

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

**HALF YEAR RESULTS FOR THE SIX MONTHS ENDED 30 NOVEMBER 2023**

Filtronic plc (AIM: FTC), the designer and manufacturer of products and sub-systems for the aerospace, defence, telecoms infrastructure, space and critical communications markets, announces its half year results for the six months ended 30 November 2023 (“H1 2024”).

**Financial Highlights**

	<b>H1 2024</b>	H1 2023
Revenue	<b>£8.5m</b>	£8.4m
Adjusted EBITDA <sup>1</sup>	<b>£0.2m</b>	£1.0m
Operating (loss)/profit	<b>(£0.4m)</b>	£0.5m
(Loss)/profit for the period	<b>(£0.5m)</b>	£0.5m
Basic (loss)/earnings per share	<b>(0.24p)</b>	0.22p
Diluted (loss)/earnings per share	<b>(0.24p)</b>	0.21p
Cash generated from/(used in) operating activities	<b>£1.8m</b>	(£0.2m)
	<b>At 30 Nov</b>	At 31 May
	<b>2023</b>	2023
Net cash when including right of use property leases	<b>£1.2m</b>	£0.3m
-Net cash when excluding right of use property leases	<b>£2.4m</b>	£1.6m

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

**Operational Highlights**

- Revenue and profit expected to be ahead of market expectations for FY2024 and FY2025.
- Contract award of £3.4m in the period from the market leader in the high-growth, low earth orbit (“LEO”) satellite communications equipment market using Filtronic’s innovative proprietary Cerus 32 product.
- Good progress made on the development project to supply the European Space Agency (“ESA”) with next generation space payload communication systems for £3.2m.
- Award of £170k grant from the Defence Technology Exploitation Programme (“DTEP”) to undertake a project titled ‘Low cost and SWAP high density packaging for future RADAR’.
- Healthy cash position enables continued investment in revenue growth initiatives to deliver the strategic plan.

**Post-period Highlights**

- Additional contract awards of £12.6m, announced on 20 December 2023 and 6 February 2024, from the market leader in the high-growth, low earth orbit (“LEO”) satellite communications equipment market using Filtronic’s innovative proprietary Cerus 32 product.
- Development contract from the market leader of low earth orbit (“LEO”) satellite communications equipment for £150k to develop an E-band payload module.
- Contract award of £4.5m on 19 December 2023 from BAE Maritime Systems for the development and manufacture of advanced RF electronic modules.
- Contract award from QinetiQ valued at £2.0m announced on 15 January 2024 for the development of a radio-frequency subsystem to be deployed as a vehicle mounted land system or helicopter mounted solution.

**Commenting on the outlook, Jonathan Neale, Chairman, said:** “We are encouraged by the recent successes we have had in the execution of our strategic plan and targeted growth initiatives. The impact of this is expected in H2 FY2024 as we expect revenue to be ahead of full year market expectations and profitability to be materially ahead. Our confidence stems from the recently announced contract wins with customers in LEO space, aerospace and defence markets which were particularly pleasing given both the quantity and value, as well as the significance and quality of the new customers added to our customer portfolio. Consistent with our stated growth objectives we anticipate year-on-year forecast revenue improvements but recognise that timing of major project decisions and order placement may span financial years resulting in a growth trajectory that may sometimes be non-linear despite delivering robust compound growth. As success is delivered, we will continue to invest for growth whilst managing the rest of the cost base, where possible, to drive stronger profits and margins”.

## **Enquiries**

### **Filtronic plc**

Richard Gibbs, CEO  
Michael Tyerman, CFO

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

### **Cavendish Capital Markets Limited**

Jonny Franklin-Adams/George Dollemore (Corporate Finance)  
Sunila de Silva (ECM)

020 7220 0500

### **Walbrook PR Limited**

Paul Vann/Joseph Walker

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

## **Notes:**

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

## **Forward-looking statements**

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

## Chairman's Statement

I am pleased to present the half year results for FY2024.

I am encouraged by the way we have consolidated our position in our key markets of LEO space, aerospace and defence and telecommunications infrastructure. Our investments in engineering, business development and marketing have resulted in several innovative new product launches throughout the trading period, and we now have an opportunity pipeline which is more than double that of six months ago. As a result of this we have grown our sales orderbook through several recent contract wins with customers, and prospects, who are leaders in their respective markets.

### Financial Performance Summary

Trading results for the first half of FY2024 are in line with internal forecasts but, with a strong second half orderbook combined with good material availability, we now expect to deliver revenue and profitability materially ahead of current market expectations for the full year.

Group revenue for the first half of FY2024 increased 1% on the prior year with sales of £8.5m (H1 2023: £8.4m), broadly in line with internal forecasts. However, an adverse first half sales mix comprising a higher concentration of lower margin telecommunications infrastructure product, and a higher cost base following investment into sales channels and engineering has contributed to an operating loss of £0.4m (H1 2023: operating profit of £0.5m) and adjusted earnings before interest, taxation, depreciation and amortisation ("adjusted EBITDA") of £0.2m (H1 2023: £1.0m).

At 30 November 2023, the Group recorded cash in the bank of £4.1m (31 May 2023: £2.6m), net cash of £2.4m when excluding the right of use property leases (31 May 2023: £1.6m) and net cash including right of use property leases of £1.2m (31 May 2023: £0.3m).

### Our Markets

The Low Earth Orbit ("LEO") space market continues to develop with a significant number of projects being studied for both ground station and satellite payload. We have consolidated our relationship with the market leader in LEO communications and as a result, secured production orders of £16.0m, including an order announced today, to carry forward into H2 FY2024 and beyond. Working closely with the customer, we have been able to demonstrate the strength of our value proposition in terms of agility and speed within our engineering and manufacturing functions. We believe we are well positioned to secure future projects as they build their LEO network and scale their global operations.

We are making good progress on the European Space Agency ("ESA") ARTES programme, valued at £3.2m, which was awarded in July 2023. This project underpins our space technology roadmap for the next two years and enables us to develop a suite of qualified payload products at various mmWave frequencies required by the LEO space market.

Electronic warfare ("EW") and battlefield communications remain areas of high interest and investment for the aerospace and defence market. With analysts advising that defence spending needs to increase, particularly with more emphasis on innovative technology solutions. Increased engagement with the defence primes in recent months has been tangible. It is very pleasing to note that we have been able to build on our established position in airborne radar systems, with recent contract wins at BAE Maritime Systems for a shipborne radar system valued at £4.5m announced in early December, and at QinetiQ for a land and helicopter mounted range radar programme valued at £2.0m in early January. These are important steps forward as we develop our position in this market and broaden our customer base.

We also secured a series of filter and switched filter bank contracts during the trading period and won a third Defence Science and Technology Laboratory ("DSTL") programme for the development of a next generation tuneable filter platform valued at £0.4m. Our investments in both hybrid and plastic encapsulation assembly for hi-reliability semiconductors strengthens Filtronic's position in the UK supply chain for electronic subsystems for use in our chosen-markets.

The global deployment of 5G telecommunications infrastructure continues. Our orderbooks are scheduled across multiple trading periods to accommodate fluctuations in regional demand and a move to high-performance products required to service non-metropolitan areas. The launch of the X2 versions of the

popular Morpheus, Hades and Hercules E-band transceiver modules provide up to 50% more output power providing extended transmission distance for the backhaul equipment provider which has allowed us to recapture value in this competitive market. Market leading performance, coupled with an ability to design and build bespoke E-band backhaul solutions, has enabled some pleasing contract wins with private high frequency trading network providers.

## **Outlook**

We now feel confident that full year revenue and profit for FY2024 and FY2025 will be materially above current market expectations particularly as the semiconductor shortages impacting global supply chains and constraining our operations, are now largely behind us.

With a strong orderbook and an expanding opportunity pipeline we are starting to see the benefit of the recent investments in technology, resources and capability. We are making real inroads into our strategic markets, which for the large part remain robust with good long-term growth prospects and considerable amounts of inward investment.

The LEO space market is rapidly developing, and we have multiple project opportunities that look promising for our mmWave technology. Meanwhile the importance of defence spending on EW and battlefield communications is more pronounced than ever in an uncertain world, and the deployment of 5G network infrastructure continues with the relentless demand for bandwidth driving technology toward frequencies at E-band and beyond.

I am very grateful for the hard work and dedication of the entire Filtronic team in their efforts to focus on our customers, develop the business and I would like to take this opportunity to publicly thank them for all their efforts and collective success.

Jonathan Neale  
Chairman, 5 February 2023

**Condensed Consolidated Interim Income Statement**  
**For the period ended 30 November 2023**

		<b>6 months Ended 30 November 2023 (Unaudited) £000</b>	6 months Ended 30 November 2022 (Unaudited) £000	Year Ended 31 May 2023 (Audited) £000
<b>Continuing operations</b>	Note			
<b>Revenue</b>	5	<b>8,480</b> =====	8,368 =====	16,268 =====
<b>Adjusted EBITDA<sup>1</sup></b>		<b>206</b>	952	1,270
Depreciation of property, plant and equipment and right of use assets		<b>(451)</b>	(392)	(253)
Amortisation of intangible assets		<b>(124)</b>	(77)	(780)
<b>Operating (loss)/profit</b>	6	<b>(369)</b>	483	237
Finance costs	7	<b>(166)</b>	(125)	(231)
Finance income	8	<b>18</b>	82	58
<b>(Loss)/profit before taxation</b>		<b>(517)</b>	440	64
Taxation		<b>(5)</b>	24	400
<b>(Loss)/profit for the period</b>		<b>(522)</b> =====	464 =====	464 =====
<b>Basic and diluted (loss)/earnings per share (pence)</b>				
Basic (loss)/earnings per share	9	<b>(0.24p)</b>	0.22p	0.22p
Diluted (loss)/earnings per share	9	<b>(0.24p)</b>	0.21p	0.21p

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

**Condensed Consolidated Interim Statement of Comprehensive Income**  
**For the period ended 30 November 2023**

	<b>6 months Ended 30 November 2023 (Unaudited) £000</b>	6 months Ended 30 November 2022 (Unaudited) £000	Year Ended 31 May 2023 (Audited) £000
<b>(Loss)/profit for the period</b>	<b>(522)</b>	464	464
	-----	-----	-----
<i>Items that are or may be subsequently reclassified to profit and loss:</i>			
Currency translation arising on consolidation	<b>(39)</b>	62	(1)
	-----	-----	-----
<b>Total comprehensive (expense)/income for the period</b>	<b>(561)</b>	526	463
	=====	=====	=====

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

**Condensed Consolidated Interim Balance Sheet  
At 30 November 2023**

	Note	30 November 2023 (Unaudited) £000	30 November 2022 (Unaudited) £000	31 May 2023 (Audited) £000
<b>Non-current assets</b>				
Goodwill and other intangible assets		1,977	1,595	1,774
Right of use assets		3,566	2,606	2,889
Property, plant and equipment		764	795	1,446
Deferred tax		1,252	875	1,254
		-----	-----	-----
		7,559	5,871	7,363
		-----	-----	-----
<b>Current assets</b>				
Inventories		2,569	2,685	2,778
Trade and other receivables		4,545	4,809	5,335
Cash and cash equivalents		4,057	3,062	2,610
		-----	-----	-----
		11,171	10,556	10,723
		-----	-----	-----
<b>Total assets</b>		<b>18,730</b>	<b>16,427</b>	<b>18,086</b>
		-----	-----	-----
<b>Current liabilities</b>				
Trade and other payables		2,759	2,190	3,673
Provisions		363	314	364
Deferred Income	10	1,235	198	164
Lease liabilities		746	616	617
		-----	-----	-----
		5,103	3,318	4,818
		-----	-----	-----
<b>Long term liabilities</b>				
Deferred income	10	537	31	29
Lease liabilities		2,092	1,484	1,698
		-----	-----	-----
		2,629	1,515	1,727
		-----	-----	-----
<b>Total liabilities</b>		<b>7,732</b>	<b>4,833</b>	<b>6,545</b>
		-----	-----	-----
<b>Net assets</b>		<b>10,998</b>	<b>11,594</b>	<b>11,541</b>
		=====	=====	=====
<b>Equity</b>				
Share capital	11	10,796	10,796	10,796
Share premium	12	11,087	11,077	11,077
Translation reserve		(509)	(409)	(470)
Retained earnings		(10,376)	(9,870)	(9,862)
		-----	-----	-----
<b>Total equity</b>		<b>10,998</b>	<b>11,594</b>	<b>11,541</b>
		=====	=====	=====

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



**Condensed Consolidated Interim Statement of Changes in Equity**  
**For the period ended 30 November 2023**

	Share capital £000	Share premium £000	Translation reserve £000	Retained earnings £000	Total equity £000
Balance at 30 November 2022	10,796	11,077	(409)	(9,870)	11,594
Profit for the period	-	-	-	-	-
Currency translation movement arising	-	-	(61)	-	(61)
Share-based payments	-	-	-	8	8
	-----	-----	-----	-----	-----
Balance at 31 May 2023	10,796	11,077	(470)	(9,862)	11,541
Loss for the period	-	-	-	(522)	(522)
New shares issued (net of issue costs)	-	10	-	-	10
Currency translation movement arising	-	-	(39)	-	(39)
Share-based payments	-	-	-	8	8
	-----	-----	-----	-----	-----
<b>Balance at 30 November 2023</b>	<b>10,796</b>	<b>11,087</b>	<b>(509)</b>	<b>(10,376)</b>	<b>10,998</b>
	=====	=====	=====	=====	=====

**Condensed Consolidated Interim Cash Flow Statement**  
**For the period ended 30 November 2023**

	<b>6 months Ended 30 November 2023 (Unaudited) £000</b>	6 months Ended 30 November 2022 (Unaudited) £000	Year Ended 31 May 2023 (Audited) £000
<b>Cash flows from operating activities</b>			
(Loss)/profit for the period	(522)	464	464
Taxation	5	(24)	(400)
Finance income	(18)	(82)	(58)
Finance costs	166	125	231
	-----	-----	-----
<b>Operating (loss)/profit</b>	<b>(369)</b>	483	237
Tax (paid)/received	(5)	24	16
Share-based payments	8	8	16
Depreciation	451	392	780
Amortisation of intangible assets	124	77	253
Movement in inventories	186	(11)	(157)
Movement in trade and other receivables	766	(282)	(833)
Movement in trade and other payables	(906)	(838)	665
Movement in provisions	(1)	33	82
Change in deferred income	1,579	(72)	(109)
	-----	-----	-----
<b>Net cash generated from/(used in) operating activities</b>	<b>1,833</b>	(186)	950
	-----	-----	-----
<b>Cash flows from investing activities</b>			
Capitalisation of development costs	(326)	(160)	(481)
Acquisition of intangible assets	-	(16)	(51)
Acquisition of plant and equipment	(162)	(193)	(946)
Acquisition of right of use assets	(34)	-	(53)
Interest received	14	-	9
	-----	-----	-----
<b>Net cash used in investing activities</b>	<b>(508)</b>	(369)	(1,522)
	-----	-----	-----
<b>Cash flows from financing activities</b>			
Interest paid	(166)	(125)	(231)
Exercise of employee share options	10	17	17
Repayment of principal element of lease liabilities	(411)	(323)	(626)
Receipt of interest-bearing borrowings	684	-	-
	-----	-----	-----
<b>Net cash generated from/(used in) financing activities</b>	<b>117</b>	(431)	(840)
	-----	-----	-----
<b>Movement in cash and cash equivalents</b>	<b>1,442</b>	(986)	(1,412)
Currency exchange movements	5	42	16
Opening cash and cash equivalents	2,610	4,006	4,006
	-----	-----	-----
<b>Closing cash and cash equivalents</b>	<b>4,057</b>	3,062	2,610
	=====	=====	=====

## Notes to the Condensed Financial Statements

### 1 Company information

Filtronic plc is a company registered and domiciled in the United Kingdom and is listed on the AIM market of the London Stock Exchange. The Company's registered number is 2891064. The address of the Company's registered office is Filtronic plc, Filtronic House, Unit 3, Airport West, Lancaster Way, Yeadon, West Yorkshire, LS19 7ZA.

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

### 2 Basis of preparation

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

These financial results for the six months ended 30 November 2023 do not comprise statutory accounts within the meaning of Section 434 of the Companies Act 2006. The interim report should be read in conjunction with the Annual Report 2023, which includes annual financial statements for the year ended 31 May 2023. Those accounts have been reported on by the Company's auditor and delivered to the registrar of companies. The report of the auditor was (i) unqualified (ii) did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying their report, and (iii) did not contain a statement under section 498 (2) or (3) of the Companies Act 2006.

The condensed consolidated financial statements for the six months ended 30 November 2023 consolidate the financial statements of the Company and all of its subsidiaries (together referred to as the "Group"). Transactions between Group companies, which are related parties, have been eliminated upon consolidation and therefore do not require disclosure.

The condensed consolidated financial statements for the six months ended 30 November 2023 and comparative period have not been audited. The interim financial report for the six months ended 30 November 2023 was approved by the Board on 5 February 2023.

### 3 Going Concern

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

The directors have reviewed the projected cash flow and other relevant information, including a 'severe but plausible' scenario and have a reasonable expectation that the Group has adequate resources to continue in operational existence and therefore it remains appropriate to adopt the going concern basis in preparing the interim financial report for the six months ended 30 November 2023.

## 4 Accounting estimates and judgements

The preparation of the financial statements requires the use of accounting estimates and judgements that affect the application of accounting policies and reported amounts of assets and liabilities, income and expenses. The accounting estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of the future that are believed to be reasonable under the circumstances. Actual results may differ from the expected results. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. The accounting estimates and judgements that have a significant effect on the financial statements are considered in the Filtronic plc Annual Report for the year ended 31 May 2023 which can be found on the Filtronic website. Unless stated below there is no material change to those judgements from the Annual Report in the basis of calculation.

## 5 Segmental Analysis

### Operating Segments

IFRS 8 requires consideration of the identity of the Chief Operating Decision Maker ('CODM') within the Group. In line with the Group's internal reporting framework and management structure, the key strategic and operating decisions are made by the Chief Executive Officer, who reviews internal monthly management reports, budget and forecast information as part of this. Accordingly, the Chief Executive Officer is deemed to be the CODM.

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

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

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

The Group has three customers representing individually over 10% of revenue each and in aggregate 82% of revenue. This is split as follows:

- Customer A – 37% (HY 2023: 41%)
- Customer B – 32% (HY 2023: 17%)
- Customer C – 13% (HY 2023: 24%)

## 5 Segmental Analysis (continued)

### Revenue by Destination

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

	<b>6 months Ended 30 November 2023 £000</b>	6 months Ended 30 November 2022 £000	Year Ended 31 May 2023 £000
<b>Revenue</b>			
United Kingdom	<b>1,396</b>	2,647	4,762
Europe	<b>1,046</b>	1,258	2,600
Americas	<b>3,433</b>	2,323	5,711
Rest of the world	<b>2,605</b>	2,140	3,195
	-----	-----	-----
	<b>8,480</b>	8,368	16,268
	=====	=====	=====

### Revenue from sales

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

	<b>6 months Ended 30 November 2023 £000</b>	6 months Ended 30 November 2022 £000	Year Ended 31 May 2023 £000
<b>Revenue</b>			
Sales of product	<b>8,031</b>	7,927	15,362
NRE - point in time	<b>449</b>	441	906
	-----	-----	-----
	<b>8,480</b>	8,368	16,268
	=====	=====	=====

## 6 Operating (loss)/profit

	<b>6 months Ended 30 November 2023 £000</b>	6 months Ended 30 November 2022 £000	Year Ended 31 May 2023 £000
<b>Revenue</b>	<b>8,480</b>	8,368	16,268
<b>Material cost of goods sold</b>	<b>3,245</b>	2,994	5,992
Wages and salaries	<b>3,171</b>	2,952	5,884
Social security costs	<b>316</b>	313	623
Pension costs	<b>181</b>	164	336
Share-based payments	<b>8</b>	8	16
Employee costs	<b>3,677</b>	3,437	6,859
Amortisation of intangible assets	<b>124</b>	77	253
Depreciation of property, plant and equipment and right of use assets	<b>451</b>	392	780
Depreciation and amortisation	<b>575</b>	469	1,033
Other operating income	<b>(153)</b>	(33)	(187)
Other expenses	<b>1,505</b>	1,018	2,334
<b>Total operating costs</b>	<b>5,604</b>	4,891	10,039
<b>Operating (loss)/profit</b>	<b>(369)</b>	483	237

Development costs of £295,000 were capitalised in the HY 2024 (2023: £160,000).

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

## 7 Finance costs

	<b>6 months Ended 30 November 2023 £000</b>	6 months Ended 30 November 2022 £000	Year Ended 31 May 2023 £000
Interest expense for lease arrangements	<b>114</b>	70	139
Minimum service costs and interest charges on invoice discounting facilities	<b>52</b>	55	92
	<b>166</b>	125	231

## 8 Finance income

	<b>6 months Ended 30 November 2023 £000</b>	6 months Ended 30 November 2022 £000	Year Ended 31 May 2023 £000
Revaluation of foreign currency denominated intercompany balance	4	82	49
Interest receipt on treasury deposits	14	-	9
	-----	-----	-----
	<b>18</b>	82	58
	=====	=====	=====

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

	<b>6 months Ended 30 November 2023 £000</b>	6 months Ended 30 November 2022 £000	Year Ended 31 May 2023 £000
<b>(Loss)/profit for the period</b>	<b>(522)</b>	464	464
	=====	=====	=====
	<b>'000</b>	'000	'000
Basic weighted average number of shares	<b>215,172</b>	215,119	215,121
Dilution effect of share options	<b>2,781</b>	1,189	1,358
	-----	-----	-----
<b>Diluted weighted average number of shares</b>	<b>217,953</b>	216,308	216,479
	=====	=====	=====
<b>Basic (loss)/earnings per share (pence)</b>	<b>(0.24p)</b>	0.22p	0.22p
<b>Diluted (loss)/earnings per share (pence)</b>	<b>(0.24p)</b>	0.21p	0.21p
	=====	=====	=====

## 10 Deferred income

	<b>6 months Ended 30 November 2023 £000</b>	6 months Ended 30 November 2022 £000	Year Ended 31 May 2023 £000
Contract liabilities	1,198	141	140
Capital grant	37	57	24
<b>Total current deferred income</b>	<b>1,235</b>	198	164
Contract liabilities	392	-	-
Capital grant	145	31	29
<b>Total non-current deferred income</b>	<b>537</b>	31	29
<b>Total deferred income</b>	<b>1,772</b>	229	193

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

A capital grant of £150k was awarded in the period towards the cost of plant and equipment for new plastic encapsulation capability.

## 11 Share Capital

	<b>Deferred shares of 10p each Number '000</b>	<b>Ordinary shares of 0.1p each Number '000</b>	<b>£000</b>
At 30 November 2022	106,877	215,121	10,796
Exercise of employee share options	-	-	-
At 31 May 2023	106,877	215,121	10,796
Exercise of employee share options	-	200	-
<b>At 30 November 2023</b>	<b>106,877</b>	<b>215,321</b>	<b>10,796</b>

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

Holdings of the ordinary shares are entitled to receive dividends when declared and are entitled to one vote per share at meetings of the Company.



## 12 Share Premium

	£000
At 30 November 2022	11,077
Exercise of employee share options	-
	-----
At 31 May 2023	11,077
Exercise of employee share options	10
	-----
<b>At 30 November 2023</b>	<b>11,087</b>
	=====

## 13 Analysis of net cash

	1 June 2023 £000	Cash Flow £000	Other movements £000	<b>30 Nov 2023 £000</b>
Cash and cash equivalents	2,610	1,442	5	<b>4,057</b>
Lease liability – plant and equipment	(1,020)	353	(1,009)	<b>(1,676)</b>
	-----	-----	-----	-----
<b>Net cash when including all debt except property leases</b>	1,590	1,795	(1,004)	<b>2,381</b>
Lease liability – property lease	(1,295)	174	(41)	<b>(1,162)</b>
	-----	-----	-----	-----
<b>Net cash</b>	295	1,969	1,045	<b>1,219</b>
	=====	=====	=====	=====

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

At 30 November 2023, the Company had a £3.0m invoice discounting facility in place with Barclays Bank plc against the UK debtor book and a \$4.0m factoring facility with Wells Fargo against the US debtor book. There were no drawings on either of the facilities at 30 November 2023 (31 May 2023: undrawn).