure, David played a key leadership role in transforming Wood Group from an oil and gas-dominated, unintegrated organisation into a global, multi-sector engineering and consultancy business. His responsibilities included extensive capital raising, where he oversaw over US$4 billion in public and private markets, as well as executing over US$3 billion of strategic acquisitions.

Prior to Wood Group, David served as Group CFO of Jersey Oil and Gas plc, an AIM-quoted exploration company, where he was responsible for driving financial and operational performance.

David's proven expertise in strategy development and execution, business transformation, and M&A aligns closely with Tekmar's ambitions. His deep understanding of capital markets and experience leading diverse global teams make him a key contributor to the Board as Tekmar accelerates its growth and transformation agenda.

Key Management

Marc Bell

Chief Operating Officer

Marc joined Tekmar Energy back in May 2020 as Operations Director and stepped into the MD position in October 2021.

Before joining the business, Marc served as Global Operations Director for JDR Cables, Head of Offshore Wind UKI for Siemens Gamesa, and Global Manufacturing Manager for Technip Umbilicals. In each of these roles, Marc demonstrated a strong ability to drive operational excellence, deliver complex projects, and embed innovative practices within global organisations.

Marc's extensive experience and leadership capabilities position him to play a pivotal role in driving Tekmar Group's operational excellence as part of its Project Aurora strategy.

Fraser Gibson

Director of Engineering Services

Fraser Gibson is Tekmar's Director of Engineering Services. A Chartered Engineer with the Institution of Civil Engineers, Fraser brings over 16 years of experience as a Director of an engineering consultancy in the offshore sector.

Fraser began his career at UTEC Geomarine, where he progressed from Senior Engineer to Principal Engineer and later Regional Manager for APAC. During his time in Singapore, Fraser successfully established an office for UTEC Geomarine in the region, further expanding its presence in the Asia-Pacific market.

In 2016, Fraser founded Ryder Geotechnical to provide specialist geotechnical consultancy services to the offshore energy industry. Under his leadership, the company built a strong reputation for technical excellence, contributing to Tekmar Group's unrivalled track record of over 340,000 engineering hours delivered.

Fraser's entrepreneurial spirit, deep technical knowledge, and leadership have been instrumental in establishing Ryder as a trusted partner for complex offshore projects worldwide.

Gary Howland

Group Sales Director

Gary joined Tekmar Group in 2021 from JDR Cable Systems, a leading subsea cable manufacturer and long-standing customer of the Group. He brings over 15 years of experience in the offshore energy sector, having held business development, strategic marketing, sales, and management roles across several of Tekmar's key customers and competitors. Over this time, Gary has built a strong network of senior-level relationships, particularly within offshore wind developers and the wider supply chain.

His commercial expertise is underpinned by a solid technical foundation, holding an engineering degree in Marine Technology from Newcastle University.

Gary has strengthened the Group's sales governance and forecasting processes and leads the majority of major project sales activities. He has played a pivotal role in securing several recent record-value contracts for Tekmar.

Tallulah Whitewood-Spedding

Group Legal Counsel / Company Secretary

Tallulah brings over a decade of experience in supporting businesses and public corporations with complex science and engineering projects. She has expertise in commercial law and intellectual property within the offshore, energy services, and defence sectors.

Prior to joining Tekmar, Tallulah held senior legal roles at Siemens and Royal IHC Limited, where she provided strategic legal advice and managed high-value negotiations. As Head of Legal and Procurement at the National Physical Laboratory, the UK's National Measurement Institute, Tallulah gained significant experience in leading negotiations, advising on commercial strategy, and drafting complex cross-jurisdictional contracts.

Tallulah also sits on Tekmar's ESG Committee, where she provides key governance and legal expertise to support the Group's initiatives. Her strategic approach and deep understanding of legal and commercial frameworks ensure Tekmar operates with robust governance while supporting its global operations and long-term objectives.

Audit Committee Report

I am pleased to present the Audit Committee Report for the year ended 30 September 2025.

Composition and experience of Audit Committee

The Audit Committee comprises David Kemp, a Non-Executive Director and myself. As the Senior Independent Non-Executive Director, I chair the Audit Committee.

Both David and myself are experienced finance professionals who possess the necessary skills and experience to fully and effectively participate as members of the Audit Committee.

Responsibilities

The Audit Committee has terms of reference in place which have been formally approved by the Board and are available on the Group's website.

The Audit Committee oversees the formal and transparent arrangements for considering how the Board should apply the financial reporting and internal control principles for the Company and the wider Group and it maintains an appropriate relationship with the Company's auditors.

We monitor the integrity of the financial statements of the Company, including its annual and half-yearly reports, interim management statements, and any other formal announcements relating to its financial performance, including reviewing any significant financial reporting issues and judgements which they contain.

Meetings

The Audit Committee met 5 times during FY25 with all members present.

Internal Controls and Risk Management Systems

The Audit Committee supports the Board in reviewing the risk management methodology and the effectiveness of internal controls. During the year the Group has continued to enhance its financial internal controls and governance procedures, including those relating to cyber-crime, and these are kept under constant review.

External auditor

The Audit Committee monitors the relationship with the external auditor, Grant Thornton UK LLP, to ensure that auditor independence and objectivity are maintained. Through this review, the Audit Committee monitors the provision of non-audit services by the external auditor. The non-audit services provided by Grant Thornton UK LLP are disclosed in note 8 of the financial statements. These fees, which amounted to £8k, are considered to be a low value and therefore do not impact on the auditor's independence.

Significant issues considered in relation to the financial statements

Significant risks relate to those significant non-routine transactions that are deemed complex and/or highly judgmental. The significant risks and key audit matters relating to the financial statements for this year were considered, discussed with the auditors and concluded upon. Details can be found in the Independent Auditor Report and are summarised below:

- Revenue Recognition – there are two types of revenue that require management judgement, being revenue recognised over time and revenue recognised at a point in time. The significant risk relates to the assessment of the revenue recognised over time.
- Valuation of goodwill and intangible assets – there is a significant risk regarding the valuation of intangible assets including goodwill, which are based on management's assessment and assumptions in the annual impairment review. This risk is relevant to the PU Business CGU.
- Accounting for defect notices and insurance claims – Identifying for completeness all defect notices received and their appropriate disclosure in accordance with IAS 37 is a significant risk. Whilst many of these notices relate to an industry wide issue alleging CPS failures, they are each considered separately on their own merits in determining the appropriate accounting treatment. This disclosure is based on management's assessment of whether a present obligation exists.
- Going concern – The Group has prepared cash flow forecasts for the period to 31 March 2027. Under this base case scenario, the Group is expected to continue to have significant headroom relative to the funding available to it.
- The Board has also considered a severe but plausible downside scenario based on a significant reduction from the base case. This downside scenario excludes any mitigating actions that the Board would be able to take to reduce costs but includes utilisation of its trade loan facility which is due for an annual review in July 2026. Under this scenario, the Group would still expect to have sufficient headroom in its financing facilities. Under a further downside scenario where the trade loan facility is not available, the Group has sufficient mitigating actions available to the Board to ensure headroom remains.
- Further details can be found in the going concern disclosure within the basis of preparation.
- Valuation of parent company's investments in subsidiaries – this risk associated with valuation of subsidiaries is increased by the uncertainty caused by the current economic climate.
- Management override of controls – this is a non-rebuttable presumed risk for all companies and is reviewed for all companies in the Group.

As Chair of the Audit Committee, I am satisfied that the Audit Committee Report covers the activities of the Committee over the year to 30 September 2025 along with the subsequent audit of the financial statements.

I will be available at the Group's Annual General Meeting to discuss any matters raised in this report.

David Wilkinson
Chair of the Audit Committee

9 March 2026

Remuneration Committee Report

I am pleased to present the Directors' Remuneration Report for the year ended 30 September 2025. The report provides shareholders with details regarding our Directors' remuneration policy and the impact of this on Executive remuneration outcomes in the period, along with how this links to the Group's financial performance.

Composition

The Remuneration Committee consists of three Non-Executive Directors Colin Welsh, Lars Krogsgaard and myself as Chair.

Responsibilities

The Remuneration Committee ensures that the Executive Directors and Executive Management are fairly rewarded for their individual contributions to the overall performance of the Group, having appropriate regard to the views of our shareholders and other stakeholders. Our policy aims to provide appropriate incentives to encourage enhanced Group performance, without paying more than is necessary, having regard to relevant remuneration trends. The Committee also oversees any major changes in employee benefit structures across the Group, also ensuring relevant changes to employment law are duly enacted.

The remuneration of Non-Executive Directors is a matter for the Chairman of the Board along with the Executive Members, not this Remuneration Committee, and no Director or Manager is involved in any decisions as to his or her own remuneration.

Executive Incentive Plan (EIP)

The Group operates an Executive Incentive Plan to ensure the Senior Management Team are motivated and rewarded for supporting the growth aspirations of the Group. The EIP is made up of equal parts long term share option plans and bonus, with values being indicative of an individual's role and tenor. The EIP is reviewed by this Committee to ensure performance measures align to the financial targets of the Group, including reward for material stretch targets.

Targets for the CEO, CFO and the remaining Executive Management Team are based on Adjusted Earnings Before Interest & Tax and Cash Generation.

Employee remuneration

Annual Pay Review

In recognition of the hard work and loyalty of our people during the last twelve months, and to assist with cost of living, we confirmed an inflationary award of 3% to all eligible staff from 1 October 2025.

Sharesave Plan 2024 (SAYE)

Following the success of our previous Sharesave plans, we launched a further plan in April 2025. The scheme was open to all employees subject to a qualifying service period. A total of 22 employees subscribed to 2,831,568 share options over a period of three years. On 30 September 2025, there were 2,663,384 SAYE share options outstanding.

Group Remuneration Policy

The key components of the Group's remuneration policy are:

	Why	How
Basic annual salary	To attract and retain the right talent reflecting the responsibilities of the role, along with experience and skills required.	Inflationary pay rises assessed against national indicators, industry specific metrics and local market conditions.
Pension	To provide a contributory pension scheme in line with or exceeding statutory requirements, to provide employees with support after retirement	The Group believes that it is increasingly important to support the retirement plans of its employees. During the year, the Group increased contributions to employees' pensions to 7% and a further increase to 8% with effect from 1 October 2025.
Other benefits	Additional benefits to support the health and wellbeing of our employees	Life assurance, healthcare scheme, wellbeing programme
Annual bonus	To reward high-performing individuals	Annual bonus with performance criteria based upon financial targets, to support the Group's growth strategy. The key criteria for performance is based on revenue growth, Adjusted EBITDA and cash generation.
Share schemes	Share ownership is an important part of employee incentivisation and retention	All employee SIP and SAYE Plans and LTIPs for executive management

Remuneration of the Board

The Remuneration Committee reviewed market rates in considering the recruitment of a new CFO during the period. The remuneration of CEO and non-executive directors are considered in line with appropriate benchmarks.

LTIPs

In April 2023, the remuneration committee approved a long term Incentive Plan to incentivise and reward management for the three financial years, ending 31 March 2026. Management were granted awards for up to 4,819,666 ordinary shares. There are no performance conditions for this tranche of LTIPs.

In March 2025, options over 288,160 shares were granted to 10 managers within the Group at an exercise price of 6.27p. There are no performance criteria applying to these share options

The table below shows the activity in the period in relation to LTIPs including the position at the period end, showing those options lapsing due to performance conditions not being met and those lapsing due to the employment conditions not being met.

LTIPS	Options Outstanding at 1.10.24	Options Granted	Option lapsed - employment	Option Exercised	Remaining options
Alasdair Macdonald	1,104,869	-	-	(1,104,869)	-
Leanne Wilkinson	250,000	72,440	(155,773)	(166,667)	-
Other Senior Management	563,180	216,120	(107,040)	-	672,260

The above report sets out our approach to remuneration for the Executive Management Team and employees. However, if you have any questions regarding this, I will be available at the Group's Annual General Meeting to discuss them.

David Wilkinson
Chair of the Remuneration Committee

9 March 2026

Nomination Committee Report

I, Lars Krogsgaard, Chair of the Nomination Committee, present the Nomination Committee Report for the year ended 30 September 2025. The Committee comprises Steven Lockard, David Wilkinson and myself.

Responsibilities

The Nomination Committee regularly reviews the structure, size and composition of the Board and makes recommendations to the Board with regard to any changes. We give consideration to the succession planning for Directors and Senior Executives, taking into account the skills and experience needed both now and in the future.

During 2025, the Nomination Committee maintained its focus on succession planning of the Board and Executive Management with a view to driving forward the strategy of the Company, and specifically Project Aurora.

Whilst there were no changes to the team of Non-Executive Directors in 2025, the following changes to the company's Executive Management team were implemented:

Appointment of Chief Financial Officer and Executive Board Director – August 2025

On 22 August 2025 Philip Nicholas Lanigan was appointed as Chief Financial Officer and Executive Director with Leanne Wilkinson stepping down.

Lars Bondo Krogsgaard
Chair of the Nomination Committee

9 March 2026

Directors Report

The Directors present their report together with the audited Group financial statements and those of the Parent Company ('the Company') for the year ended 30 September 2025.

Directors

The directors who held office during the year and up to the date to the approval of accounts were as follows:

Steve Lockard

Richard Turner

Phil Lanigan - Appointed 29 August 2025

David Wilkinson

Colin Welsh

David Kemp

Lars Bondo Krogsgaard

Leanne Wilkinson - Resigned 29 August 2025

Alasdair Macdonald - Resigned 1 February 2025

Business review and future developments

The information that fulfils the requirements of the strategic report and business review, including details of the results for the year ended 30 September 2025, principal risks and uncertainties, financial KPIs and the outlook for future years, are set out in the Chairman's Statement and Chief Executive Review and Finance Reviews.

Research and development

The business continuously invests in research and development activity. The highlight during the financial year was the continued development of the next generation TekLink product in the offshore wind division. A total of £14,000 of Research and Development costs were incurred in year. All costs have been capitalised as intangible assets under IAS38.

Major shareholders

As at 9 March 2026 the following interests of shareholders in excess of 3% have been notified to the Company:

	Number of ordinary shares	Ordinary shares as a % of issued share capital
SCF-IX, L.P.	43,616,569	31.25%
J O Hambro Capital Management Limited	12,683,333	9.09%
River Global Investors	7,123,693	5.38%
Philip J Milton, Stockbrokers	5,679,600	4.07%
Columbia Threaneedle Investments	5,264,299	3.77%
Alasdair MacDonald	4,904,379	3.51%

Going concern

The Directors have prepared cash flow forecasts to 31 March 2027. The base case forecasts include assumptions for annual revenue growth supported by current order book, known tender pipeline and by publicly available market predictions for the sectors and geographies where the Group trades. The forecasts assume lower gross margins than historically achieved and retention of the cost base of the business with increases in salaries. The forecasts include the proceeds from the sale of the asset held for resale, formerly classified as an Investment Property, which completed on 27 February 2026.

These forecasts show that the Group is expected to have a sufficient level of financial resources available to continue to operate throughout the forecast period without recourse to the utilisation of the Trade Loan.

The Group held £3.4m of cash at 30 September 2025 and had drawn down £2.8m of the trade loan facility, in addition the Group had a CBILS Loan of £3.0m which has been repaid in full post year end. In October 2025, the Group borrowed £2.0m through a GGS loan which is subject to quarterly repayments of £0.17m over a term of 3 years.

On 27 February 2026, the Group completed the sale of the property for a net cash consideration of £2.8m.

The Group meets its day-to-day working capital requirements through its operational cash balances and available banking facilities which includes a trade loan facility of up to £4.0m that can be drawn against supplier payments. The Trade Loan is backed by UKEF due to the nature of the business activities both in renewable energies and in driving growth through export led opportunities. The Trade Loan is an uncommitted facility, has an annual renewal and the Directors expect it to be renewed based on past experience, post year end refinancing, sale of the property, improved trading performance and the support of UKEF.

There are no financial covenants that the Group must adhere to in either of the bank facilities though following the receipt of monies from the property sale £0.8m is to be retained in a restricted account.

Within the base case and sensitised models management have modelled the outflow of cash of £2.0m in relation to note 20 Provisions within the going concern period. Management have not modelled anything in relation to the matter set out in note 20 Contingent Liabilities, as management have assessed there to be no present obligation.

The Directors have sensitised their base case forecasts for a severe but plausible downside impact. This sensitivity includes reducing revenue by 16% (£10.2m equivalent) for the 18-month period to 31 March 2027, to model the potential loss or delay of a certain level of contracts in the pipeline that form the base case forecast. The base case and sensitised forecast also include discretionary spend on capital outlay. The Directors note there is further discretionary spend within their control which could be cut, if necessary, although this has not been modelled in the sensitised case given the headroom already available.

The sensitivities modelled give the Directors comfort in adopting the going concern basis of preparation for these financial statements.

In a further additional severe but plausible scenario, reducing revenue by 16% (£10.2m equivalent) for the 18-month period to 31 March 2027 and assuming no availability of the Trade Loan would result in a 'near miss' at March 2027, when £1.5m of mitigations are modelled, and the £0.8m fund remains restricted throughout the going concern period. The Directors consider this scenario to be overly severe and extremely unlikely given the expectation of the renewal of the trade loan facility and the secured orderbook.

The Directors have undertaken a "Reverse Stress Test". This reduces the revenue over the forecast period from the sensitised case by a further 15%. The Directors believe the assumptions to be implausible based on current trading and orderbook.

The Directors are satisfied that the cash flow forecasts show that the Group is expected to have a sufficient level of financial resources available through current facilities to continue in operational existence and meet its liabilities as they fall due for at least the next 12 months from the date of approval of the financial statements and for this reason they continue to adopt the going concern basis in preparing the financial statements.

Dividends

The Directors do not anticipate that the Company will declare a dividend in the near term, as available cash will support working capital requirements along with the identified strategic investment plan. No dividends have been paid in the period.

Directors and their interests

The Directors of the Company during the period and their interests in the ordinary share capital at the end of the year are shown in the table below:

Ordinary shares of 1p each	30 September 2025	30 September 2024
S Lockard	3,888,889	3,888,889
R Turner	793.313	-
A MacDonald	-	3,876,140
L Wilkinson	-	489,130

Further details of the Directors' interests can be found in the Remuneration Committee Report.

Directors' indemnities

The Group has not made qualifying third-party indemnity provisions for the benefit of its Directors during the year.

Streamline energy and carbon reporting (SECR)

The Group does not report under SECR as none of its subsidiary undertakings are large companies. The parent company is exempt from reporting as it is a low energy user consuming less than 40MWh per annum.

Relations with stakeholders

The Group considers its key stakeholders to be its shareholders, employees and customers and suppliers. How the Group engages with these, and broader, stakeholders is described in the s172 statement on page 32.

Financial risk management

Details of the Group's exposure to financial risks are set out in Note 22 to the financial statements.

Takeover Directive requirements

The Company has one class of equity share, namely 1p ordinary shares. The shares have equal voting rights and there are no special rights or restrictions attaching to any of them or their transfer to other persons. The rights and obligations attaching to these shares are governed by the Companies Act 2006 and the Company's Articles.

Rules governing the appointment and replacement of Directors, and those relating to the amendment of the Company's Articles of Association, are contained within those Articles of Association, a copy of which is located on the Company's website (investors.tekmar.co.uk).

Notice of Annual General Meeting

The Annual General Meeting will be held at 1pm on 31st March 2026 at offices of Muckle LLP, Time Central, 32 Gallowgate, Newcastle upon Tyne, NE1 4BF. The Notice of Annual General Meeting which sets out the resolutions to be proposed at the forthcoming AGM has been posted to shareholders.

These Group financial statements will be laid before the Company in a general meeting held at 1pm on 31st March 2026 at offices of Muckle LLP, Time Central, 32 Gallowgate, Newcastle upon Tyne, NE1 4BF. The Notice of General Meeting which sets out the resolutions to be proposed at that meeting accompanies these Group financial statements.

Events after the reporting date

After the reporting period;

- The £3m CBILS Bank Loan matured on 31 October 2025 and was replaced by a GGS Loan of £2m repayable over a period of three years.
- On 24 October 2025, Share Capital was increased by the issue of 203,934 1p Ordinary Shares at a price of 1p
- On 18 December 2025, Share Capital was increased by the issue of 458,716 1p Ordinary Shares at a price of 5.45p
- On 27 February 2026, the Group sold Innovation House, a commercial property not utilised by the Group in its current operations and previously held as an investment property, for a net cash consideration of £2.84m resulting in neither profit nor loss on disposal for the Group.

There were no other subsequent events.

Independent auditor

The auditor, Grant Thornton UK LLP, has been re-appointed and a resolution concerning their appointment will be proposed at the AGM.

Disclosure of information to the auditor

The directors confirm that at the time this report is approved:

- So far as each director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the Directors have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This Directors' Report was approved by order of the Board.

Philip Lanigan
Chief Financial Officer

9 March 2026

Statement of Directors Responsibilities

The Directors are responsible for preparing the Annual Report and the Group and parent Company financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare Group and parent Company financial statements for each financial year. Under the AIM Rules of the London Stock Exchange, they are required to prepare the Group financial statements in accordance with UK-adopted International Accounting Standards (IFRS's) and applicable law and they have elected to prepare the parent Company financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 Reduced Disclosure Framework.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- for the Group financial statements, state whether applicable UK-adopted International Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- for the parent Company financial statements, state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and parent company will continue on that basis;

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The directors are responsible for preparing the annual report in accordance with applicable law and regulations. Having taken advice from the Audit Committee, the directors consider the annual report and the financial statements, taken as a whole, provides the information necessary to assess the company's performance, business model and strategy and is fair, balanced and understandable.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Richard Turner
Chief Executive Officer

9 March 2026

Independent auditor's report to the members of Tekmar Group plc

Opinion

Our opinion on the financial statements is unmodified

We have audited the financial statements of Tekmar Group plc (the 'parent company') and its subsidiaries (the 'group') for the year ended 30 September 2025, which comprises the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Financial Position, the Consolidated Statement of Changes in Equity, the Consolidated Statement of Cash Flows, the Notes to the group financial statements, including material accounting policy information, the Parent Company Statement of Financial Position, the Parent Company Statement of Changes in Equity and Notes to the parent company financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in the preparation of the group financial statements is applicable law and UK-adopted international accounting standards. The financial reporting framework that has been applied in the preparation of the parent company financial statements is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 'Reduced Disclosure Framework' (United Kingdom Generally Accepted Accounting Practice).

In our opinion:

the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 30 September 2025 and of the group's loss for the year then ended;

the group financial statements have been properly prepared in accordance with UK-adopted international accounting standards;

the parent company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and

the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

We are responsible for concluding on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's and the parent company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the group or the parent company to cease to continue as a going concern.

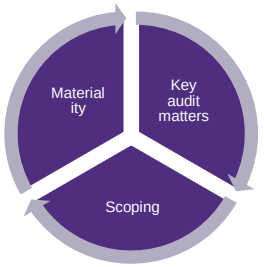
A description of our evaluation of management's assessment of the ability to continue to adopt the going concern basis of accounting, and the key observations arising with respect to that evaluation is included in the Key Audit Matters section of our report.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

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

Our approach to the audit



Overview of our audit approach

Overall materiality:

Group: £290,000, which represents approximately 1% of the group's revenue.

Parent company: £485,000, which represents approximately 1% of the parent company's total assets.

Key audit matters were identified as:

- Going concern (same as previous year);
- Accounting for defect notices and the completeness of the defect provision (same as previous year);
- Occurrence of contract revenue (same as previous year); and
- Valuation of goodwill and intangible assets (same as previous year).

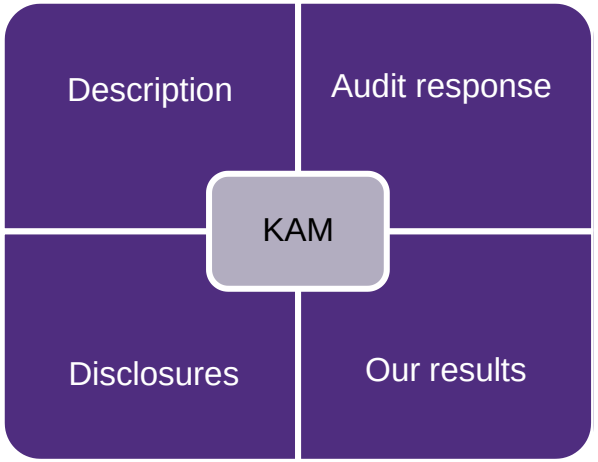
Scoping of the group has been determined to ensure appropriate coverage of the significant risks as well as coverage of the key quantitative benchmarks used to determine significance of components, specifically:

Group revenue: 97%

Group absolute loss before tax: 79%

Key audit matters

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



- In the graph below, we have presented the key audit matters and significant risks relevant to the audit.

Key Audit Matter – Group	How our scope addressed the matter – Group
Going concern Going concern is an area of focus for all businesses and remains a key audit matter due to the following factors: • The Group has operating losses in both current and prior year. • The Group's severe but plausible forecasts show that there is reliance on external debt, which is also subject to an annual review by the bank. • Furthermore, there is an element of uncertainty regarding timing of cash flows expected from significant contracts in the going concern period, therefore delays of such receipts could impact liquidity. • However, mitigating these risks is the post year end reduction of external debt, property sale and improved trading performance.	• In responding to the key audit matter, we performed the following audit procedures: • Obtained an understanding of how management prepared their base case and sensitised forecasts for the going concern period; • Assessed the accuracy of management's forecasting by comparing the reliability of past forecasts to management's actual results, and considered whether management's historic forecasting accuracy impacts the reliance we can place upon the forecasts provided; • Obtained an understanding of the key trading, balance sheet and cash flow assumptions and tested those key assumptions to underlying historical financial data, post year end trading information and market analysis data; • Considered the inherent risks associated with the group's and the parent company's business model including effects arising from macro-economic factors such as inflation and government policies and assessed how these factors were incorporated into the base case and sensitised forecasts;

Key Audit Matter – Group	How our scope addressed the matter – Group
	• Assessed the terms of the external debt held at year end and new facility entered into post year end and challenged management's assessment of the possibility of renewal during the going concern period including correspondence directly with the lender; • Assessed the plausibility of the mitigating actions available to management to continue as a going concern if downside sensitivities were to crystalise; • Evaluated management's downside scenario forecasts and management's consideration of the magnitude of a decline in cash that would give rise to the elimination of headroom; • Obtained the property sales agreement and traced sales proceeds through to receipt; • Performed arithmetical and consistency checks on management's base case and downside scenario models; and • Assessed the adequacy of related disclosures within the annual report for consistency with management's assessment of going concern and whether they are in line with the accounting standards.

Key Audit Matter – Group	How our scope addressed the matter – Group
Relevant disclosures in the Annual Report 2025 • Financial statements: Note 2, Basis of preparation and accounting policies • Audit committee report: Significant issues considered in relation to the financial statements	Our results From the work performed, we did not identify a material uncertainty in relation to going concern.
Accounting for defect notices and the completeness of the defect provision We identified the accounting for defect notices and the completeness of the defect provision as one of the most significant risks of material misstatement due to error. This is due to the judgement involved in assessing whether there is a present obligation for each defect notice received. The assessment of whether the requirements of IAS 37 Provisions, contingent liabilities and contingent assets have been appropriately applied is a significant judgement by management. Where a present obligation has been identified to exist at the balance sheet date, a provision relating to the defect notice has been recognised. There is a high level of estimation uncertainty in management's valuation of the present obligation and the provision required. Following the receipt of defect notices on historical contracts and recent contracts, management have considered whether a provision or a contingent liability exists for all contracts.	In responding to the key audit matter, we performed the following audit procedures: • Assessed the design and implementation of controls for the evaluation of the accounting treatment for defect notices and valuing a provision; • Made enquiries of management, the group's internal legal counsel and, where applicable, the group's external legal counsel to understand management's conclusion in relation to the defect notices received; • Obtained correspondence with customers, and assessed if in line with management's conclusions; • Challenged management regarding the release of provisions, inspecting evidence to support settlement; • Read board and other meeting minutes to identify areas in relation to defect notices and related provision;

Key Audit Matter – Group	How our scope addressed the matter – Group
A provision for defect notices has been recognised at 30 September 2025 of £2,049,000 (2024: £5,821,000). A contingent liability has been disclosed at 30 September 2025 in respect of certain other defect notices.	• Challenged managements assumptions in valuing the provisions and whether a present obligation exists at the Balance Sheet date; • Assessed the reasonableness of management's likelihood and the quantification of outflow assessment, obtaining supporting evidence where management have determined there is a provision; • Reviewed the proposed accounting and disclosure of actual and potential liabilities; and • Considered management's application of the requirements of IAS 37 and the adequacy of the disclosures.
Relevant disclosures in the Annual Report 2025 • Financial statements: Note 20, Provisions and contingent liabilities. • Audit committee report: Significant issues considered in relation to the financial statements	**Our results** From the work performed, we did not identify any material misstatements with regard to the accounting for defect notices and the completeness of the defect provision.

Key Audit Matter – Group	How our scope addressed the matter – Group
Occurrence of contract revenue We identified occurrence of contract revenue as one of the most significant assessed risks of material misstatement due to fraud and error The group has entered into contracts with customers which span the 30 September 2025 year end with varying terms and degrees of complexity, generating revenue over time. The group uses both the input and output methods for recognising revenue over time. There is a significant risk of material misstatement in open contracts at 30 September 2025 due to the judgement involved in the related estimates for revenue recognised over time in accordance with International Financial Reporting Standard ('IFRS') 15 'Revenue from Contracts with Customers' and the motivation to meet market expectations. Management's assessment includes several key estimates including: • Estimated total contract costs; and • Estimated stage of completion derived from the outputs satisfied. Total revenue recognised over time is £25,888,000 (2024: £30,919,000).	In responding to the key audit matter, we performed the following audit procedures: • Assessed the design and implementation of key controls in the contract revenue recognition process; • Evaluated the revenue recognition policies for consistency with IFRS 15, through assessment of management's IFRS 15 paper; including, specifically, consideration of management's identification of performance obligations and allocation of the transaction prices to the performance obligations; • Obtained an understanding of the process and methods of estimating costs to complete from project managers. We assessed whether there were indicators of management bias in the assumptions used and corroborated estimates based on prior experience to historic data; • For a sample of contracts where revenue is recognised using the input method, we challenged management's total expected costs to assess if revenue had been recognised correctly. We compared costs expected with post period end results and agreed a sample of forecasted costs to supporting evidence such as purchase invoices, purchase orders and supplier quotations. We also assessed whether costs were incurred and recorded in the year to corroborate each project position at year-end;

Key Audit Matter – Group	How our scope addressed the matter – Group
	• For a sample of contracts where revenue is recognised using the output method, we evaluated the revenue assigned to each performance obligation and/or output and tested whether this is consistent with the outputs achieved in the period; • Assessed the historical accuracy of forecasting by comparing final outturn of completed contracts to original forecasts; • Reviewed the open contracts to determine if there was a potential onerous contract provision; • Agreed a sample of contracts held by the group and recalculated the revenue that should have been recognised in the period and revenue that should have been deferred at the period end; and • Recalculated the period-end contract liabilities based on management's schedules and performed procedures on a sample basis to ensure schedules were complete and accurate.
Relevant disclosures in the Annual Report 2025 • Financial statements: Note 4 Revenue and segmental reporting • Audit committee report: Significant issues considered in relation to the financial statements	Our results From the work performed, we did not identify any material misstatements with regard to the occurrence of contract revenue.

Key Audit Matter – Group	How our scope addressed the matter – Group
Valuation of goodwill and intangible assets We identified the valuation of goodwill and intangible assets as one of the most significant risks of material misstatement due to error, specifically in relation to the PU Products cash generating unit (CGU). The carrying value of goodwill and other intangible assets as at 30 September 2025 was £16,529,000 (2024: £16,708,000). No impairment charge was recognised in relation to the CGU (2024: £1,546,000 impairment to the Offshore Energy CGU). As at 30 September 2024, Offshore Energy CGU combined the PU Products and Engineering Services CGUs. There is an increased risk that the goodwill and intangible assets held by the group in relation to the PU Products CGU are impaired as per International Accounting Standard ('IAS') 36 'Impairment of Assets'. This is due to the high level of estimation uncertainty in management's assessment of the future performance of the CGU and in determining appropriate operating cash flows, short and long-term growth rates and discount rate to apply in calculating the 'value in use' of the CGU. We identified a significant risk within PU Products CGU as this CGU has a significantly material carrying value, significant levels of short-term growth assumed, and actual performance was below budget in the current year.	In responding to the key audit matter, we performed the following audit procedures: • Assessed the design and implementation of key controls for the impairment review process; • Assessed management's identification of the CGUs and the assignment of assets to those CGUs; • Assessed management's annual impairment review to determine those CGU's that are most at risk and include the most judgement. Specifically, those with limited headroom, significant growth or high susceptibility to changes in assumptions; • Assessed management's impairment model to ensure appropriate costs and expenses are included, and that cash flows included in the model are appropriate when taking into consideration global macro factors including, but not limited to supply chain delays, the impact of inflation on previously agreed fixed price contracts and the UK and global economic outlook; • Assessed the short-term and long-term growth rates included in the model by comparing the actual results to historical forecasting, evidencing accuracy; • Assessed management's sensitivity analysis for appropriateness and whether

Key Audit Matter – Group	How our scope addressed the matter – Group
	a reasonably possible change would lead to an impairment; • Engaged valuation experts to assess the appropriateness of the discount rate included in management's impairment model; and • Assessed whether the disclosure included for the headroom sensitivities is appropriate and assessed whether the accounting policy is in line with IAS 36 Impairment of Assets.
Relevant disclosures in the Annual Report 2025 • Financial statements: Note 11 Goodwill and Other Intangibles • Audit committee report: Significant issues considered in relation to the financial statements	**Our results** From the work performed, we did not identify any material misstatement in the valuation of the goodwill and intangible assets related to the PU Products cash generating unit.

We did not identify any key audit matters relating to the audit of the financial statements of the parent company only.

Our application of materiality

We apply the concept of materiality both in planning and performing the audit, and in evaluating the effect of identified misstatements on the audit and of uncorrected misstatements, if any, on the financial statements and in forming the opinion in the auditor's report.

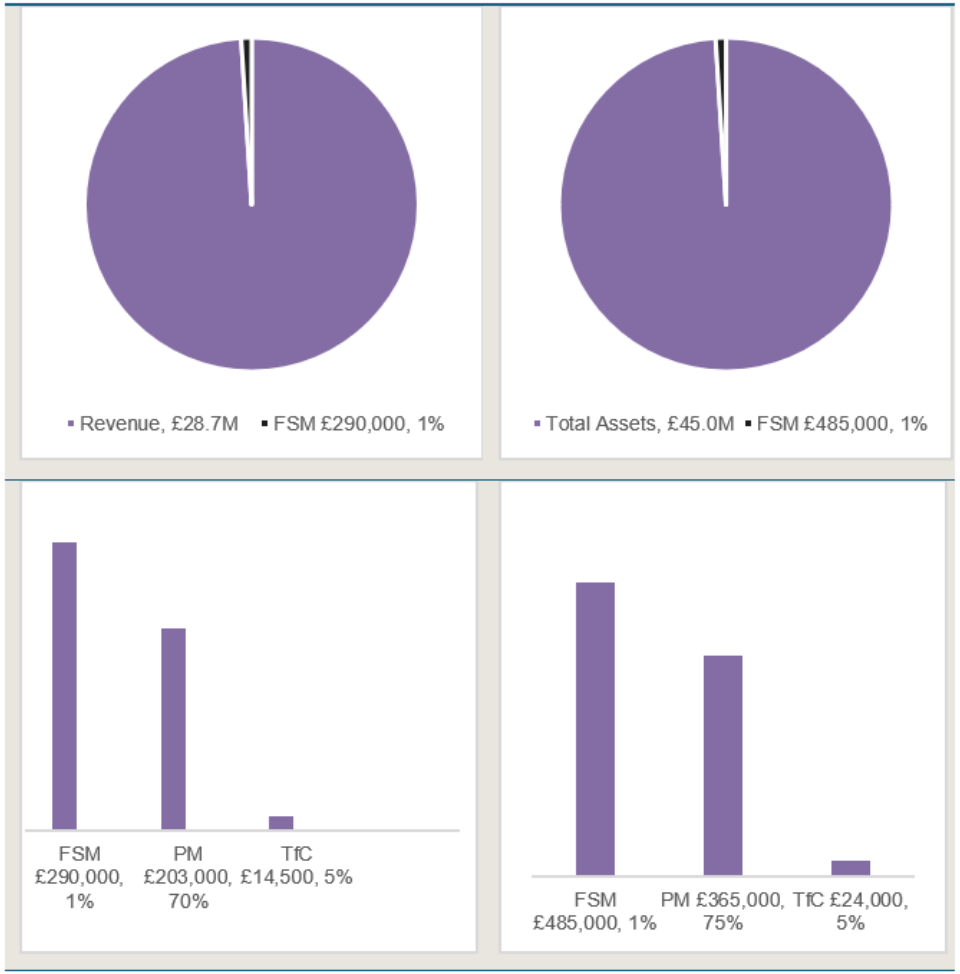
Materiality was determined as follows:

Materiality measure	Group	Parent company
Materiality for financial statements as a whole	We define materiality as the magnitude of misstatement in the financial statements that, individually or in the aggregate, could reasonably be expected to influence the economic decisions of the users of these financial statements. We use materiality in determining the nature, timing and extent of our audit work.	
Materiality threshold	£290,000 (2024: £329,000), which represents approximately 1% of the group revenue.	£485,000 (2024: £492,000), which represents approximately 1% of total assets.
Significant judgements made by auditor in determining materiality	In determining materiality, we made the following significant judgements: • The metrics most relevant to the users of the financial statements which was determined to be revenue per the previous financial statements; • Whether the metric has been materially influenced by matters such as economic uncertainty or changes in the marketplace; and • This benchmark is considered the most appropriate because of the stability of revenue compared to loss before tax.	In determining materiality, we made the following significant judgements: • The metrics most relevant to the users of the financial statements which was determined to be total assets for the parent entity; • Whether the metric has been materially influenced by matters such as economic uncertainty or changes in the marketplace; and • This benchmark is considered the most appropriate because the parent company is a holding company, which does not trade.

Materiality measure	Group	Parent company
	Materiality for the current year is lower than the level that we determined for the year ended 30 September 2024 to reflect reduction in group's revenue.	Materiality for the current year is lower than the level that we determined for the year ended 30 September 2024 to reflect reduction in entity's asset's value.
Performance materiality used to drive the extent of our testing	We set performance materiality at an amount less than materiality for the financial statements as a whole to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality for the financial statements as a whole.	
Performance materiality threshold	£203,000 (2024: £231,000), which is 70% (2024: 70%) of financial statement materiality.	£363,750 (2024: £369,000), which is 75% (2024: 75%) of financial statement materiality.
Significant judgements made by auditor in determining performance materiality	In determining performance materiality, we made the following significant judgements: • The strength of the control environment based on our assessment of the design and implementation of controls; and • Quantum and nature of misstatements identified in prior year's audit.	In determining performance materiality, we made the following significant judgements: • The strength of the control environment based on our assessment of the design and implementation of controls; and • Low complexity of the principal activity.
Specific materiality	We determine specific materiality for one or more particular classes of transactions, account balances or disclosures for which misstatements of lesser amounts than materiality for the financial statements as a whole could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.	
Specific materiality	We determined a lower level of specific materiality for the following areas: • Directors' remuneration; and • Related party transactions outside the normal course of business.	We determined a lower level of specific materiality for the following areas: • Directors' remuneration; and • Related party transactions outside the normal course of business.
Communication of misstatements to the audit committee	We determine a threshold for reporting unadjusted differences to the audit committee.	
Threshold for communication	£14,500 (2024: £16,500) which represents 5% of financial statement materiality, and misstatements below that threshold that, in our view, warrant reporting on qualitative grounds.	£24,250 (2024: £24,600) which represents 5% of financial statement materiality, and misstatements below that threshold that, in our view, warrant reporting on qualitative grounds.

The graph below illustrates how performance materiality interacts with our overall materiality and the tolerance for communication to the audit committee.

Overall materiality - Group



Overall materiality - Parent

FSM: Financial statement materiality, PM: Performance materiality, TfC: Threshold for communication to the audit committee.

An overview of the scope of our audit

We performed a risk-based audit that requires an understanding of the group's and the parent company's business and in particular matters related to:

Understanding the group, its components, their environments, and its system of internal control including common controls

- We obtained an understanding of the group and its environment, including common controls and assessed the risks of material misstatement at the group level; and
- We obtained an understanding of the effect of the group organisational structure on the scope of the audit, for example, the level of centralisation of the group control function and the use of service organisations.

Identifying components at which to perform audit procedures

- We evaluated the identified components to assess their significance and determined the planned audit response based on a measure of materiality. Significance was determined as a percentage of the group's total revenue and the group's absolute loss before tax as well as considering qualitative factors, such as a component's specific nature or circumstances.

Type of work to be performed on financial information of parent and other components (including how it addressed the key audit matters)

- Audits of the financial information of the component using component materiality (full-scope audit) procedures were performed on the financial information of three components. These procedures included a combination of tests of detail and analytical procedures. These full-scope audits included the majority of our audit work on the identified key audit matters as described in the key audit matters section of our report.
- Audits of one or more classes of transactions including specified, risk focused audit procedures (specific scope procedures) were carried out on two components using component materiality. These procedures included a combination of tests of details and analytical procedures and were designed to increase coverage of the group's financial statement line items.

- For the eight components that were not individually significant to the group, or assessed as requiring specific-scope procedures, analytical procedures were carried out at group level, using group materiality.

Performance of our audit

- the evaluation of management's going concern assessment was performed at a group level given the group structure and capital management policies;
- the group engagement team attended year-end inventory counts in the UK;
- audit procedures across all components were performed by the group engagement team in accordance with the scope described. There were no component engagement teams engaged to support the group engagement team; and
- as part of planning procedures, the group engagement team assessed the group's internal control environment including controls in relation to its IT systems and controls to inform our risk assessment. The audit testing approach was wholly substantive.

Further audit procedures performed on components subject to specific scope and specified procedures may not have included testing of all significant account balances of such components, but further audit procedures were performed on specific accounts within that component that we, the group auditor, considered had the potential for the greatest impact on the group financial statements either due to risk, size or coverage.

The components within the scope of further audit procedures accounted for the following percentages of the Group's results, including the key audit matters identified:

Audit approach	No. of components	% coverage revenue	% coverage loss before tax (on absolute basis)
Full-scope audit	3 (2024: 3)	96 (2024: 96)	41 (2024: 47)
Specific-scope audit procedures	2 (2024: 3)	1 (2024: 3)	38 (2024: 50)
Analytical procedures	8 (2024: 8)	3 (2024: 1)	21 (2024: 3)
Total	13 (2024: 14)	100	100

Changes in approach from previous period

- Specific-scope audit procedures were performed in FY24 for an entity which was disposed from the group in FY24, therefore this entity was not a component in FY25

Other information

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

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Our opinion on other matters prescribed by the Companies Act 2006 is unmodified

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

the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and

the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matter on which we are required to report under the Companies Act 2006

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

Matters on which we are required to report by exception

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

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 36, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the group and the parent company and determined that the most significant are applicable law and UK-adopted international accounting standards (for the group), United Kingdom Generally Accepted Accounting Practice (for the parent company) and UK corporation tax regulations.
- We obtained an understanding of the legal and regulatory frameworks applicable to the company and the industry in which it operates through our general and commercial and sector experience, discussions with management and legal correspondence. We also discussed the relevant frameworks with company legal advisors as appropriate.
- We obtained an understanding of how the company is complying with those legal and regulatory frameworks by making inquiries of management and of those responsible for legal and compliance

procedures. We corroborated our inquiries through our review of board minutes.

- We assessed the susceptibility of the group's and the parent company's financial statements to material misstatement, including how fraud might occur, by evaluating management's incentives and opportunities for manipulation of the financial statements. This included the evaluation of the risk of management override of controls. We determined that the principal risks were in relation to:
  - journal entries posted by senior finance personnel;
  - journal entries credited to the income statement above earnings before interest, tax, depreciation and amortisation ('EBITDA') and corresponding debit entry below EBITDA or to the balance sheet;
  - journal entries posted to revenue from an unexpected general ledger code; and
  - material post-close and consolidating journal entries;

- Audit procedures performed by the engagement team included:
  - evaluating the processes and controls established to address the risks related to irregularities and fraud;
  - journal entry testing, in particular those journals determined to be in respect of our principal risk documented above; and
  - challenging assumptions and judgements made by management in its significant accounting estimates.
- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it;
- The engagement partner's assessment of the appropriateness of the collective competence and capabilities of the engagement team including consideration of the engagement team's:
  - understanding of, and practical experience with, audit engagements of a similar nature and complexity through appropriate training and participation;
  - knowledge of the industry in which the group and the parent company operate; and
  - understanding of the legal and regulatory requirements specific to the group and the parent company.
  - We had team communications in respect of potential non-compliance with laws and regulations and fraud including the potential for fraud in revenue recognition through manipulation of the forecast costs to complete and through incomplete contract liabilities.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

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

Victoria McLoughlin
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Leeds
9 March 2026

Financial Statements

Consolidated Statement of Comprehensive Income

for the year ended 30 September 2025

	Note	Year ended 30 Sep 2025 £000	Year ended 30 Sep 2024 £000
Revenue	4	28,747	32,808
Cost of sales	6	(18,906)	(22,291)
Gross profit		9,841	10,517
Other Administrative expenses	6	(13,113)	(13,195)
Expected credit loss	16	(510)	(520)
Warranty provision	20	-	(656)
Total administrative expenses		(13,623)	(14,371)
Other operating income		259	22
Group operating loss		(3,523)	(3,832)
Analysed as:			
Adjusted EBITDA[1]	4	62	1,714
Depreciation	12	(1,531)	(1,277)
Amortisation	11	(259)	(366)
Exceptional Share based payments charges	25	(166)	(160)
Impairment of goodwill	11	-	(1,545)
Exceptional IT costs		(53)	(169)
Foreign exchange losses		-	(623)
Warranty costs	20	(218)	(656)
Expected credit loss (China debt recovery)	16	(510)	(520)
Restructuring costs		(848)	(230)
Group operating (Loss)		(3,523)	(3,832)
Finance costs		(679)	(727)
Finance income		26	19
Net finance costs	7	(653)	(708)
(Loss) before taxation from continuing operations		(4,176)	(4,540)
Taxation	9	270	(557)
(Loss) for the period from continuing operation		(3,906)	(5,097)
Discontinued operations		-	(1,316)
(Loss) for the period		**(3,906)**	**(6,413)**

	Note	Year ended 30 Sep 2025	Year ended 30 Sep 2024
Items which will not be reclassified subsequently to profit or loss			
Revaluation of property		-	75
Items which will be reclassified subsequently to profit or loss			
Retranslation of overseas subsidiaries		(23)	(333)
Total comprehensive loss for the period		(3,929)	(6,671)
Loss attributable to owners of the parent		(3,906)	(6,413)
Total comprehensive income attributable to owners of the parent		(3,929)	(6,671)
(Loss) per share (pence) from continuing operations			
Basic	10	(2.83)	(3.74)
Diluted	10	(2.83)	(3.74)
(Loss) per share (pence) from discontinued operations			
Basic	10	-	(0.97)
Diluted	10	-	(0.97)

1: Adjusted EBITDA, which is defined as profit before net finance costs, tax, depreciation, amortisation, share based payments charge in relation to one-off awards, material items of a one-off nature and significant items which allow comparable business performance is a non-GAAP metric used by management and is not an IFRS disclosure.

Consolidated Statement of Financial Position

as at 30 September 2025

	Note	30 Sep 2025 £000	30 Sep 2024 £000
Non-current assets			
Property, plant and equipment	12	3,811	4,514
Goodwill and other intangibles	11	16,529	16,708
Investment property	13	-	2,842
Deferred tax asset	21	79	-
Total non-current assets		20,419	24,064
Current assets			
Inventory	15	1,280	1,878
Trade and other receivables	16	14,134	20,336
Cash and cash equivalents	17	3,410	4,630
		18,824	26,844
Assets held for sale	13	2,842	-
Total current assets		21,666	26,844
Total assets		42,085	50,908
Equity and liabilities			
Share capital	23	1,389	1,373
Share premium		72,202	72,202
Merger relief reserve		744	744
Merger reserve		(12,685)	(12,685)
Foreign currency translation reserve		(464)	(441)
Retained losses		(36,745)	(33,029)
Total equity		24,441	28,164
Non-current liabilities			
Other interest-bearing loans and borrowings	19	594	924
Deferred tax liability	21	-	234
Provisions	20	-	656
Total non-current liabilities		594	1,814

	Note	30 Sep 2025	30 Sep 2024
Current liabilities			
Other interest-bearing loans and borrowings	19	6,254	6,554
Trade and other payables	18	8,079	8,503
Corporation tax payable		661	647
Provisions	20	2,056	5,226
Total current liabilities		17,050	20,930
Total liabilities		17,644	22,744
Total equity and liabilities		42,085	50,908

The Group financial statements were approved by the Board and authorised for issue of 9 March 2026 and were signed on its behalf by:

Philip Lanigan — **Chief Financial Officer**

Richard Turner — **Chief Executive Officer**

Company registered number: 11383143

Consolidated statement of changes in equity

for the year ended 30 September 2025

	Share capital	Share premium	Merger relief reserve	Merger reserve	Foreign currency translation reserve	Retained losses	Total equity attributable to owners of the parent	**Total equity**
	£000	£000	£000	£000	£000	£000	£000	**£000**
Balance at 1 October 2023	**1,360**	**72,202**	**1,738**	**(12,685)**	**(108)**	**(27,854)**	**34,653**	**34,653**
Loss for the year	-	-	-	-	-	(6,413)	(6,413)	**(6,413)**
Revaluation of property	-	-	-	-	-	75	75	**75**
Exchange difference on translation of overseas subsidiary	-	-	-	-	(333)	-	(333)	**(333)**
Total comprehensive income for the year	-	-	-	-	(333)	(6,338)	(6,671)	**(6,671)**
Share based payments	-	-	-	-	-	169	169	**169**
Issue of shares	13	-	-	-	-	-	13	**13**
Total transactions with owners, recognised directly in equity	**13**	**-**	**-**	**-**	**-**	**169**	**182**	**182**
Transfer following disposal of subsidiary	-		(994)	-	-	994	-	**-**
Balance at 30 September 2024	**1,373**	**72,202**	**744**	**(12,685)**	**(441)**	**(33,029)**	**28,164**	**28,164**
Loss for the year	-	-	-	-	-	(3,906)	(3,906)	**(3,906)**
Exchange difference on translation of overseas subsidiary	-	-	-	-	(23)	-	(23)	**(23)**
Total comprehensive (loss) for the year	-	-	-	-	(23)	(3,906)	(3,929)	**(3,929)**
Share based payments	-	-	-	-	-	190	190	**190**
Issue of shares, net of transaction costs	16	-	-	-	-	-	16	**16**
Total transactions with owners, recognised directly in equity	16	-	-	-	-	190	206	**206**
Balance at 30 September 2025	**1,389**	**72,202**	**744**	**(12,685)**	**(464)**	**(36,745)**	**24,441**	**24,441**

Consolidated cash flow statement

for the year ended 30 September 2025

	Year ended 30 Sep 2025	Year ended 30 Sep 2024
	£000	£000
Cash flows from operating activities		
Loss before taxation	(4,176)	(5,856)
Adjustments for:		
Depreciation	1,531	1,365
Amortisation of intangible assets	259	483
(Gain)/loss on disposal of fixed assets	(66)	41
Share based payments charge	163	193
Loss on disposal of discontinued operations	-	1,316
Impairment of goodwill	-	1,546
Unrealised foreign losses/(gains)	314	(276)
Finance costs	679	727
Finance income	(26)	(19)
	(1,322)	(480)
Changes in working capital:		
Decrease in inventories	598	82
Decrease / (Increase) in trade and other receivables	4,214	(2,533)
(Decrease) / increase in trade and other payables	(516)	790
(Decrease) / Increase in provisions	(3,960)	5,439
Net cash (outflow) / inflow from operating activities	(986)	3,298
Cash flows from investing activities		
Purchase of property, plant and equipment	(664)	(1,697)
Purchase of intangible assets	(80)	(235)
Proceeds on sale of property, plant and equipment	66	71
Proceeds/(outflows) from deferred consideration on sale of subsidiary	1,741	(112)
Interest received	26	19
Net cash inflow / (outflow) from investing activities	1,089	(1,954)
Cash flows from financing activities		
Facility drawdown	11,930	11,413
Facility repayment	(12,296)	(11,805)
Repayment of borrowings under lease obligations	(434)	(436)
Shares issued	16	13
Interest paid	(513)	(795)
Net cash (outflow) from financing activities	(1,297)	(1,610)

	Year ended 30 Sep 2025	Year ended 30 Sep 2024
	£000	£000
Net decrease in cash and cash equivalents	(1,194)	(266)
Cash and cash equivalents at beginning of year	4,630	5,219
Effect of foreign exchange rate changes	(26)	(322)
Cash and cash equivalents at end of year	3,410	4,630

Notes to the Group Financial Statements

for the year ended 30 September 2025

1. GENERAL INFORMATION

Tekmar Group plc (the "Company") is a public limited company incorporated and domiciled in England and Wales. The registered office of the Company is Grindon Way, Aycliffe Business Park, Newton Aycliffe, DL5 6SH. The registered company number is 11383143.

The principal activity of the Company and its subsidiaries (together the "Group") is that of design, manufacture and supply of subsea stability and protection technology, including associated subsea engineering services, operating across the global offshore energy markets, predominantly Offshore Wind.

Forward looking statements

Certain statements in this Annual report are forward looking. The terms "expect", "anticipate", "should be", "will be" and similar expressions identify forward-looking statements. Although the Board of Directors believes that the expectations reflected in these forward-looking statements are reasonable, such statements are subject to a number of risks and uncertainties and events could differ materially from those expressed or implied by these forward-looking statements.

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

The Group's principal accounting policies have been applied consistently to all of the years presented, with the exception of the new standards applied for the first time as set out in paragraph (c) below where applicable.

(a) Basis of preparation

The results for the year ended 30 September 2025 have been prepared in accordance with UK-adopted International Accounting Standards ("IFRS"). The financial statements have been prepared on the going concern basis and on the historical cost convention modified for the revaluation of Investment property and Freehold property, and certain financial instruments. The comparative period represents 12 months to 30 September 2024.

Tekmar Group plc ("the Company") has adopted all IFRS in issue and effective for the year.

(b) Going concern

The Directors have prepared cash flow forecasts to 31 March 2027. The base case forecasts include assumptions for annual revenue growth supported by current order book, known tender pipeline and by publicly available market predictions for the sectors and geographies where the Group trades. The forecasts assume lower gross margins than historically achieved and retention of the cost base of the business with increases in salaries. The forecasts include the proceeds from the sale of the asset held for resale, formerly classified as an Investment Property. which completed on 27 February 2026.

These forecasts show that the Group is expected to have a sufficient level of financial resources available to continue to operate throughout the forecast period without recourse to the utilisation of the Trade Loan.

The Group held £3.4m of cash at 30 September 2025 and had drawn down £2.8m of the trade loan facility, in addition the Group had a CBILS Loan of £3.0m which has been repaid in full post year end. In October 2025, the Group borrowed £2.0m through a GGS loan which is subject to quarterly repayments of £0.17m over a term of 3 years.

On 27 February 2026, the Group completed the sale of the property for a net cash consideration of £2.8m.

The Group meets its day-to-day working capital requirements through its operational cash balances and available banking facilities which includes a trade loan facility of up to £4.0m that can be drawn against supplier payments. The Trade Loan is backed by UKEF due to the nature of the business activities both in renewable energies and in driving growth through export led opportunities. The Trade Loan is an uncommitted facility, has an annual renewal and the Directors expect it to be renewed based on past experience, post year end refinancing, sale of the property, improved trading performance and the support of UKEF.

There are no financial covenants that the Group must adhere to in either of the bank facilities though following the receipt of monies from the property sale £0.8m is to be retained in a restricted account.

Within the base case and sensitised models management have modelled the outflow of cash of £2.0m in relation to note 20 Provisions within the going concern period. Management have not modelled anything in relation to the matter set out in note 20 Contingent Liabilities, as management have assessed there to be no present obligation.

The Directors have sensitised their base case forecasts for a severe but plausible downside impact. This sensitivity includes reducing revenue by 16% (£10.2m equivalent) for the 18-month period to 31 March 2027, to model the potential loss or delay of a certain level of contracts in the pipeline that form the base case forecast. The base case and sensitised forecast also include discretionary spend on capital outlay. The Directors note there is further discretionary spend within their control which could be cut, if necessary, although this has not been modelled in the sensitised case given the headroom already available.

The sensitivities modelled give the Directors comfort in adopting the going concern basis of preparation for these financial statements.

In a further additional severe but plausible scenario, reducing revenue by 16% (£10.2m equivalent) for the 18-month period to 31 March 2027 and assuming no availability of the Trade Loan would result in a 'near miss' at March 2027, when £1.5m of mitigations are modelled, and the £0.8m fund remains restricted throughout the going concern period. The Directors consider this scenario to be overly severe and extremely unlikely given the expectation of the renewal of the trade loan facility and the secured orderbook.

The Directors have undertaken a "Reverse Stress Test". This reduces the revenue over the forecast period from the sensitised case by a further 15%. The Directors believe the assumptions to be implausible based on current trading and orderbook.

The Directors have undertaken a "Reverse Stress Test". This reduces the revenue over the forecast period from the sensitised case by a further 15%. The Directors believe the assumptions to be implausible based on current trading and orderbook.

The Directors are satisfied that the cash flow forecasts show that the Group is expected to have a sufficient level of financial resources available through current facilities to continue in operational existence and meet its liabilities as they fall due for at least the next 12 months from the date of approval of the financial statements and for this reason they continue to adopt the going concern basis in preparing the financial statements.

(c) New standards, amendments and interpretations

The new standards, amendments or interpretations issued in the year, with which the Group has to comply with, have not had a significant effect impact on the Group. There are no standards endorsed but not yet effective that will have a significant impact going forward.

(d) Basis of consolidation

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group and are deconsolidated from the date control ceases. Inter-company transactions, balances and unrealised gains and losses on transactions between Group companies are eliminated.

(e) Revenue

Revenue in the asset protection technology division arises from the supply of subsea protection solutions and associated equipment, principally through fixed fee contracts. Offshore energy services division revenue is from supply of equipment and services, either through fixed fee contracts or contracts based on time duration. There are also technical consultancy engineering services delivered within asset protection technology division.

To determine how to recognise revenue in line with IFRS 15, the Group follows a 5-step process as follows:

1. Identifying the contract with a customer

2. Identifying the performance obligations

3. Determining the transaction price

4. Allocating the transaction price to the performance obligations

5. Recognising revenue when / as performance obligation(s) are satisfied

Revenue is measured at transaction price, stated net of VAT and other sales related taxes.

Revenue is recognised either at a point in time, or over-time as the Group satisfies performance obligations by transferring the promised services to its customers as described below.

i) Fixed-fee contracted supply of subsea protection solutions

For the majority of revenue transactions, the Group enters individual contracts for the supply of subsea protection solutions, generally for a specific project in a particular geographic location. Each contract generally has one performance obligation, to supply subsea protection solutions. When the contracts meet one or more of the criteria within step 5, including the right to payment for the work completed, including profit should the customer terminate, then revenue is recognised over time. If the criteria for recognising revenue over time is not met, revenue is recognised at a point in time, normally on the transfer of ownership of the goods to the customer.

For contracts where revenue is recognised over time, an assessment is made as to the most accurate method to estimate stage of completion. This assessment is performed on a contract-by-contract basis to ensure that revenue most accurately represents the efforts incurred on a project. For the majority of contracts this is on an inputs basis (costs incurred as a % of total forecast costs).

There are also contracts which include the manufacture of a number of separately identifiable products. In such circumstances, as the deliverables are distinct, each deliverable is deemed to meet the definition of a performance obligation in its own right and do not meet the definition under IFRS of a series of distinct goods or services given how substantially different each item is. Revenue for each item is stipulated in the contract and revenue is recognised over time as one or more of the criteria for over time recognition within IFRS 15 are met. Generally, for these items, an output method of estimating stage of completion is used as this gives the most accurate estimate of stage of completion. On certain contracts variation orders are received as the scope of contract changes, these variation orders are considered on a case by case basis to determine whether they form a separate performance obligation in their own right or an addition to the original performance obligation. The same revenue recognition criteria discuss above is then applied to the variation order.

In all cases, any advance billings are deferred and recognised as the service is delivered.

ii) Manufacture and distribution of ancillary products, equipment.

The Group also receives a proportion of its revenue streams through the sale of ancillary products and equipment. These individual sales are formed of individual purchase orders for which goods are ordered or made using inventory items. These items are recognised on a point in time basis, being the delivery of the goods to the end customer.

iii) Provision of consultancy services

The entities within the offshore energy division also provide consultancy-based services whereby engineering support is provided to customers. These contracts meet one or more of the criteria within step 5, including the right to payment for the work completed, including profit should the customer terminate. Revenue is recognised over time on these contracts using the inputs method.

Tekmar Group plc applies the IFRS 15 practical expedient in respects of determining the financing component of contract consideration: An entity need not adjust the promised amount of consideration for the effects of a significant financing component if the entity expects, at contract inception, that the period between when the entity transfers a promised good or service to a customer and when the customer pays for that good or service will be one year or less.

Accounting for revenue is considered to be a key accounting judgement which is further explained in note 3.

(f) EBITDA and Adjusted EBITDA

Earnings before Interest, Taxation, Depreciation and Amortisation ("EBITDA") and Adjusted EBITDA are non-GAAP measures used by management to assess the operating performance of the Group. EBITDA is defined as profit before net finance costs, tax, depreciation and amortisation. Material items of a one-off nature or of such significance they are considered relevant to the user of the financial statements and share based payment charge in relation to one-off awards are excluded.

The Directors primarily use the Adjusted EBITDA measure when making decisions about the Group's activities. As these are non-GAAP measures, EBITDA and Adjusted EBITDA measures used by other entities may not be calculated in the same way and hence are not directly comparable.

(g) Foreign currency

Transactions in foreign currencies are translated into the Group's presentational currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the foreign exchange rate ruling at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Foreign exchange differences arising on translation are recognised in the Statement of Other Comprehensive Income.

(h) Classification of instruments issued by the Group

Instruments issued by the Group are treated as equity (i.e. forming part of shareholders' funds) only to the extent that they meet the following two conditions:

• they include no contractual obligations upon the Group to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Group; and

• where the instrument will or may be settled in the Company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Company's own equity instruments or is a derivative that will be settled by the Company exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the items are classified as a financial liability. Where the instrument so classified takes the legal form of the Company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

Finance payments associated with financial liabilities are dealt with as part of finance expenses. Finance payments associated with financial instruments that are classified in equity are dividends and are recorded directly in equity.

(i) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any recognised impairment loss with the exception of Freehold Property

Properties whose fair value can be measured reliably are held under the revaluation model and are carried at a revalued amount, being fair value at the date of valuation less any subsequent accumulated depreciation and subsequent impairment losses. The fair value of land and building is considered to be their market value.

Revaluation gains and losses are recognised in other comprehensive income and accumulated in equity, except to the extent that a revaluation gain reverses a revaluation loss previously recognised in profit or loss, or a revaluation loss exceeds the accumulated revaluation gains recognised in equity; such gains and losses are recognised in profit or loss.

Leased property is accounted for as a "right-of-use" asset under IFRS 16 Leases. The initial value of a right-of-use asset is determined by the value of the lease liability.

Depreciation

Depreciation is charged to profit or loss over the estimated useful lives of each part of an item of property, plant and equipment. Depreciation is provided on the following basis:

Freehold property	50 years straight line
Leasehold improvements	Over the life of the lease
Plant and equipment	3 years straight line or 6 years reducing balance or 15–25% straight line
Fixtures & fittings	4 years straight line
Motor vehicles	4 years reducing balance or straight line
Computer equipment	4 years straight line
IFRS16 ROU Assets	In line with lease term

It has been assumed that all assets will be used until the end of their economic life.

(j) Investment property

Investment property is property held to earn rentals and is accounted for using the fair value model.

Investment property is revalued annually with resulting gains and losses recognised in Statement of Comprehensive Income. This is included in the consolidated statement of financial position and their fair values. See note 13.

Asset held for resale

The investment property is classified as an asset held for resale.

(k) Intangible assets

Goodwill

All business combinations are accounted for by applying the purchase method. Goodwill represents the difference between the cost of the acquisition and the fair value of the net identifiable assets acquired. Identifiable intangibles are those which can be sold separately, or which arise from legal or contractual rights regardless of whether those rights are separable and are initially recognised at fair value.

Goodwill is stated at cost less any accumulated impairment losses. In cases where the fair value of the net identifiable assets exceeds the cost of acquisition, negative goodwill arises which is recorded immediately in the income statement. Goodwill is allocated to cash-generating units and is not amortised but is tested annually for impairment.

Other intangible assets

Other identified intangible assets include customer relationships and brands. These are amortised on a straight-line basis over the useful economic lives, which are estimated to be 3 and 10 years respectively.

Research and Product Development costs

Research costs are charged to the income statement in the year in which they are incurred and are presented within operating expenses. Internal development costs that are incurred during the development of significant and separately identifiable new technology are capitalised when the following criteria are met:

- It is technically feasible to complete the technological development so that it will be available for use;
- Management intends to complete the technological development and use or sell it;
- It can be demonstrated how the technological development will develop probable future economic benefits;
- Adequate technical, financial, and other resources to complete the development and to use or sell the product are available; and
- Expenditure attributable to the technological product during its development can be reliably measured.

Capitalised development costs include costs of materials and direct labour costs. Internal costs that are capitalised are limited to incremental costs specific to the project.

Other development expenditures that do not meet these criteria are recognised as an expense as incurred and presented within operating expenses, together with any amortisation which is charged to the income statement on a straight-line basis over the estimated useful lives of product development intangible assets of 2-5 years.

Computer software

Computer software purchased separately, that does not form an integral part of related hardware, is capitalised at cost.

Amortisation is charged to Statement of Comprehensive Income on a straight-line basis over the estimated useful lives and is presented within operating expenses. The useful life of computer software is 3 years.

(l) Impairment

Goodwill is not amortised but is reviewed for impairment at least annually, or when there is an indication of impairment. Intangible assets which are not yet available for use are tested for impairment annually. For other assets, the recoverable amount is only estimated when there is an indication that an impairment may have occurred. The recoverable amount is the higher of fair value less costs to sell and value in use.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in profit or loss.

Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit and then to reduce the carrying amount of the other assets in the unit on a pro rata basis. A cash generating unit is the smallest identifiable Group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or Groups of assets.

(m) Inventories

Inventories are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is calculated on a first in first out basis and includes the cost of acquiring raw materials. Provision is made for any foreseeable losses where appropriate.

(n) Defined contribution plans

Obligations for contributions to defined contribution pension plans are recognised as an expense in profit or loss as incurred.

(o) Provisions and contingent liabilities

A provision is recognised in the balance sheet when the Group has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. A contingent liability is a disclosure in the notes to the financial statements only.

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to restore the underlying asset, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liabilities.

The lease liability is initially measured at the present value of lease payments that were not paid at the commencement date, discounted using the Group's incremental borrowing rate.

The lease liability is measured at amortised cost using the effective interest method. If there is a remeasurement of the lease liability, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded directly in profit or loss if the carrying amount of the right of use asset is zero.

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of less than 12 months or leases of low value assets. These lease payments are expensed on a straight-line basis over the lease term.

(p) Net financing costs

Net financing costs comprise interest payable and interest receivable on funds invested. Interest income and interest payable are recognised in profit or loss as they accrue using the effective interest method.

(r) Taxation

Tax on the profit or loss for the period comprises current and deferred tax. Tax is recognised in profit or loss except to the extent that it relates to items recognised in other comprehensive income or directly in equity, in which case it is recognised in other comprehensive income or in equity, respectively.

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

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes, except to the extent that it arises on:

- the initial recognition of goodwill;
- the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination;
- differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future.

The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised.

(s) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits.

Financial assets

Non-derivative financial assets are classified as either financial assets at amortised cost, fair value through profit or loss and fair value through other comprehensive income. The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred. The basis of classification depends on the Group's business model and the contractual cash flow characteristics of the financial asset. All financial assets of the Group are held at amortised cost, which the exception of derivative financial instruments which are held at FVTPL.

Financial assets include trade and other receivables and cash and cash equivalents. Trade and other receivables are amounts due from customers for services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade and other receivables are initially recorded at transaction price and thereafter are measured at amortised cost using the effective interest rate. A loss allowance for expected credit losses on trade and other receivables and contract assets is measured at an amount equal to the lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that will result from all possible default events over the expected life of a financial instrument. This assessment is performed on a collective basis considering forward-looking information. The Group considers a financial asset to be in default when the receivable is unlikely to pay its credit obligations to the Group in full without recourse by the Group to actions such as realising security (if any is held).

Financial liabilities

Non-derivative financial liabilities are initially recognised at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these liabilities are measured at amortised cost using the effective interest method. The Group's borrowings, finance leases, trade and most other payables fall into this category of financial instruments.

The Group derecognises a financial liability when its contractual obligations are discharged, cancelled, or expire.

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost with any difference between cost and redemption value being recognised in profit or loss over the year of the borrowings on an effective interest basis.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers and are initially recorded at fair value and thereafter at amortised cost using the effective interest rate method.

Financial derivatives

The Group uses derivative financial instruments to hedge its exposure to risks arising from operational activities, principally foreign exchange risk. In accordance with treasury policy, the Group does not hold or issue derivative financial instruments for trading purposes. The Group does not hedge account for these items. Any gain or loss arising from derivative financial instruments is based on changes in fair value, which is determined by direct reference to active market transactions or using a valuation technique where no active market exists. At certain times the Group has foreign currency forward contracts that fall into this category. Movement in fair value is recognised in profit and loss.

(u) Contract assets

Contract assets represent the gross unbilled amount for contract work performed to date, calculated by way of units assembled using either the input or output method – refer policy (e). They are presented as part of "trade and other receivables" in the balance sheet. If payments received from customers exceed the income recognised, then the difference is presented as "accruals and contract liabilities" in the balance sheet.

(v) Segmental reporting

The Group reports its business activities across Asset Protection Technology and Offshore Energy Services and this is reported in a manner consistent with the internal reporting to the Board of Directors, which has been identified as the chief operating decision maker. The Board of Directors consists of the Executive Directors and the Non-Executive Directors.

(w) Share capital

Share capital represents the nominal value of shares that have been issued.

(x) Share premium

Share premium includes any premiums received on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium, net of any related income tax benefits.

(y) Merger reserve and Merger relief reserve

The merger reserve and the merger relief reserve were created as a result of the share for share exchange under which Tekmar Group plc became the parent undertaking prior to the IPO. Under merger accounting principles, the assets and liabilities of the subsidiaries were consolidated at book value in the Group financial statements and the consolidated reserves of the Group were adjusted to reflect the statutory share capital, share premium and other reserves of the Company as if it had always existed, with the difference presented as the merger reserve.

The Merger relief reserve was created on acquisition of Pipeshield International Limited as a result of part of the consideration being settle in equity of the plc.

(z) Translation reserve

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated at exchange rates prevailing on the statement of financial position date. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the date of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity. On consolidation, the results of overseas operations are translated into pounds sterling at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the statement of financial position date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised directly in other comprehensive income and are credited/(debited) to the translation reserve.

(aa) Own shares held by ESOP trust

Transactions of the Group-sponsored ESOP trust are treated as being those of the Group and are therefore reflected in the financial statements. In particular, the trust's purchases and sales of shares in the Group are debited and credited to equity.

(ab) Retained losses

Retained earnings includes all current and prior year retained profits and losses.

(ac) Share based payments

The Group operates equity-settled share-based remuneration plans for certain employees. None of the Group's plans are cash-settled. All goods and services received in exchange for the grant of any share-based payment are measured at their fair values.

Where employees are rewarded using share-based payments, the fair value of employees' services is determined indirectly by reference to the fair value of the equity instruments granted. This fair value is appraised at the grant date and excludes the impact of non-market vesting conditions.

All share-based remuneration is ultimately recognised as an expense in profit or loss with a corresponding credit to retained earnings. If vesting years or other vesting conditions apply, the expense is allocated over the vesting year, based on the best available estimate of the number of share options expected to vest.

The preparation of the Group financial statements under IFRS requires the Directors to make estimates and assumptions that affect the reported amounts of assets and liabilities. Estimates and judgements are continually evaluated and are based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

The Directors consider that the following estimates and judgements are likely to have the most significant effect on the amounts recognised in the Group financial statements.

3. CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATES

(a) Critical judgements in applying the entity's accounting policies

Revenue recognition

Judgement is applied in determining the most appropriate method to apply in respect of recognising revenue over-time as the service is performed using either the input or output method. Further details on how the policy is applied can be found in note 2(e).

(b) Critical accounting estimates

Revenue recognition – stage of completion when recognising revenue overtime

Revenue on contracts is recognised based on the stage of completion of a project, which, when using the input method, is measured as a proportion of costs incurred out of total forecast costs. Forecast costs to complete each project are therefore a key estimate in the financial statements and can be inherently uncertain due to changes in market conditions. For the partially complete projects within the Asset Protection Technology segment, within the PU Business at year end if the percentage completion was 1% different to management's estimate the revenue impact would be £138,460 and within the Concrete Business there were a number of projects in progress over the year end and a 1% movement in the estimate of completion would impact revenue by £31,200. However, the likelihood of errors in estimation is small, as the businesses have a history of reliable estimation of costs to complete and given the nature of production, costs to complete estimate are relatively simple.

Recoverability of contract assets and receivables

Management judges the recoverability at the balance sheet date and makes a provision for impairment where appropriate. The resultant provision for impairment represents management's best estimate of losses incurred in the portfolio at the balance sheet date, assessed on the customer risk scoring and commercial discussions. Further, management estimate the recoverability of any accrued income balances relating to customer contracts. This estimate includes an assessment of the probability of receipt, exposure to credit loss and the value of any potential recovery. Management base this estimate using the most recent and reliable information that can be reasonably obtained at any point of review. The Group have recognised a credit loss provision in relation to a specific historic aged trade receivable (See note 16)

Impairment of non-current assets

Management conducts annual impairment reviews of the Group's non-current assets on the consolidated statement of financial position. This includes goodwill annually, development costs where IAS 36 requires it, and other assets as the appropriate standards prescribe. Any impairment review is conducted using the Group's future growth targets regarding its key products and services of PU, Concrete, Engineering Services and Offshore Energy Services. Sensitivities are applied to the growth assumptions to consider any potential long-term impact of current economic conditions. Provision is made where the recoverable amount is less than the current carrying value of the asset. Further details as to the estimation uncertainty and the key assumptions are set out in note 11.

Provision for warranty costs

In accordance with IAS 37, the company recognises a provision when it has a present obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The estimation and calculation of the value of provisions involves significant judgement, particularly in determining the likelihood, cost and timing of warranty related issues.

4. REVENUE AND SEGMENTAL REPORTING

Management has determined the operating segments based upon the information provided to the Board of Directors which is considered the chief operation decision maker. The Group is managed and reports internally by business division and market for the year ended 30 September 2025.

Major customers

In the year ended 30 September 2025 there were four major customers within the Group that individually accounted for at least 10% of total revenues (2024: two customers). The revenues relating to these in the year to 30 September 2025 were £14,418,000 (2024: £11,085,000). Included within this is revenue from multiple projects with different entities within the Group.

Analysis of revenue by region	Year ended 30 Sep 2025	Year ended 30 Sep 2024
	£000	£000
UK	7,798	5,836
Europe	6,900	954
USA & Canada	3,708	555
Asia Pacific	1,559	9,833
Middle East	8,592	14,986
Rest of World	190	644
	28,747	32,808

Analysis of revenue by product category	Year ended 30 Sep 2025	Year ended 30 Sep 2024
	£000	£000
Asset Protection Technology	26,524	31,289
Offshore Energy Services	2,223	1,519
	28,747	32,808

Analysis of revenue by recognition point	Year ended 30 Sep 2025	Year ended 30 Sep 2024
	£000	£000
Point in Time	2,859	1,889
Over Time	25,888	30,919
	28,747	32,808

At 30 September 2025, the Group had contracts with values of £17,241,000 (2024: £15,471,000) allocated to performance obligations on contracts which has not been fully satisfied at the end of the reporting period. The amount of revenue recognised in the reporting year to 30 September 25 which was previously recorded in contract liabilities was £670,000 (2024: £2,790,000).

Adjusted EBITDA is measured by division and the Board reviews this on the following basis.

Due to changes in senior management, and the development of new products the Chief Decision Maker has changed operating segments in this financial year to Asset Protection Technology and Offshore Energy Services. Comparatives have been restated

	Asset Protection Technology 2025	Offshore Energy Services 2025	Group/ Eliminations	Total 2025
	£000	£000	£000	£000
Revenue	**26,524**	**2,223**	**-**	**28,747**
Cost of sales	(17,227)	(1,679)	-	(18,906)
Gross profit	9,297	544	-	9,841
% Gross profit	35.1%	24.5%	-	34.2%
Administrative expenses	(9,331)	(500)	(3,282)	(13,113)
Warranty provision	-	-	-	-
Expected credit loss	(510)	-	-	(510)
Other operating income	97	-	162	259
Operating profit / (loss) from continuing operations	(447)	44	(3,120)	(3,523)
Analysed as:				
Adjusted EBITDA	**1,781**	**305**	**(2,025)**	**61**
Depreciation	(1,255)	(258)	(18)	(1,531)
Amortisation	(207)	-	(51)	(258)
Exceptional share based payment charges	(25)	-	(141)	(166)
Exceptional IT costs	-	-	(53)	(53)
Warranty costs	(218)	-	-	(218)
China debt recovery	(510)	-	-	(510)
Restructuring costs	(13)	(3)	(832)	(848)
Operating profit / (loss) from continuing operations	(447)	44	(3,120)	(3,523)
Finance costs	(247)	-	(432)	(679)
Finance income	26	-	-	26
Tax	(39)	-	309	270
(Loss) / profit after tax from continuing operations	(707)	44	(3,243)	(3,906)
	£000	£000	£000	£000
Other information				
Reportable segment assets	21,455	1,598	19,032	42,085
Reportable segment liabilities	10,742	112	6,790	17,644

4. REVENUE AND SEGMENTAL REPORTING (continued)

The goodwill and other intangible assets allocated to Group for the purposes of internal reporting are £15,805,000 for Asset Protection Technology and £nil for Offshore Energy Services.

	Asset Protection Technology 2024 (restated)	Offshore Energy Services 2024 (restated)	Group/ Eliminations (restated)	Total 2024 (restated)
	£000	£000	£000	£000
Revenue	**31,289**	**1,519**	**-**	**32,808**
Cost of sales	(20,596)	(1,695)	-	(22,291)
Gross profit	**10,693**	**(176)**	**-**	**(10,517)**
% Gross profit	34.2%	(11.6%)	-	32.1%
Administrative expenses	(9,778)	(261)	(3,156)	(13,195)
Warranty provision	(656)	-	-	(656)
Expected credit loss	(520)	-	-	(520)
Other operating income	10	-	12	22
Operating profit / (loss) from continuing operations	(251)	(437)	(3,144)	(3,832)
Analysed as:				
Adjusted EBITDA	4,605	(321)	(2,570)	1,714
Depreciation	(1,149)	(116)	(12)	(1,277)
Amortisation	(268)	-	(98)	(366)
Exceptional share based payment charges	(52)	-	(108)	(160)
Impairment of goodwill	(1,545)	-	-	(1,545)
Exceptional IT costs	(46)	-	(123)	(169)
Warranty costs	(656)	-	-	(656)
China debt recovery	(520)	-	-	(520)
Foreign exchange losses	(620)	-	(3)	(623)
Restructuring costs	-	-	(230)	(230)
Operating profit / (loss) from continuing operations	(251)	(437)	(3,144)	(3,832)
Finance costs	(80)	-	(647)	(727)
Finance income	19	-	-	19
Tax	(830)	-	273	(557)
(Loss) / profit from continuing operations	(1,142)	(437)	(3,518)	(5,097)

	Asset Protection Technology 2024 (restated)	Offshore Energy Services 2024 (restated)	Group/ Eliminations (restated)	Total 2024 (restated)
	£000	£000	£000	£000
Other information				
Reportable segment assets	27,097	1,427	22,384	50,908
Reportable segment liabilities	15,324	171	7,249	22,744

5. EMPLOYEES AND DIRECTORS

(a) Staff numbers and costs

The average number of persons employed by the Group (including directors) during the period, analysed by category, was as follows:

	2025	2024
	No	No
Directors	6	7
Sales	6	6
Administration	51	48
Technical	36	31
Direct labour	37	41
	136	133

Staff costs for the Group during the period were:

	Year ended 30 Sep 2025	Year ended 30 Sep 2024
	£000	£000
Wages and salaries	7,381	6,654
Social security costs	865	760
Defined contribution pension cost	430	365
Share based payments (note 25)	166	191
	8,842	7,970

5. EMPLOYEES AND DIRECTORS (continued)

(b) Key management compensation

Key management of the Group is considered to be the Board of Directors. Remuneration paid to the Directors is as follows:

	Year ended 30 Sep 2025	Year ended 30 Sep 2024
	£000	£000
Short term benefits:		
Salaries including bonuses	1,357	839
Social security costs	166	102
Total short-term benefits	1,523	941
Post-employment benefits:		
Defined contribution pension plan	25	42
Total remuneration	1,548	983

Share options were awarded in the year, see note 25 for details of share option plans.

Highest paid director

The aggregate remuneration of the highest paid Director was £527,000 (2024: £349,000) , which includes pension contributions of £11,000 (2024: £nil), and accrued bonus costs of £140,000 (2024: £nil). The number of Directors accruing pension benefits under a defined contribution plan was three (2024: four).

Directors remuneration:

Name of Director	Basic salary / fees £000	Share awards £000	Social security £000	Bonus £000	Company Pension contributions £000	**FY25 Total £000**	**FY24 Total £000**
R Turner	313	-	63	140	11	527	31
PN Lanigan	31	-	4	-	2	37	-
S Lockard	61	-	2	-	-	63	53
D Wilkinson	56	-	7	-	-	63	97
C Welsh	40	-	5	-	-	45	44
D Kemp	45	-	5	-	-	50	7
LB Krogsgaard	44	-	-	-	-	44	6
A MacDonald	80	249	41	-	-	370	349
L Wilkinson	157	139	39	20	12	367	219
J Brown	-	-	-	-	-	-	94
I Ritchie	-	-	-	-	-	-	83
	827	388	166	160	25	1,566	983

6. EXPENSES BY NATURE

	Year ended 30 Sep 2025	Year ended 30 Sep 2024
	£000	£000
Employee benefit expense	8,842	7,970
Amortisation	258	366
Depreciation – leased	417	494
Depreciation – owned	1,114	783
Inventory recognised as an expense	13,586	16,901
Foreign exchange losses (including movement on forward contracts)	20	623
Other expenses	7,782	6,803
Warranty provision	-	656
Expected credit loss	510	520
Impairment of Goodwill	-	1,546
Total cost of sales and administrative expenses	**32,529**	**36,662**

7. NET FINANCE COSTS

	Year ended 30 Sep 2025	Year ended 30 Sep 2024
	£000	£000
Interest payable and similar charges		
On other loans	545	727
Unwinding of discount	134	-
Total interest payable and similar charges	679	727
Interest receivable and similar income		
Interest receivable	26	19
Total interest receivable and similar income	26	19
Net finance costs	**653**	**708**

Interest expense on lease liabilities was £76,000 (2024: £78,000).

8. AUDITORS' REMUNERATION

During the year the Group obtained the following services from the Company's auditors at costs as detailed below:

	Year ended 30 Sep 2025	Year ended 30 Sep 2024
	£000	£000
Fees payable to Company's auditor for the audit of the parent company financial statements	174	159
Fees payable to Company's auditor for other services:		
– The audit of Company's subsidiaries	100	100
– Other non-audit services	8	8
	282	**267**

9. TAXATION

Analysis of credit in year	Year ended 30 Sep 2025 £'000	Year ended 30 Sep 2024 £'000
Current tax		
Current taxation charge for the year	45	305
Adjustments in respect of prior periods	(29)	313
Total current tax	**16**	**618**
Deferred tax		
Origination and reversal of timing differences	(286)	(61)
Adjustments in respect of prior periods	-	-
Total deferred tax	**(286)**	**(61)**
Tax on (loss) on ordinary activities	**(270)**	**557**
Reconciliation of total tax charge:		
(Loss) on ordinary activities before tax	(4,176)	(4,540)
(Loss) on ordinary activities multiplied by the rate of corporation tax in the UK of 25% (2024: 25%)	**(1,044)**	**(1,217)**
Effects of:		
Fixed asset timing differences	(177)	(120)
Non-deductible expenses	185	534
Non-taxable income	(41)	(3)
Difference in tax rates for overseas subsidiaries	11	-
Adjustments in relation to prior periods	(29)	313
Impact of unrecognised deferred tax assets	825	1,050
Total taxation charge	**(270)**	**557**

Factors that may affect future tax charges

Following the Governments announcement in October 2022 to increase the corporation tax rate to 25% from 19% with effect from April 2023, deferred tax has been calculated at a rate of 25%. Our expectation is that the Group will utilise its losses in future accounting periods at the higher rate. See note 21 Deferred Tax.

10. EARNINGS PER SHARE

Basic earnings per share are calculated by dividing the earnings attributable to equity shareholders by the weighted average number of ordinary shares in issue. Diluted earnings per share are calculated by including the impact of all conditional share awards.

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

	30 Sep 2025 Continuing operations	30 Sep 2024 Continuing operations	30 Sep 2024 Discontinued operations
Earnings (£000)			
Earnings for the purposes of basic and diluted earnings Per share being profit/(loss) for the year attributable to equity shareholders	(3,906)	(5,097)	(1,316)
Number of shares			
Weighted average number of shares for the purposes of basic earnings per share	138,137,753	136,387,508	136,387,508
Weighted average dilutive effect of conditional share awards	5,930,403	8,199,289	8,199,289
Weighted average number of shares for the purposes of diluted earnings per share	144,068,156	144,586,797	144,586,797
Profit per ordinary share (pence)			
Basic profit per ordinary share	(2.83)	(3.74)	(0.96)
Diluted profit per ordinary share	(2.83)	(3.74)	(0.96)
Adjusted loss per ordinary share (pence)*	**(1.55)**	**(1.04)**	**(0.96)**

The calculation of adjusted earnings per share is based on the following data:

	30 Sep 2025 Continuing operations	30 Sep 2024 Continuing operations	30 Sep 2024 Discontinued operations
	£000	£000	£000
(Loss) for the period attributable to equity shareholders	(3,906)	(5,097)	(1,316)
Add back:			
Impairment of goodwill	-	1,545	-
Amortisation on acquired intangible assets	55	98	-
Exceptional share based payment	166	160	-
Exceptional staff costs (restructuring)	848	230	-
Exceptional IT costs	53	169	-
Warranty costs	218	656	-
China debt recovery	510	520	-
Tax effect on above	(87)	351	-
Adjusted earnings	**(2,143)**	**(1,367)**	**(1,316)**

*Adjusted earnings per share is calculated as profit for the period adjusted for amortisation as a result of business combinations, one off items, share based payments and the tax effect of these at the effective rate of corporation tax, divided by the closing number of shares in issue at the Balance Sheet date. This is the measure most commonly used by analysts in evaluating the business' performance and therefore the Directors have concluded this is a meaningful adjusted EPS measure to present.

11. GOODWILL AND OTHER INTANGIBLES

	Goodwill	Software	Product development	Trade name	Customer relationships	Total
	£000	£000	£000	£000	£000	£000
COST						
As at 1 October 2023	**26,292**	**294**	**3,814**	**1,289**	**1,870**	**33,559**
Additions	150	-	85	-	-	235
Disposals	-	(272)	(845)	-	-	(1,117)
Discontinued operations	(234)	-	(880)	(738)	(445)	(2,297)
As at 30 September 2024	**26,208**	**22**	**2,174**	**551**	**1,425**	**30,380**
Additions	-	-	80	-	-	80
As at 30 September 2025	**26,208**	**22**	**2,254**	**551**	**1,425**	**30,460**
AMORTISATION AND IMPAIRMENT						
As at 1 October 2023	**8,854**	**294**	**2,590**	**584**	**1,870**	**14,192**
Amortisation charge for the year	-	-	385	98	-	483
Eliminated on disposal	-	(272)	(844)	-	-	(1,116)
Impairment charge	1,546	-	-	-	-	1,546
Discontinued operations	-	-	(576)	(412)	(445)	(1,433)
As at 30 September 2024	**10,400**	**22**	**1,555**	**270**	**1,425**	**13,672**
Amortisation charge for the year	-	-	204	55	-	259
As at 30 September 2025	**10,400**	**22**	**1,759**	**325**	**1,425**	**13,931**
NET BOOK VALUE						
As at 30 September 2023	**17,438**	**-**	**1,224**	**705**	**-**	**19,367**
As at 30 September 2024	**15,808**	**-**	**619**	**281**	**-**	**16,708**
As at 30 September 2025	**15,808**	**-**	**495**	**226**	**-**	**16,529**

The remaining amortisation periods for software and product development are 6 months to 48 months (2024: 6 months to 48 months).

11. GOODWILL AND OTHER INTANGIBLES (continued)

Goodwill has been tested for impairment. The method, key assumptions and results of the impairment review are detailed below:

Goodwill is attributed to the CGU being the division in which the goodwill has arisen. The CGUs within the Group have been reviewed. The Group has 4 CGUs and the goodwill related to each CGU as disclosed below.

Goodwill	2025 £000	2024 (restated) £000
Asset Protection Technology:		
PU Products	13,068	13,068
Concrete Products	2,590	2,590
Engineering Services	150	150
Offshore Energy Services:		
Offshore Energy Services (incl Grouting)	-	-

Following the review of the business and launch of Project Aurora, the business was refocussed into Asset Protection Technology and Offshore Energy Services. Following this realignment of the business, the CGUs within the Group were reviewed.

Goodwill is now allocated to four CGUs being PU Products, Concrete Products, Engineering Services and Offshore Energy Services. Goodwill has been tested for impairment by assessing the value in use of the cash generating unit. The value in use has been calculated using budgeted cash flow projections for the next 5 years and into perpetuity. The forecasts have been compiled at individual CGU level with the first year and second year modelled around the known contracts which the entities have already secured or are in an advanced stage of securing. A targeted revenue stream based on historic revenue run rates has then been incorporated into the cashflows to model contracts that are as yet unidentified that are likely be won and completed in the year. The forecasts for years 2 to 5 are based on assumed compound annual growth rates (CAGR). The growth rates applied across years 2 to 5 were 7.5%%for the PU Products CGU, 5% for the Concrete Products CGU, 5% for the Engineering Services CGU and 5% for the Offshore Energy Services CGU. Gross margin assumptions applied range from the overall group margin for FY25 to a level in line with the margin reported for each operating segment. The value in use calculation models an increase in revenue, costs and EBITDA for both CGU's of 2% into perpetuity after year 5.

The cashflow forecasts assume growth in revenue across the Group. These growth rates are based on past experience, current forward orderbook and market conditions and discount rates are consistent with external information. The growth rates shown are the average applied to the cash flows of the individual cash generating units and do not form a basis for estimating the consolidated profits of the Group in the future.

In addition to growth in revenue and profitability, the key assumptions used in the impairment testing were as follows:

- A post tax discount rate of 14% WACC (FY24 14.3%) estimated using a weighted average cost of capital adjusted to reflect current market assessment of the time value of money and the risks specific to the Group
- Terminal growth rate percentage of 2% (FY24: 2%)

The value in use calculations performed for the impairment review were higher than the carrying value of the PU Products CGU. The value in use calculations have a range of assumptions, which if changed would lead to an impairment charge. To assess these changes management have run a model which sensitises the assumption on EBITDA generated in the PU Products CGU. In the base case model, management have assumed varying growth rates across the 5 year period, with an average CAGR across the period of 17.4%. If the CGU fell short of the revenue growth by 1% in each year and Gross Margin reduced by 1% in each period of the model the PU Products CGU value in use would reduce and an impairment charge of £4,535k would be required. The base case model assumes a post-tax discount rate of 14.0%.

The value in use calculations performed for the impairment review were higher than the carrying value of the Concrete Products CGU. The value in use calculations have a range of assumptions, which if changed would lead to an impairment charge. To assess these changes management have run a model which sensitises the assumption on EBITDA generated in the Concrete Products CGU. In the base case model, management have assumed varying growth rates across the 5 year period, with an average CAGR across the period of 10.1%. If the CGU fell short of the revenue growth by 1% in each year and Gross Margin reduced by 1% in each period of the model the Concrete Products CGU value in use would reduce and an impairment charge of £1,304k would be required. The base case model assumes a post-tax discount rate of 14.0%.

12. PROPERTY, PLANT AND EQUIPMENT

	Freehold property	Leasehold improvements	Plant and equipment	Fixtures and Fittings	Motor vehicles	Computer equipment	Right of use asset	Total
	£000	£000	£000	£000	£000	£000	£000	£000
COST								
As at 1 October 2023	**3,058**	**945**	**7,828**	**310**	**33**	**494**	**3,122**	**15,790**
Additions	-	225	1,294	133	-	46	274	1,972
Disposals	-	(18)	(1,121)	(6)	(12)	(348)	(1,541)	(3,046)
Forex on consolidation	-	-	(12)	-	-	-	-	(12)
Lease modification	-	-	-	-	-	-	201	201
Discontinued operations	-	-	(904)	-	(21)	-	(138)	(1,063)
Reclassify to Investment Property	(2,842)	-	-	-	-	-	-	(2,842)
As at 30 September 2024	**216**	**1,152**	**7,085**	**437**	**-**	**192**	**1,918**	**11,000**
Additions	-	-	466	111	17	70	165	829
Disposals	-	-	(332)	(56)	-	(10)	(61)	(459)
Forex on consolidation	-	-	(2)	-	-	-	-	(2)
As at 30 September 2025	**216**	**1,152**	**7,217**	**492**	**17**	**252**	**2,022**	**11,368**
DEPRECIATION								
As at 1 October 2023	**76**	**923**	**5,364**	**301**	**11**	**442**	**1,865**	**8,982**
Charge for the year	27	2	871	20	3	27	415	1,365
Eliminated on disposal	-	(18)	(1,031)	(6)	(12)	(344)	(1,542)	(2,952)
Revaluations	(71)	-	-	-	-	-	-	(71)
Forex on consolidation	-	-	(7)	-	-	-	-	(7)
Discontinued operations	(9)	-	(740)	-	(3)	-	(75)	(827)
As at 30 September 2024	**23**	**907**	**4,456**	**315**	**-**	**125**	**660**	**6,486**
Charge for the year	-	83	959	38	4	30	417	1,531
Eliminated on disposal	-	-	(332)	(56)	-	(10)	(61)	(459)
Forex on consolidation	-	-	(1)	-	-	-	-	(1)
As at 30 September 2025	**23**	**990**	**5,082**	**297**	**4**	**145**	**1,016**	**7,557**
NET BOOK VALUE								
As at 30 September 2023	**2,982**	**22**	**2,464**	**9**	**22**	**52**	**1,257**	**6,808**
As at 30 September 2024	**193**	**245**	**2,629**	**122**	**-**	**67**	**1,258**	**4,514**
As at 30 September 2025	**193**	**162**	**2,135**	**195**	**13**	**107**	**1,006**	**3,811**

Depreciation charges are allocated to administrative expenses in the income statement. The carrying value of the right of use asset relates to property leases (£1,006,000), property (£958,000) and employee electric car scheme (£48,000).

13. INVESTMENT PROPERTY

Investment property includes commercial properties in England which are owned to earn rentals and for capital appreciation.

Changes to carrying amounts are as follows:

	30 Sep 2025	30 Sep 2024
	£'000	£'000
Fair value 1 October	2,842	-
Transferred from freehold property	-	2,842
Change in fair value – revaluation	-	-
Transferred to assets held for sale	(2,842)	
Fair value 30 September	-	2,842

The investment property was leased to third parties on an operating lease. Rental income of £119,000 (2024: £nil) is shown within other operating income. There are no expenses in relation to the investment property.

Although the risks associated with rights the Group retained underlying assets are not considered to be significant, the Group employs strategies to further minimise these risks. The under guaranteed residual values do not represent significant risk for the Group, as they relate to property which is located in a location where market value, year on year, has always remained stable with trivial fluctuations. For example, ensuring the contract includes clauses requiring the lessee to compensate the Group when a property has been subjected to excess wear-and-tear during the lease term. The lessee does not have an option to purchase the property at the end of the lease expiry period.

The lease contract was renewed in May 2025 for a 12 month period at a rate of £185,000 per annum.

The property was valued using by an independent valuer (G F White LLP) on 30 September 2025. The revaluation of investment property in the year resulted in no change in valuation during the period.

The investment property was marketed for sale prior to 30 September 2025. The property has been reclassified as an 'asset held for sale'. The property was sold on 27 February 2026 for a consideration (less fees and expenses) of £2.8m.

14. INVESTMENTS

Subsidiary undertakings of the Group

Details of the investments in which the Group holds 20 per cent or more of the nominal value of any class of share capital are as follows:

		Proportion held	
	Class of share capital held	**By Parent Company**	**By the Group**
Tekmar Limited	Ordinary	100%	100%
Tekmar Holdings Limited	Ordinary	-	100%
Tekmar EBT Limited	Ordinary	-	100%
Tekmar Energy Limited	Ordinary	-	100%
Pipeshield International Limited	Ordinary	100%	100%
Pipeshield Company Limited	Ordinary	-	100%
Pipeshield International Trading LLC	Ordinary	-	100%
Tekmar Polyurethanes Limited	Ordinary	-	100%
Tekmar GmbH	Ordinary	-	100%
AgileTek Engineering Limited	Ordinary	-	100%
Ryder Geotechnical Limited	Ordinary	-	100%
Tekmar Marine Technology Company Limited	Ordinary	-	100%

All the companies listed above are incorporated in England and Wales, and have a registered address of Grindon Way, Aycliffe Business Park, Newton Aycliffe, DL5 6SH with the following exceptions:

Company	**Country of Incorporation**	**Address**
Pipeshield International Trading LLC	UAE	C2 Al Buttien Building, Office 642
Pipeshield Company Limited	Saudi Arabia	Dammam, KSA, Po Box 130 31952
Tekmar GmbH	Germany	Möllneyer Ufer 17, 45257 Essen, Germany
Tekmar Marine Technology Company Limited	China	Room 301,3F,No.1271 West Beijing Road, Jingan District, Shanghai, China

There are no restrictions on the Group's ability to access or use the assets and settle the liabilities of the Group's subsidiaries. The principal activities of these undertakings for the last relevant financial period were as follows:

Company	Principal activity
Tekmar Limited	Holding of shares in subsidiary companies and the management thereof
Tekmar Holdings Limited	Holding of shares in subsidiary companies and the management thereof
Tekmar EBT Limited	Corporate trustee for an employee benefit trust established to facilitate employee share ownership
Tekmar Energy Limited	Design and manufacture of subsea protection solutions for use in offshore subsea industry
Pipeshield International Limited	Design and manufacture of subsea asset protection
Pipeshield International Trading LLC	Design and manufacture of subsea asset protection
Pipeshield Company Limited	Design and manufacture of subsea asset protection
Tekmar Polyurethanes Limited	Dormant
Tekmar GmbH	Investment
AgileTek Engineering Limited	Holding of shares in subsidiary companies and the management thereof
Ryder Geotechnical Limited	Engineering consulting for subsea environments
Tekmar Marine Technology Company Limited	Sales and project management for Asia Pacific region

15. INVENTORIES

	30 Sep 2025 £000	30 Sep 2024 £000
Raw materials	1,091	1,027
Work in Progress	-	83
Finished goods	189	768
	1,280	**1,878**

All inventory items are carried at the lower of cost or net realisable value.

16. TRADE AND OTHER RECEIVABLES

	30 Sep 2025 £000	30 Sep 2024 £000
Amounts falling due within one year:		
Trade receivables not past due	2,688	3,978
Trade receivables past due (1-30 days)	954	1,517
Trade receivables past due (over 30 days)	3,352	2,744
Trade receivables not yet due (retentions)	178	259
Expected credit loss	(835)	(520)
Trade receivables net	6,337	7,978
Contract assets	6,865	3,590
Other receivables	415	637
Warranty insurance debtor	-	5,165
Prepayments and accrued income	517	977
Deferred consideration on sale of subsidiary	-	1,742
Derivative asset	-	247
	14,134	**20,336**

Trade and other receivables are all current and any fair value difference is not material. Trade receivables are assessed by management for credit risk and are considered past due when a counterparty has failed to make a payment when that payment was contractually due. Management assesses trade receivables that are past the contracted due date by up to 30 days and by over 30 days.

The carrying amounts of the Group's trade and other receivables are all denominated in GBP, USD, EUR and RMB.

The Group assesses on a forward-looking basis the expected credit losses (ECL) associated with its financial assets. The Group has the following types of financial assets that are subject to the expected credit loss model:

Trade receivables arising from sale of goods and provision of consultancy services

Contract assets relating to the sale of goods and provision of consultancy services

The Group recognizes a loss allowance for such losses at each reporting date. The measurement of ECL reflects:

1. An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes.

2. The time value of money.

3. Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions, and forecasts of future economic conditions.

16. TRADE AND OTHER RECEIVABLES (continued)

Methodology

The Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognized from initial recognition of the receivables. The Group uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for Groupings of various customer segments that have similar loss patterns by geographical region and product type. The expected loss rates are based on the payment profiles of sales over a period of 5 years before 30 September 2025.

To measure the expected credit losses, trade receivables and contract assets have been Grouped based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contract. The Group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

Key Assumptions

The key assumptions used in estimating ECL are as follows:

- Historical credit loss experience.

- Adjustments for forward-looking information such as economic forecasts and industry trends.

- The impact of macroeconomic factors on the creditworthiness of customers.

On that basis, the loss allowance as at 30 September 2025 and 30 September 2024 was determined as follows for both trade receivables and contract assets:

30 Sep 25 - £'000	**Not yet due**	**< 3 Months past due**	**3m – 12m past due**	**> 12m past due**
Expected loss rate	0%	0%	0%	78%
Carrying amount – Trade receivables	2,866	3,232	-	1,074
Carrying amount – Contract assets	6,813	-	-	-
Loss Allowance	Nil	Nil	Nil	835

Historically, except for the China entity debt, the Group has recovered 100% of receivable balances and no other credit losses have previously been accounted for. The Group continues to operate in global markets where payment practices surrounding large contracts can be different to those within Europe. The flow of funds on large capital projects within China tend to move only when the windfarm developer approves the completion of the project.

The Group has a number of trade receivable balances, within its subsidiary based in China, which have been past due for more than 1 year. At 30 September 2025 the value of these overdue trade receivables was £1.3m. Of this balance £0.4m was received in December 2025. These remaining amounts remain outstanding at the approval of the financial statements. The Group therefore made an expected credit loss provision in relation to the outstanding balances due to its Subsidiary within China. The provision is calculated at 100% of the exposed amount due to the age of the debt.

All other receivables are considered to be 100% recoverable on the basis that previous trading history sets a precedent that these balances will be received. Trade receivables and contract assets are written off where there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a customer to engage in a repayment discussion with the Group.

Impairment losses on trade receivables and contract assets are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

Reconciliation of Loss Allowance

The movement in the allowance for credit losses during the year was as follows:

£'000	30 Sep 2025	30 Sep 2024
Opening balance	520	-
Increase in loss allowance	326	520
Impact of foreign exchange	(11)	
Closing Balance	**835**	**520**

17. CASH AND CASH EQUIVALENTS

	30 Sep 2025	30 Sep 2024
	£000	£000
Cash at bank and in hand	3,410	4,630

Cash and cash equivalents were held in the following currencies:

	30 Sep 2025	30 Sep 2024
	£000	£000
UK Pound	2,293	410
Euro	88	13
US Dollar	784	4,042
Other	245	165
	3,410	**4,630**

Including within cash at bank and in hand is restricted cash relating to Chubb warranty insurance monies of £1,056,000.

18. TRADE AND OTHER PAYABLES

	30 Sep 2025	30 Sep 2024
	£000	£000
Current		
Trade payables	5,845	5,858
Tax and social security	368	554
Accruals	1,283	1,358
Contract liabilities	445	670
Other creditors	71	63
Derivative financial liability	67	-
	8,079	**8,503**

16. TRADE AND OTHER PAYABLES (continued)

Trade and other payables are all current and any fair value difference is not material. The derivative financial liability relates to forward foreign currency contracts. Forward currency contracts are revalued using the period end spot rate.

Contract liabilities have reduced in the year mainly due to timing of ongoing projects, how far through the work we are versus what cash was received in advance.

19. BORROWINGS

	30 Sep 2025 £000	30 Sep 2024 £000
Current		
Trade Loan Facility	2,817	3,183
Lease liability	437	371
CBILS Bank Loan	3,000	3,000
	6,254	**6,554**
Non-current		
Lease liability	594	924
	594	**924**

	2025 £000	2024 £000
Amount repayable		
Within one year	6,254	6,554
In more than one year but less than two years	360	344
In more than two years but less than three years	180	351
In more than three years but less than four years	54	175
In more than four years but less than five years	-	54
	6,848	**7,478**

The above carrying values of the borrowings equate to the fair values.

	2025 %	2024 %
Average interest rates at the balance sheet date		
Lease liability	6.36	5.92
Trade Loan Facility	6.48	7.19
CBILS Bank Loan	7.50	7.50

The CBILS Bank Loan matured on 31 October 2025 and was replaced by a GGS Loan of £2m repayable over a period of three years. The Trade Loan Facility is subject to annual review, as described in note 2b

Lease liability

This represents the lease liability recognised under IFRS 16. The assets leased are shown as a right of use asset within Tangible Fixed Assets (note 12) and relate to the buildings from which the Group operates, along with leased items of equipment and computer software.

The asset and liability have been calculated using a discount rate between 3.25% and 7.25% based on the inception date of the lease.

These leases are due to expire between February 2026 and June 2029.

Cash flows from financing activities

An analysis of cash flows from financing activities is provided as follows:

	Lease liabilities £000	Loans & Borrowings £000	Total £000
Balance at 1 October 2023	1,305	6,575	7,880
Changes from financing cash flows			
Proceeds from loans & borrowings	-	11,413	11,413
Repayment of Loans & Borrowings	-	(11,804)	(11,804)
Payment of lease liabilities	(514)	-	(514)
Total changes from financing cash flows	**(514)**	**(392)**	**(906)**
Other changes			
New leases	494	-	494
Interest expense	78	569	647
Payment of interest	-	(569)	(569)
Adjustments to lease calculation	(8)	-	(8)
Disposal r.e. discontinued operations	(60)	-	(60)
Total other changes	**504**	**-**	**504**
Balance at 30 September 2024	**1,295**	**6,183**	**7,478**
Balance at 1 October 2024	1,295	6,183	7,478
Changes from financing cash flows			
Proceeds from loans & borrowings	-	11,930	11,930
Repayment of Loans & Borrowings	-	(12,296)	(12,296)
Payment of lease liabilities	(507)	-	(507)
Total changes from financing cash flows	**788**	**5,817**	**6,605**
Other changes			
New leases	165	-	165
Interest expense	78	467	545
Payment of interest	-	(467)	(467)
Total other changes	**243**	**-**	**243**
Balance at 30 September 2025	**1,031**	**5,817**	**6,848**

20. PROVISIONS & CONTINGENT LIABILITIES

Provisions are split between current and non-current. The carrying amounts and the movements in the provision account are as follows:

	Onerous contracts £000	Warranty provision £000	Total £000
Carrying amount at 1 October 2023	465	-	465
Additional provision	-	5,821	5,821
Amounts utilised	(404)	-	(404)
Carrying amount at 30 September 2024	**61**	**5,821**	**5,882**
Carrying amount at 1 October 2024	61	5,821	5,882
Additional provision	4	-	4
Amounts utilised	(58)	(3,906)	(3,964)
Unwinding of discount	-	134	134
Carrying amount at 30 September 2025	**7**	**2,049**	**2,056**

All of the provisions above are due to be paid within one year of the balance sheet date.

Onerous Contracts

The Group has assessed that the unavoidable costs of fulfilling the contract obligations exceed the economic benefits expected to be received from the contract. The provision relates to two contracts in the offshore energy division (2024: one contract) which are expected to be completed in the year ended September 2026.

Warranty Provisions

As noted by the Group in public announcements in prior years, there has been a historic industry-wide issue regarding abrasion of legacy cable protection systems installed at offshore windfarms. The precise cause of the issues in each instance is not always clear and could be as a result of a number of factors, such as the decision by windfarm developers to exclude a second layer of rock to stabilise the cables.

Since the emergence of the issue, Tekmar has been committed to working with relevant installers and operators, including directly with customers who have highlighted this issue, to investigate further the root cause and assist with identifying potential remedial solutions. This has been undertaken without prejudice and on the basis that Tekmar has consistently denied any responsibility for these issues. Given the extensive uncertainties, the RCA investigations have not concluded that the Tekmar products are defective.

During this financial year, the Group entered commercial settlement discussions with customers to resolve disputes related to the legacy defect notifications on 9 projects with alleged CPS failures. The aggregate of the expected outflows under the proposed settlements was £5.2m in full and final settlement of the 9 claims. The provision has been estimated based on the proposed settlement value. In addition to the above a further provision of £0.7m was made on 30 September 2024 in respect of 2 projects. No further provision made in year ended 30 September 2025.

Working in collaboration with the relevant customers, Tekmar negotiated a commercial settlement with its EXPL insurance provider of £5.2m in relation to the above claims. The insurance proceeds were received in the year and were available for use at the discretion of the Group in settlement of the above claims, with any unused cash repayable to the insurer. The Group has paid over £4.1m (including fees) of the insurance proceeds received in full and final commercial settlement, without acknowledgement of liability, on 5 of the projects with alleged defects. In addition, 3 of the disputes were settled without any compensation being paid leaving 2 remaining projects still subject to final negotiation.

Tekmar has received a further defect notification in relation to incorrect/out of specification coating application on 1 historic project. The nature of this defect notification is entirely separate to the legacy defect issues disclosed above. There are a number of units which have been installed in relation to this legacy project and discussions with the customer are ongoing in regard to the solution. Management believe that the most likely solution would result in an outflow of economic benefits of c£0.2m to provide a resolution to the issue.

The expected outflow of economic resources from the warranty matters has been recognised as an expense on the face of the statement of profit and loss for the year ended 30 September 2024. This value was shown net of the insurance receivable in accordance with IAS 37.

No further provisions have been made in year ended 30 September 2025.The Group incurred costs of £0.22m (FY24 £0.66m) in managing the warranty issue.

Tekmar Group plc has taken exemption under IAS37, Paragraph 92 to not disclose information on the uncertainties in relation to timing and the assumptions used to calculate the provision as this could prejudice seriously the position of the entity in a dispute with other parties on the subject matter as a result of the early stage of settlement discussions.

Contingent Liabilities

Contingent liabilities are disclosed in the financial statements when a possible obligation exists, the existence will be confirmed by uncertain future events that are not wholly within the control of the entity. Contingent liabilities also include obligations that are not recognised because their amount cannot be measured reliably or because settlement is not probable.

Tekmar is committed to working with relevant installers and operators, including directly with customers who have highlighted this issue, to investigate further the root cause in each case and assist with identifying potential remedial solutions. This is being done without prejudice and on the basis that Tekmar has consistently denied any responsibility for these issues. However, given these extensive uncertainties and level of variabilities at this early stage of investigations no conclusions can yet be made.

Tekmar have been presented with defect notifications for 1 legacy project (2024: 2) (in addition to those disclosed as provisions) on which it has supplied cable protection systems ("CPS"). These defect notifications have only been received on projects where there was an absence of the second layer of rock traditionally used to stabilise the cables.

20. PROVISIONS & CONTINGENT LIABILITIES (continued)

At this stage management do not consider that there is a present obligation arising under IAS37 as insufficient evidence is available to identify the overall root cause of the damage to any of the CPS. Independent technical experts have been engaged to determine the root cause of the damage to the CPS, Tekmar have reviewed the assessments and concluded that a present obligation does not exists.

Management acknowledges that there are many complexities with regards to the alleged defects which could lead to a range of possible outcomes. Given the range of possible outcomes, management considers that a possible obligation exists which will only be confirmed by further technical investigation to identify the root cause of alleged CPS failures. As such management has disclosed a contingent liability in the financial statements.

Tekmar Group plc has taken exemption under IAS37, Paragraph 92 to not disclose information on the range of financial outcomes, uncertainties in relation to timing and any potential reimbursement as this could prejudice seriously the position of the entity in a dispute with other parties on the subject matter as a result of the early stage of discussions.

21. DEFERRED TAX

	30 Sep 2025			30 Sep 2024		
	Asset	Liability	Net	Asset	Liability	Net
	£000	£000	£000	£000	£000	£000
At start of year	332	(566)	(234)	411	(914)	(503)
(Charge) / Credit to income statement	145	140	285	(69)	130	61
Credit on other comprehensive income	28	-	28	4	-	4
Discontinued operations	-	-	-	(14)	218	204
At end of year	505	(426)	79	332	(566)	(234)

The deferred tax liability relates to the following:

	30 Sep 2025			30 Sep 2024		
	Asset	Liability	Net	Asset	Liability	Net
	£000	£000	£000	£000	£000	£000
Accelerated capital allowances on property, plant & equipment	-	(426)	(426)	4	(548)	(544)
On share based payments	104	-	104	97	-	97
Other timing differences	401	-	401	231	(18)	213
	505	(426)	79	332	(566)	(234)

Other timing difference relate to the deferred tax liability arising on the property revaluation and deferred tax losses.

In addition to the deferred tax liability above, the Group has additional unrecognised gross tax losses of £28,342,136 (2024: £22,747,000) hence an unrecognised deferred tax asset of £7,085,534 (2024: £5,686,827) . These assets remain unrecognised as there is expected to be sufficient relief available in the businesses that hold the losses to mean it is unlikely that the losses will be used over the medium term and therefore the benefit derived from them is too uncertain to warrant recognition of an asset.

22. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

Financial risk management

The Group uses various financial instruments. These have historically included cash, forward foreign exchange contracts, issued equity instruments and various items, such as trade receivables and trade payables that arise directly from its operations. The main purpose of these financial instruments are to raise finance for the Group's operations.

The existence of these financial instruments exposes the Group to a number of financial risks, which are described in more detail below.

The main risks arising from the Group's financial instruments are market risk, cash flow interest rate risk, credit risk and liquidity risk. The Directors review and agree policies for managing each of these risks and they are summarised below.

Market risk

Market risk encompasses three types of risk, being currency risk, interest rate risk and price risk. In this instance price risk has been ignored as it is not considered a material risk to the business. The Group's policies for managing interest rate risk are set out in the subsection entitled "interest rate risk" below.

Currency risk

The Group contracts with certain customers in Euros, US dollars and Chinese Yuan. It manages this foreign currency risk through creating natural hedges on contracts by offsetting outflows in particular currencies against the inflow in that currency on particular contracts. Further to this, the Group uses forward foreign exchange contracts and foreign currency options which match the expected receipt of foreign currency income. At 30 September 2025 this covers the period up to 31 March 2026 (As at 30 September 2024 the period to 31 March 2026).

The table below shows the impact in GBP to the profit & loss account and net assets of the Group (excluding any changes in the fair value of derivatives) if there had been a 5% difference in the year end exchange rates:

At 30 September 2025	EUR	USD	QAR	AED	SAR	RMB	Total
	£000	£000	£000	£000	£000	£000	£000
+5%	(175)	(283)	10	11	(6)	(56)	(499)
-5%	193	312	(11)	(12)	73	61	616

At 30 September 2024	EUR	USD	QAR	AED	SAR	RMB	Total
	£000	£000	£000	£000	£000	£000	£000
+5%	(95)	(302)	(2)	7	(36)	(115)	(543)
-5%	105	334	2	(8)	39	127	599

22. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (Continued)

Liquidity risk

The Group seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs by closely managing the cash balance and by investing cash assets safely and profitably.

The Group policy throughout the period has been to ensure continuity of funding. Short-term flexibility is achieved by bank loan facilities.

The table below analyses the Group's non-derivative and derivative financial liabilities into relevant maturity Groupings based on the remaining period at the balance sheet date to the contractual maturity date. Derivative financial liabilities are included in the analysis if their contractual maturities are essential for an understanding of the timing of cash flows. The amounts disclosed in the table are the contractual undiscounted cash flows.

At 30 September 2025	Less than 1 year £000	Between 1 and 2 years £000	Between 2 and 5 years £000	Over 5 years £000
Borrowings	5,817	-	-	-
Lease Obligations	437	360	234	-
Trade and other payables	7,606	-	-	-

At 30 September 2024	Less than 1 year £000	Between 1 and 2 years £000	Between 2 and 5 years £000	Over 5 years £000
Borrowings	6,183	-	-	-
Lease Obligations	371	344	580	-
Trade and other payables	7,216	-	-	-

Interest rate risk

The Group finances its operations through a mixture of retained profits and bank borrowings. The Directors' policy to manage interest rate fluctuations is to regularly review the costs of capital and the risks associated with each class of capital, and to maintain an appropriate mix between fixed and floating rate borrowings.

Credit risk

The Group's principal financial assets are cash and trade receivables. The credit risk associated with cash is limited, as the counterparties have high credit ratings assigned by international credit-rating agencies. The principal credit risk arises therefore from the Group's trade receivables. The Group continuously monitors the credit quality of customers based on a credit rating scorecard. Where available, external credit ratings and/or reports on customers are obtained and used. The Group's policy is to deal only with credit worthy counterparties. The credit terms range between 30 and 90 days. The credit terms for customers as negotiated with customers are subject to an internal approval process which considers the credit rating scorecard. The ongoing credit risk is managed through regular review of ageing analysis, together with credit limits per customer.

Trade receivables consist of a large number of customers in various industries and geographical areas. The Group does not hold any security on any trade receivables balance at each annual reporting date.

In addition, the Group does not hold any collateral relating to other financial assets (eg derivative assets, cash and cash equivalents held with banks) at each annual reporting date.

The Group applies the IFRS 9 simplified model of recognising lifetime expected credit losses for all trade receivables as these items do not have a significant financing component.

The Directors have assessed Group's trade receivables for the year ended 30 September 2025 and recorded an expected credit loss provision of £0.7m. See note 3 for critical accounting estimates made regarding credit loss provisions and note 16 for further information on financial assets that are past due.

Summary of financial assets and liabilities by category

The carrying amount of financial assets and liabilities recognised at the balance sheet date of the reporting periods under review may also be categorised as follows:

	2025 £000	2024 £000
Financial assets		
Financial assets measured at amortised cost		
Trade and other receivables	14,134	20,421
Cash and cash equivalents	3,410	4,630
Financial assets measured at fair value through profit or loss		
Forward foreign exchange contracts	-	247
	17,544	25,298
Financial liabilities		
Financial liabilities measured at fair value through profit or loss		
Forward foreign exchange contracts	(67)	-
Financial liabilities measured at amortised cost		
Non-current:		
Borrowings	(594)	(924)
Current:		
Borrowings	(6,254)	(6,554)
Trade payables	(7,644)	(5,858)
	(14,559)	(13,336)
Net financial assets and liabilities	2,985	11,962

22. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (Continued)

Financial instruments carried at fair value include forward foreign exchange contracts which are valued using Level 2 inputs in accordance with IFRS 13.

Capital risk management

The Group's capital management objectives are:

To ensure the Group's ability to continue as a going concern; and

To provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

This is achieved through close management of working capital and regular reviews of pricing. Decisions on whether to raise funding using debt or equity are made by the Board based on the requirements of the business. Capital for the reporting period under review is shown as total equity in the table above.

23. SHARE CAPITAL

	Ordinary shares £0.01 Number	Ordinary Share Total £
At 30 September 2023	**136,072,626**	**1,360,726**
Issued during the period	1,197,353	11,974
At 30 September 2024	**137,269,979**	**1,372,700**
Issued during the period	1,618,758	16,188
At 30 September 2025	**138,888,737**	**1,388,888**

The new shares issued during the period arose from the exercise of share options (1,618,758 shares) (see Note 26). All shares issued were fully paid at year end. These shares were issued for £0.01 per share.

24. RELATED PARTY TRANSACTIONS

The Directors consider there to be no ultimate controlling party following Admission in June 2018.

SCF – IX, L.P hold 31.4% shareholding in Tekmar Group plc and are considered by the directors to be a person with significant control through ownership of more than 25% but not more than 50% of the ordinary share capital and voting rights.

Related party transactions with the Company are as follows:

During the period, Tekmar Group plc procured entertainment events from Sport2Group Limited, a business which Alasdair Macdonald is a director. Costs relating to this purchase during the period were £nil (2024: £24,000). No amounts were due at the period end.

During the period Tekmar Group plc procured consultancy services from Elan Solutions UK Ltd, a business which Richard Turner is a director. Costs relating to this purchase during the period were £nil (2024: £11,000). £nil was payable to Elan Solutions Limited at the period end (2024: £11,000).

During the period Tekmar Group plc procured consultancy services from Craigshannoch Limited, a business which Colin Welsh is a director. Costs relating to this purchase during the period were £10,000 (2024: £11,000). £nil was payable to Craigshannoch Limited at the period end (2024: £1,000).

Key management compensation is given in note 5 (b), this includes remuneration to S Lockard and C Welsh who are partners of SCF – IX LP.

25. SHARE BASED PAYMENTS

During the year the Group operated four equity-settled share-based payment plans (2024: four) as described below.

The Tekmar Group plc Long Term Incentive Plan ("LTIP")

The LTIP is a discretionary executive share plan under which the Board may, within certain limits and subject to any applicable performance conditions, grant to eligible employees nil or nominal cost options, options with a market value exercise price, conditional or restricted awards. All employees are eligible for selection to participate in the plan.

The Tekmar Group plc Share Incentive Plan ("SIP")

The SIP is an all-employee ownership plan under which eligible employees may be awarded free and/or matching shares. The SIP operates through a UK-resident trust (the "SIP Trust"). On 13 September 2018 the Company issued 42,691 shares of £0.01 each in the Company. The shares will be held in trust for a minimum holding period of 3 years and there is a forfeiture period of 3 years during which employees who participated in the SIP will lose their Award if they resign or are dismissed from their employment.

On 15 September 2021 the Company issued 241,376 shares of £0.01 each in the Company. The shares will be held in trust for a minimum holding period of 3 years and there is a forfeiture period of 3 years during which employees who participated in the SIP will lose their Award if they resign or are dismissed from their employment.

The Tekmar Group plc Save as you earn Plan ("SAYE")

The SAYE is an all-employee ownership plan under which eligible employees are invited to subscribe for options over the Company's shares which may be granted at a discount of up to 20%. On 31 March 2021 the Company launched the a further SAYE plan (SAYE 2021) and options over 190,252 shares were granted to 52 staff. There is a forfeiture period of 3 years during which employees who participated in the SAYE will lose their award if they resign or are dismissed from their employment. On 31 March 2022 the Company launched the a further SAYE plan (SAYE 2022) and options over 550,393 shares were granted to 21 staff. On 31 March 2023 the Company launched a further SAYE plan (SAYE 2023) and options over 3,306,238 shares were granted to 43 staff. There is a forfeiture period of 3 years during which employees who participated in the SAYE will lose their award if they resign or are dismissed from their employment.

25. SHARE BASED PAYMENTS (Continued)

A summary of the options granted is shown in the table below:

Plan	1 October 2024	Granted in the period	Exercised in the period	Lapsed in the period	30 September 2025 share options outstanding	Vesting period	Exercise period
SIP	17,138	-	-	(17,138)	-	3 years	10 years
SAYE	2,134,394	2,831,568	-	(2,302,578)	2,663,384	3 years	10 years
LTIP – Taransay	2,918,049	-	(1,271,536)	(154,353)	1,492,160	3 years	10 years
LTIP – FY24 results	-	288,160	-	(108,060)	180,100	3 years	10 years

Plan	1 October 2023	Granted in the period	Exercised in the period	Lapsed in the period	30 September 2024 share options outstanding	Vesting period	Exercise period
SIP	28,589	-	-	(11,451)	17,138	3 years	10 years
SAYE	3,445,474	1,045,472	-	(2,356,552)	2,134,394	3 years	10 years
Retention	17,073	-	(17,073)	-	-	3 years	10 years
LTIP - Taransay	4,666,402	-	(1,180,280)	(568,073)	2,918,049	3 years	10 years

The weighted average share price at the date of exercise for share options exercised during the year was £0.10 (2024: £0.10).

The schemes had a weighted average remaining contractual life as follows:

Plan	2025	2024
SIP	6 Years	6 Years
SAYE	8 Years	8 Years
Retention	8 Years	8 Years
LTIP	8 Years	8 Years

The Group has recognised a total expense of £166,000 (2024: £191,000) in respect of equity-settled share-based payment transactions in the period ended 30 September 2025. The share-based payment transactions for the IPO options, management award options have been treated as an adjusted item in the profit and loss account when calculating Adjusted EBITDA. These transactions account for a £166,000 (2024: £160,000) in the year to 30 September 2025. The remaining share based payment transactions are treated as administrative expenses £nil (2024: £31,000).

25. SHARE BASED PAYMENTS (Continued)

Valuation model inputs

The key inputs to the Black-Scholes-Merton and Monte Carlo simulation models for the purposes of estimating the fair values of the share options granted in the year are as follows:

Plan	SIP	SAYE20	SAYE21	SAYE22	SAYE23	SAYE24	LTIP – Taransay	LTIP – FY24 results
Grant date	13/09/18	31/03/20	31/03/21	31/3/22	31/03/23	31/03/24	20/04/23	26/03/2023
Share price at grant date (P)	161.5	83	63.75	37.50	8.5	9.25	10.5	5.25
Expiry date	13/09/28	31/03/30	31/03/31	31/03/32	31/03/33	31/03/34	19/04/26	26/3/2033
Exercise price (P)	1.00	78.00	50.20	30.0	6.80	7.40	1.00	1.00
Expected volatility (%)	44.02	45.02	78.95	45.67	165.50	51.13	165.71	36.72
Risk-free rate (%)	2.0 %	2.0 %	2.0 %	2.0%	2.0%	2.0%	2.0 %	2.0%
Expectation of meeting performance criteria	80%	100%	85%	75%	72%	61%	85%	72%

26. POST BALANCE SHEET EVENTS

On the 31 October 2025 the CBILs loan of £3m was repaid in full and was replaced with a Growth Guarantee Scheme (GGS) loan of £2m. The GGS loan is repayable over a term of 3 years.

On 24 October 2025, Share Capital was increased by the issue of 203,934 1p Ordinary Shares at a price of 1p

On 18 December 2025, Share Capital was increased by the issue of 458,716 1p Ordinary Shares at a price of 5.45p

On 27 February 2026, the Group sold Innovation House, a commercial property not utilised by the Group in its current operations and previously held as an investment property, for a net cash consideration of £2.84m resulting in neither profit nor loss on disposal for the Group.

There were no other subsequent events.

Parent company balance sheet

as at 30 September 2025

	Note	30 September 2025 £000	30 September 2024 £000
Non-current assets			
Property, plant and equipment	4	97	29
Investments	3	22,344	24,797
Investment property	5	-	2,842
Deferred tax assets		75	57
Trade and other receivables	6	15,964	15,964
Total non-current assets		38,480	43,689
Current assets			
Trade and other receivables	6	3,692	6,348
Cash at bank and in hand		-	185
		3,692	6,533
Assets held for sale	5	2,842	-
Total current assets		6,534	6,533
Total assets		45,014	50,222
Equity and liabilities			
Share capital		1,389	1,373
Share premium		72,201	72,201
Merger relief reserve		744	744
Retained earnings		(38,696)	(33,018)
Total equity		35,638	41,300
Current liabilities			
Other loans and borrowings	7	5,845	6,195
Trade and other payables	8	3,356	2,716
Bank overdraft		161	-
Total current liabilities		9,362	8,911
Non-current liabilities			
Other loans and borrowings	7	14	11
Total non-current liabilities		14	11
Total equity and liabilities		45,014	50,222

Parent Company profit and loss account

The Company has not presented its own profit and loss account as permitted by Section 408 of the Companies Act 2006. The Company's loss after taxation for the period was £5.9m (2024: £4.9m).

The Parent Company financial statements were approved by the Board of Directors on 9 March 2026 and were signed on its behalf by:

Philip Lanigan
Chief Financial Officer
Company registered number: 11383143

Parent company statement of changes in equity

for the year ended 30 September 2025

	Share capital £000	Share premium £000	Merger relief reserve £000	Retained earnings £000	Total equity £000
Balance at 1 October 2023	1,361	72,201	1,738	(29,295)	46,005
Loss for the year	-	-	-	(4,880)	**(4,880)**
Total comprehensive expense for the year	**-**	**-**	**-**	(4,880)	**(4,880)**
Share based payments	-	-	-	163	**163**
Issue of shares	12	-	-	-	12
Total transactions with owners, recognised directly in equity	**12**	**-**	**-**	**163**	**175**
Transfer following sale of subsidiary	-	-	(994)	994	-
Balance at 30 September 2024	**1,373**	**72,201**	**744**	**(33,018)**	**41,300**
Loss for the period	-	-	-	(5,866)	(5,866)
Total comprehensive expense for the period	**-**	**-**	**-**	(5,866)	(5,866)
Share based payments	-	-	-	188	**188**
Issue of shares	16	-	-	-	16
Total transactions with owners, recognised directly in equity	**16**	**-**	**-**	**188**	**204**
Balance at 30 September 2025	**1,389**	**72,201**	**744**	**(38,696)**	**35,638**

Notes to the parent company financial statements

for the year ended 30 September 2025

1. SIGNIFICANT ACCOUNTING POLICIES

The company has consistently applied the following accounting policies to all periods presented in these financial statements.

(a) Basis of preparation

Tekmar Group plc (the "Company") is a public limited company incorporated and domiciled in England and Wales. The registered office of the Company is Grindon Way, Aycliffe Business Park, Newton Aycliffe, DL5 6SH. The registered company number is 11383143.

The principal activity of the Company and its subsidiaries (together the "Group") is that of design, manufacture and supply of subsea cable, umbilical and flexible protection systems operating across the Offshore Wind, Oil & Gas and other energy sectors, including associated subsea engineering services.

(b) Reporting framework

The separate financial statements of the Company have been prepared in accordance with Financial Reporting Standard 101 "Reduced Disclosure Framework" ("FRS 101"), on the going concern basis under the historical cost convention, and in accordance with the Companies Act 2006 and applicable Accounting Standards in the UK. The principal accounting policies are set out below.

The following exemptions from the requirements in IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101:

• The following paragraphs of IAS 1 "Presentation of Financial Statements"

O 10(d) (statement of cash flows);

O 16 (statement of compliance with all IFRS);

O 111 (cash flow statement information); and

O 134-136 (capital management disclosures)

• IFRS 7 "Financial Instruments : Disclosures";

• IAS 7 "Statement of Cash Flows";

• IAS 24 (paragraphs 17 and 18a) "Related Party Disclosures" (key management compensation); and

• IAS 24 "Related Party Disclosures" – the requirement to disclose related party transactions between two or more members of a Group.

• IAS 8.30 – the requirement to disclose accounting standards issued but not effective

As the Group financial statements include the equivalent disclosures, the Company has taken the exemptions available under FRS 101 in respect of the following disclosures;

• IFRS 2 "Share-based Payments" in respect of Group settled equity share-based payments; and

• Certain disclosures required by IFRS 13 "Fair Value Measurement" and disclosures required by IFRS 7 "Financial Instruments : Disclosures"

(c) Parent Company profit and loss account

The Company has not presented its own profit and loss account as permitted by Section 408 of the Companies Act 2006. The Company's loss after taxation for the period was £3.9m (2024: £5.129m).

(d) Dividend distribution

The distribution of a dividend to the Company's shareholders is recognised as a liability in the Company's financial statements in the year in which it is approved by the Company's shareholders.

(e) Investment in subsidiary undertakings

Investments in Group undertakings are stated at cost, unless their value has been impaired in which case they are valued at their recoverable amount.

(f) Property, plant and equipment

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

Leased assets are accounted for as a "right-of-use" asset under IFRS 16 Leases. The initial value of a right-of-use asset is determined by the value of the lease liability.

Depreciation

Depreciation is charged to profit or loss over the estimated useful lives of each part of an item of property, plant and equipment. Depreciation is provided on the following basis:

Motor vehicles	4 years reducing balance or straight line

It has been assumed that all assets will be used until the end of their economic life.

(g) Investment property

Investment properties are properties held to earn rentals or for capital appreciation, or both, and are accounted for using the fair value model.

Investment properties are revalued annually with resulting gains and losses recognised in profit or loss. These are included in the consolidated statement of financial position and their fair values. See note 13.

Asset held for resale

The investment property is classified as an asset held for resale.

(h) Deferred taxation

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised.

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) Share-based payments

The Group operates equity-settled share-based remuneration plans for certain employees. None of the Group's plans are cash-settled. All goods and services received in exchange for the grant of any share-based payment are measured at their fair values.

Where employees are rewarded using share-based payments, the fair value of employees' services is determined indirectly by reference to the fair value of the equity instruments granted. This fair value is appraised at the grant date and excludes the impact of non-market vesting conditions.

All share-based remuneration is ultimately recognised as an expense in profit or loss with a corresponding credit to retained earnings. If vesting years or other vesting conditions apply, the expense is allocated over the vesting year, based on the best available estimate of the number of share options expected to vest.

The fair value determined at the grant date of equity-settled share-based payments issued to employees of subsidiary undertakings is recognised as an addition to the cost of investment in subsidiary undertakings on a straight-line basis over the vesting period, based on the Company's estimate of shares that will eventually vest and adjusted for the effect of non-market-based vesting conditions.

Employer social security contributions payable in connection with the grant of share awards are considered an integral part of the grant itself and the charge is treated as a cash-settled transaction.

(j) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds of issue.

(k) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits with an original maturity of three months or less.

(l) Financial assets

Classification

The Company classifies its financial assets as loans and receivables. Management determines the classification of its financial assets at initial recognition.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that arise principally through the provision of services to customers. They are initially recognised at the transaction price and are subsequently stated at amortised cost using the effective interest method. They are included in current assets, except for maturities greater than 12 months after the end of the reporting year. Loans and receivables comprise mainly trade and other receivables, including amounts owed by related entities.

Impairment of financial assets

A loss allowance for expected credit losses on trade and other receivables and contract assets is measured at an amount equal to the lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that will result from all possible default events over the expected life of a financial instrument. This assessment is performed on a collective basis considering forward-looking information. The Group considers a financial asset to be in default when the receivable is unlikely to pay its credit obligations to the Group in full without recourse by the Group to actions such as realising security (if any is held)

(m) Financial liabilities

The Company initially recognises its financial liabilities at fair value net of transaction costs where applicable and subsequently they are measured at amortised cost using the effective interest method. Financial liabilities comprise trade and other payables, amounts owed to Group undertakings, other liabilities and accruals and are initially recognised at fair value, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

Trade and other payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Other liabilities include payments in advance from customers.

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the year of the borrowings using the effective interest method.

(n) Critical accounting estimates

The preparation of the Parent Company financial statements requires the Directors to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of liabilities. Estimates and judgements are continually evaluated and are based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

The Directors consider that the following estimates and judgements are likely to have the most significant effect on the amounts recognised in the Group financial statements.

(o) Critical accounting estimates

Impairment of investments

The carrying amount of the Company's investments in subsidiaries is £22,344,000 as at 30 September 2025 (2024: £24,797,000). The Directors have carried out an impairment review in accordance with the accounting policies. The forecast cash generation for each investment and the Weighted Average Cost of Capital ("WACC") represent significant assumptions.

The cash flows are based on a five-year forecast with a compound average growth rate over the 5 year period of 17.4% for Tekmar Limited and 10.1% for Pipeshield International Limited. Subsequent years are based on a reduced growth rate of 2.0% into perpetuity.

The discount rate used was the Group's post-tax WACC of 14%.

The value in use calculations performed for the impairment review, together with sensitivity analysis using reasonable assumptions, indicate sufficient headroom for the investments in subsidiaries and therefore do not give rise to impairment concerns.

2. REMUNERATION OF DIRECTORS AND AUDITORS

Details of Directors' remuneration are shown in the Directors' Remuneration Report on page 70 of the Group financial statements. Details of auditor remuneration are shown in note 8 of the Group financial statements.

The average number of persons employed by the Company (including directors) during the period, analysed by category, was as follows:

	2025	2024
	No	No
Directors	6	7
Administration	17	14
	23	21

Staff costs for the Company during the period were:

	12M ending 30 Sep 2025	12M ending 30 Sep 2024
	£000	£000
Wages and salaries	2,327	1,834
Social security costs	298	242
Defined contribution pension cost	96	80
Share based payments (note 25)	141	117
	2,864	2,273

3. INVESTMENTS IN SUBSIDIARY UNDERTAKINGS

	30 Sep 2025	30 Sep 2024
	£000	£000
Investment in subsidiaries at 01 October	24,797	26,804
Impairment of investment	(2,500)	-
Additions (Capital contribution in relation to share based payments)	47	59
Disposal of subsidiary	-	(2,066)
Investment in subsidiaries at 30 September	22,344	24,797

The carrying amount of the Company's investments in subsidiaries is £22,344,000 as at 30 September 2025 (2024: £24,797,000). The Directors have carried out an impairment review in accordance with the accounting policies. The forecast cash generation for each investment and the Weighted Average Cost of Capital ("WACC") represent significant assumptions.

The investments in the Groups subsidiaries have been reviewed for impairment on an individual basis by assessing the value in use of the subsidiary. The value in use has been calculated using budgeted cash flow projections for the next 5 years. The forecasts have been compiled at individual entity level with the first year modelled around the known contracts which the entities have already secured or are in an advanced stage of securing. A targeted revenue stream based on historic revenue run rates has then been incorporated into the cashflows to model contracts that are as yet unidentified that are likely be won and completed in the year. The forecasts for years 2 to 5 are based on assumed compound annual growth rates (CAGR). The CAGR applied across the 5-year period were 7.5% for the Tekmar Limited and 2.5% for Pipeshield International Limited. This CAGR is in line with expected market rate. The value in use calculation models an increase in revenue for both CGU's of 2% into perpetuity after year 5.

The discount rate used was the Group's post-tax WACC of 14%.

The value in use calculations performed for the impairment review, together with sensitivity analysis using reasonable assumptions, indicate sufficient headroom for the investment in Pipeshield Limited and give rise to an impairment charge of £2,500,000 against the investment in Tekmar Limited.

If Tekmar Energy Limited and Ryder Geotechnical Limited, which form the basis of the cashflows in Tekmar Limited, were to fall short of the revenue growth by 1% in each year of the model, a further impairment of £8,574k would be recognised. If the discount rate used were to increase by 1%, a further impairment of £1,915k would be recognised

The Company directly owns the whole of the issued ordinary shares of the following subsidiary undertakings:

	Class of share capital held	**By Parent Company**	**Carrying Value FY25**	**Carrying Value FY24**
Tekmar Limited	Ordinary	100%	15,041	17,494
Pipeshield International Limited	Ordinary	100%	7,256	7,256
Total			22,297	24,750

All the companies listed above are incorporated in England and Wales and have a registered address of Grindon Way, Aycliffe Business Park, Newton Aycliffe, DL5 6SH.

There are no restrictions on the Group's ability to access or use the assets and settle the liabilities of the Group's subsidiaries. The principal activities of these undertakings for the last relevant financial period were as follows:

Company	**Principal activity**
Tekmar Limited	Holding of shares in subsidiary companies and the management thereof
Subsea Innovation Limited	Design and manufacture of equipment for the offshore subsea industry
Pipeshield International Limited	Design and manufacture of subsea asset protection

4. PROPERTY, PLANT AND EQUIPMENT

	Motor Vehicles	Computer Equipment	Total
	£000		£000
COST			
As at 1 October 2023	46	-	46
Additions	-	-	-
As at 30 September 2024	**46**	**-**	**46**
Additions	41	53	94
As at 30 September 2025	**87**	**53**	**140**
DEPRECIATION			
As at 1 October 2023	**11**	**-**	**11**
Charge for the year	6	-	6
As at 30 September 2024	**17**	**-**	**17**
Charge for the period	23	3	26
As at 30 September 2025	**40**	**3**	**43**
NET BOOK VALUE			
As at 30 September 2023	**35**	**-**	**35**
As at 30 September 2024	**29**	**-**	**29**
As at 30 September 2025	**47**	**50**	**97**

5. INVESTMENT PROPERTY

Investment property includes commercial properties in England which are owned to earn rentals and for capital appreciation.

Changes to carrying amounts are as follows:

	30 Sep 2025	30 Sep 2024
	£'000	£'000
Carrying amount 1 October	2,842	-
Additions	-	2,842
Change in fair value – revaluation	-	-
Transfer to assets held for sale	**(2,842)**	**-**
Carrying amount 30 September	**-**	**2,842**

The investment property was leased to third parties on an operating lease. Rental income of £119,000 (2024: £nil) is shown within other operating income. There are no expenses in relation to the investment property.

Although the risks associated with rights the Group retained underlying assets are not considered to be significant, the Group employs strategies to further minimise these risks. The under guaranteed residual values do not represent significant risk for the Group, as they relate to property which is located in a location where market value, year on year, has always remained stable with trivial fluctuations. For example, ensuring the contract includes clauses requiring the lessee to compensate the Group when a property has been subjected to excess wear-and-tear during the lease term. The lessee does not have an option to purchase the property at the end of the lease expiry period.

The lease contract was renewed in May 2025 for a 12 month period at a rate of £185,000 per annum.

The property was valued using by an independent valuer (G F White LLP) on 30 September 2025. The revaluation of investment property in the year resulted in no change in valuation during the period.

The investment property was marketed for sale prior to 30 September 2025. The property has been reclassified as an 'asset held for sale'. The property was sold on 27 February 2026 for a consideration (less fees and expenses) of £2.8m.

6. TRADE AND OTHER RECEIVABLES

	30 Sep 2025	30 Sep 2024
	£000	£000
Amounts owed by Group undertakings – non-current	15,964	15,964
Amounts owed by Group undertakings – current	**3,533**	**4,234**
Prepayments and accrued income – current	159	372
Deferred consideration	-	1,742
Total - Current	3,692	6,348
	19,656	22,312

All of the amounts owed by Group undertakings shown above are repayable on demand and attract interest at rates between 0% and 3%. No expected credit losses are recognised on intercompany receivables as historically no balances have been defaulted on.

7. BORROWINGS

	30 Sep 2025	30 Sep 2024
	£000	£000
Current		
Trade Loan Facility	2,817	3,183
Finance lease	28	12
CBILS Loan Facility	3,000	3,000
	5,845	6,195
Non-current		
Finance lease	14	11
	14	11

	30 Sep 2025	30 Sep 2024
	£000	£000
Amount repayable		
Within one year	5,845	6,195
In more than one year but less than two years	14	11
	5,859	6,206

The above carrying values of the borrowings equate to the fair values. The trade loan facility is provided at interest rate of 2% over base rate pa and is available to the Company until 31 July 2026. The CBILS loan facility is provided at interest rate of 2% over base rate pa and is available to the Company until 31 October 2025.

Finance leases related to electric vehicles purchased as part of an employee benefit scheme. These have been discounted at a rate between 3.25% and 6.75%.

8. PAYABLES: AMOUNTS FALLING DUE WITHIN ONE YEAR

	30 Sep 2025	30 Sep 2024
	£000	£000
Trade payables	266	235
Amounts due to Group undertakings	2,426	1,623
Other taxation and social security	196	275
Accruals and deferred income	468	583
	3,356	2,716

9. SHARE CAPITAL

Details of movements in shares are set out in note 24 to the Group financial statements.

10. RELATED PARTY TRANSACTIONS

The Company has taken advantage of the exemption included in IAS 24 'Related Party Disclosures' not to disclose details of transactions with Group undertakings, on the grounds that it is the parent company of a Group whose accounts are publicly available.

Directors' transactions

Details of the Directors' interests in the ordinary share capital of the Company are provided in the Directors' Report.

11. SHARE-BASED PAYMENTS

The Company operates a number of share option arrangements for key executives and employees, further details of which can be found in note 26 to the Group financial statements. Further details of the arrangements for senior executives can be found in the Directors' Remuneration Report in the Group financial statements.

The Company recognised total expense of £141,000 (2024: £118,000) in respect of the equity-settled share-based payment transactions in the period ended 30 September 2025.

12. POST BALANCE SHEET EVENTS

On the 31 October 2025 the CBILs loan of £3m was repaid in full and was replaced with a Growth Guarantee Scheme (GGS) loan of £2m. The GGS loan is repayable over a term of 3 years.

On 24th October 2025, Share Capital was increased by the issue of 203,934 1p Ordinary Shares at a price of 1p

On 18th December 2025, Share Capital was increased by the issue of 458,716 1p Ordinary Shares at a price of 5.45p

On 27th February 2026, the Group sold Innovation House, a commercial property not utilised by the Group in its current operations and previously held as an investment property, for a net cash consideration of £2.84m resulting in neither profit nor loss on disposal for the Group.

There were no other subsequent events.