

18 December 2025

Chesterfield Special Cylinders Holdings plc

("CSC " or the "Company")

2025 Full-Year Results

Chesterfield Special Cylinders Holdings plc (AIM: CSC) is pleased to announce its audited results for the 52 weeks to 27 September 2025 ("FY25").

The Annual Report and Financial Statements will be published on the Company's website today.

Financial results

- Revenue increased 12% to £16.6 million (2024: £14.8 million)
- Gross profit up 22% to £6.4 million at 39% margin (2024: £4.9 million at 33% margin)
- Adjusted EBITDA¹ profit of £0.8 million (2024: Adjusted EBITDA loss of £0.9 million)
- Adjusted operating profit² of £43,000 (2024: Adjusted loss of £1.7 million)
- Reported loss before tax of £0.8 million (2024: loss of £2.7 million)
- Reported basic loss per share of 1.6p (2024: loss per share of 6.1p); Adjusted basic loss per share³ of 0.0p (2024: loss per share of 4.7p)
- Cash balance of £2.1 million (2024: £0.1 million)
- Nil borrowings (2024: £1.0 million). Asset finance lease liabilities and right of use asset lease liabilities of £0.3 million (2024: £0.5 million)

1 Adjusted EBITDA is earnings / loss before interest, tax, depreciation, amortisation and other exceptional costs

2 Adjusted operating profit / loss is operating profit/loss before amortisation and other exceptional costs

3 Adjusted basic earnings / loss per share is reported earnings per share before amortisation and other exceptional costs

Highlights

- Significantly improved full-year revenue of £16.6 million (2024: £14.8 million) reflected strong growth from overseas defence and UK hydrogen contracts and from lifecycle services
- Adjusted EBITDA of £0.8 million (2024: Adjusted EBITDA loss of £0.9 million) after central costs of £0.8 million (2024: £1.7 million), well ahead of market expectations
- Proceeds from the sale of the PMC division in October 2024 strengthened the Company's balance sheet and supported a significantly improved year-end net cash position of £2.1 million (2024: £0.1 million)
- Strong order intake during FY25 of £23.4 million (2024: £13.1 million) underpinned an order book of £16.3 million at the end of the period (2024: £9.5 million)
- Defence revenue increased by 15% to £12.8 million (2024: £11.1 million), reflecting strong growth from overseas contracts secured in the first half of the year and from UK Integrity Management services
- Hydrogen revenue of £2.6 million (2024: £1.7 million) was the highest on record and reflected in-factory lifecycle services and initial milestones for the strategically significant bp Aberdeen Hydrogen Hub contract
- Record revenue in Integrity Management services of £4.8 million (2024: £2.4 million) reflected a peak in activity on major UK naval deployments throughout the year

Strategy

- Good progress made towards 2028 targets with strategically significant contracts secured in

- Good progress made towards 2026 targets with strategically significant contracts secured in defence and hydrogen markets and record growth in Integrity Management services
- The defence outlook for FY26 is underpinned by overseas defence contracts secured in FY24 and FY25 for submarine and surface ship programmes for the Royal Australian, Royal Canadian, US and Spanish navies
- CSC remains well positioned to secure strategically important defence contracts over the longer term underpinning a strong outlook for newbuild programmes in the UK and overseas from FY27 and beyond
- Potential contracts under UK HAR programmes drive expected revenue growth in FY26 ramping up strongly from FY27 for both static storage and transportable solutions
- Cooperation agreement with leading Type 4 composite cylinder manufacturer will enable growth from the supply of lightweight hydrogen road trailers to meet UK growing demand from FY27
- The longer-term outlook for Integrity Management services remains strong, covering the in-situ lifecycle support and recertification of safety-critical pressure systems, including future UK naval deployments
- Discussions with several overseas navies regarding Integrity Management services for their existing surface ship and submarine fleets, with European deployments expected during FY26
- Recent investment in skills and operational capability at the Sheffield facility are driving efficiency improvements and underpinning plans for revenue and margin growth to deliver mid-term targets to 2028

Outlook

- Robust defence order book and significant opportunities in the UK hydrogen market underpin a positive outlook for significant earnings growth in FY26, with contract revenues weighted heavily towards the second half of the year
- Further revenue and earnings growth is anticipated from FY27 onwards, driven by the expansion of UK and overseas defence newbuild programmes and the long-awaited rollout of large-scale UK hydrogen projects
- With significantly improved financial performance, strengthened balance sheet and a clear strategic focus for the delivery of mid-term targets to 2028, the Board looks forward with confidence to the year ahead and is excited about the prospects for the Company over the medium to long term

Chris Walters, Chief Executive of Chesterfield Special Cylinders Holdings plc, commented:

"We were pleased to deliver good strategic progress and significantly improved financial performance in FY25, with earnings ahead of market expectations, starting FY26 with a strong balance sheet and a positive outlook."

Additional Information

The person responsible for arranging release of this announcement on behalf of the Company is Chris Walters, Chief Executive.

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COMPANY DESCRIPTION

www.csc-holdings.com and www.chesterfieldcylinders.com

Chesterfield Special Cylinders is a world-leading designer and manufacturer of high-pressure gas storage and transportation systems, used principally in safety-critical defence and hydrogen energy applications, and provides inspection, testing and recertification services throughout the system lifecycle.

Chair's statement

Chesterfield Special Cylinders Holdings plc (the "Company") is the parent company of Chesterfield Special Cylinders

Chesham Special Systems Holdings plc (the "Company") is the parent company of Chesham Special Systems Limited ("CSC"), which is recognised as a world-leading designer and manufacturer of high-pressure gas storage and transportation systems, used principally in safety-critical defence and hydrogen energy applications, and provides inspection, testing and recertification services throughout the system lifecycle.

This Annual Report covers the financial year ended 27 September 2025 ("FY25"), during which CSC made good progress towards its 2028 targets, first announced in February 2025, securing strategically significant contracts from key hydrogen and overseas defence customers and record growth from Integrity Management services.

The consolidated financial performance from continuing operations was significantly improved over FY24, with a strong second half contributing to full-year revenue of £16.6 million (2024: £14.8 million) and Adjusted EBITDA* after central costs, well ahead of market expectations at £0.8 million (2024: Adjusted EBITDA loss of £0.9 million). The loss after tax for the period was materially lower at £0.6 million (2024: £2.3 million loss).

Proceeds from the sale of the Precision Machined Components ("PMC") division in October 2024 strengthened the balance sheet and supported a significantly improved year-end net cash position of £2.1 million (2024: £0.1 million), while providing future working capital flexibility. Following the sale of PMC, there is a clear focus on the development and success of CSC and the realisation of growth opportunities in defence and hydrogen energy markets and in Integrity Management lifecycle services.

Strong order intake during FY25 of £23.4 million (2024: £13.1 million) underpinned an order book of £16.3 million at the end of the period (2024: £9.5 million).

** Adjusted EBITDA is defined as earnings / loss before interest, tax, depreciation, amortisation and exceptional costs.*

Defence

CSC continues to focus on the delivery of the existing order book for UK and overseas defence customers and remains well positioned for further growth in these markets over the medium term.

Defence revenue increased by 15% to £12.8 million (2024: £11.1 million), reflecting strong growth from overseas contracts secured during the first half of the year and record performance from UK Integrity Management deployments, together offsetting reduced revenue from UK naval newbuild programmes nearing completion.

The defence outlook for FY26 is underpinned by overseas defence contracts secured in FY24 and FY25 for submarine and surface ship programmes for the Royal Australian, Royal Canadian, US and Spanish navies. Further overseas defence contract awards are expected in Q1 2026.

Over the longer term, the backdrop of geopolitical tensions and the well-documented increasing global defence budgets underpin a strong outlook for newbuild programmes in the UK and overseas. These include initial milestones for the SSNA (AUKUS) Astute submarine replacement programme expected from FY27, future opportunities in the US submarine programme from FY28 and wider overseas surface ship and submarine newbuild opportunities. CSC remains well positioned to secure these strategically important defence contracts.

Hydrogen

Hydrogen revenue of £2.6 million (2024: £1.7 million) was the highest on record and reflects in-factory lifecycle services for static storage and road trailers and initial milestones for the bp Aberdeen Hydrogen Hub contract, secured in the first half of the year.

The delayed rollout of UK government funded hydrogen projects has been frustrating for developers and the wider supply chain. However, in April 2025, the UK government reaffirmed its commitment to support domestic green hydrogen production growth through the Hydrogen Allocation Rounds (HAR). Overall, ten HAR1 projects have been approved by the government and a shortlist of 27 HAR2 projects has also been announced. CSC is actively engaged and strongly positioned with key developers regarding storage and transport systems for HAR1 and HAR2 newbuild contracts, which are expected to be operational between 2026 and 2029. These potential contracts are expected to drive newbuild revenue growth from HAR1 during FY26, ramping up strongly with HAR2 from FY27.

One major contract award under HAR1 that was previously expected in Q4 2025 is now expected in Q1 2026 and we expect our first HAR2 contract awards within FY26 for delivery during FY27.

The anticipated growth in green hydrogen production and offtake from HAR and privately funded projects is driving fleet expansion plans for hydrogen road trailers in the UK. CSC has signed a cooperation agreement with a leading

European Type 4 composite cylinder manufacturer, enabling the integration and supply of advanced lightweight modular hydrogen storage systems and road trailers to meet this growing UK demand from FY27.

Integrity Management services

Record revenue in Integrity Management of £4.8 million (2024: £2.4 million) reflects a peak in activity on major UK naval deployments throughout the year.

The longer-term outlook for Integrity Management services remains strong, covering the in-situ lifecycle support and recertification of safety-critical pressure systems, including future UK naval deployments. CSC is in discussions with several overseas navies regarding Integrity Management services for their existing surface ship and submarine fleets, with European deployments expected during FY26.

Strategy

Our strategy and mid-term targets to 2028 were set out in the 2024 Annual Report as follows:

- Deliver revenue over £30 million
- Double high-value overseas defence sales to underpin a 40% increase in overall defence sector revenue
- Grow hydrogen sales to 30% of total revenue, through newbuild static storage and trailer projects
- Double Integrity Management service sales through growth in existing UK and new overseas markets
- Maintain 30% of revenue from high-value lifecycle support services, including in-situ Integrity Management and factory-based retesting and recertification
- Deliver sustainable Adjusted EBITDA margins above 15% before central costs

Good strategic progress was made during FY25, as follows:

- **Divest non-core PMC division**
 - PMC sale proceeds used to strengthen the balance sheet and provide working capital flexibility. No further cash consideration is expected in relation to the sale of PMC
- **Defence**
 - Overseas defence contracts secured for the Royal Australian, Royal Canadian and Spanish navies, underpinning the defence order book for FY26 and beyond
 - Qualification contract secured to supply US submarine newbuild programme progressing well, with initial product delivery expected in Q1 2027
- **Hydrogen**
 - Highest revenue performance on record for hydrogen projects
 - Contract secured to supply large-scale storage to bp Aberdeen City hydrogen hub
 - Positioning for FY26 contract awards across UK HAR1 and HAR2 programmes
 - Type 1 steel and Type 4 composite road trailer products launched in the UK market
 - French refuelling station project secured, delivery in FY26
- **Lifecycle Services**
 - Highest revenue performance on record for UK Integrity Management naval deployments
 - Advanced discussions with European navies and their prime contractors, orders expected in FY26

Outlook

A robust defence order book and significant opportunities in the UK hydrogen market underpin a positive outlook for significant earnings growth in FY26, with contract revenues weighted heavily towards the second half of the year. Further strong revenue growth is anticipated from FY27 onwards, driven by the expansion of UK and overseas defence newbuild programmes and from the rollout of large-scale hydrogen production through UK HAR projects.

With significantly improved financial performance, strengthened balance sheet and a clear strategic focus for the delivery of mid-term targets to 2028, the Board looks forward with confidence to the year ahead and is excited about the prospects for CSC over the medium to long term.

Nick Salmon
Chair

Strategic report

Overview

Chesterfield Special Cylinders ("CSC") is a world-leading designer and manufacturer of high-pressure gas storage and transportation systems, used in safety-critical applications across defence, hydrogen, energy and industrial markets. CSC is one of only five companies globally that can compete for ultra large cylinder contracts to meet the demanding safety and performance standards specified for these industries. As a trusted OEM, CSC also provides mandatory inspection, testing and recertification services throughout the system lifecycle.

inspection, testing and recertification services throughout the system lifecycle.

CSC's high-pressure cylinders and storage packages are mission-critical components in many end user applications, including several high-pressure systems on naval submarines and surface vessels, safety systems on fighter jets, hydrogen storage and transportation for refuelling and energy supply, air pressure vessels in offshore motion compensation systems, breathing air systems on dive support vessels and bulk storage and transportation of industrial gases, including road trailers.

Lifecycle services are a growing part of the CSC business. In-factory inspection, testing and reconditioning services extend the life of bulk gas storage systems and road trailers to meet demanding safety standards and mandatory recertification requirements. Where systems cannot be removed for period maintenance, CSC's in-situ Integrity Management services minimise operational disruption and increase system availability, while enabling mandatory recertification. Together, these lifecycle services have been built on CSC's unrivalled industry knowledge and OEM experience.

All product design, manufacturing and in-factory recertification work is undertaken at CSC's facility in Sheffield, UK. In-situ Integrity Management teams deploy to projects in the UK and overseas, working onshore and offshore.

Purpose, vision and strategy

Our purpose, vision and strategy are focused on the development and growth of CSC through the supply of safety-critical pressure systems and lifecycle services, principally across defence and hydrogen energy markets.

Building on our proud 120-year heritage, we will continually develop and grow our brand and reputation through product quality and customer service, underpinned by the motivation and commitment of our skilled, engaged and empowered workforce.

Purpose

Our purpose is the design, manufacture and lifecycle support of systems that deliver value for customers in demanding, safety-critical environments where the consequences of system failure could be catastrophic. This purpose addresses three key areas:

Safety

- o Meeting demanding international standards for system design and manufacture, enabling customers to meet their safety responsibilities

Performance

- o Innovative and cost-effective designs, delivered on time, enabling customers and end users to meet their operational goals

Assurance

- o Lifecycle support to maximise operational availability and maintain compliance with mandatory safety requirements through life

Vision

Our vision is to create value for customers, shareholders and other stakeholders through the development and growth of CSC as a world-leading supplier of gas storage and transportation systems and lifecycle services.

This vision was first set out in the 2024 Annual Report in the form of mid-term targets to 2028 across six key areas against a 2024 baseline. These six targets are reconfirmed as follows:

Deliver revenue >£30m	Double high-value overseas defence revenue	Grow hydrogen sales to 30% of total revenue
Double Integrity Management revenue	Maintain 30% of revenue from lifecycle services	Adjusted EBITDA margin >15% before central cost

Strategy

Our strategy is focused on the development and success of CSC and the realisation of growth opportunities for our products and services, principally in defence and hydrogen energy markets. The current environment and outlook for CSC in principal markets underpin the strategy as follows:

Defence

- o Trusted supplier of safety-critical pressure systems to navies and defence contractors worldwide
- o Long-term newbuild programme visibility, with high-value contracts and irregular phasing
- o Sole supplier to UK and EU newbuild programmes for domestic and export programmes
- o Sole supplier of system revalidation services for the UK fleet, with opportunities emerging overseas

Hydrogen

- o World-leading reputation for the supply and lifecycle support of storage and transportation systems
- o Emerging market with long-term growth outlook
- o Strong UK government funding commitment to hydrogen clean energy projects
- o Established and growing customer base in road trailer periodic inspection and testing

Lifecycle Services

- o Unique in-situ Integrity Management and in-factory lifecycle support services, covering mandatory inspection, testing and recertification across defence, hydrogen and other safety-critical markets

Our strategic objectives are measurable and relate directly to enabling and delivering the mid-term goals to 2028. The strategy and objectives were first presented in the 2024 Annual Report and have been updated below to reflect progress made during FY25 and to address changes in principal markets, new opportunities and risks.

FY25 strategic progress

Progress made against FY25 objectives as set out in the 2024 Annual Report:

Sale of PMC

- o Use proceeds to repay term loan and strengthen the balance sheet
 - § Loan repayment completed in October 2024
 - § Stronger balance sheet, working capital flexibility

Defence

- o Qualify as critical supplier to major US defence contractor and position for new orders
 - § Qualification progressing well. Extended customer schedule for qualification is now early 2027, with first boat set order expected in 2027 and manufacturing from FY28
- o Drive stronger margins from UK and European defence contract milestones
 - § Strong defence contract margins delivered in FY25, supported by UK Integrity Management deployments

Hydrogen

- o Secure contracts to supply hydrogen storage to UK NZHF Strand 2, HAR1 and HAR2 projects
 - § UK NZHF Strand 2 project secured to supply bp Aberdeen City hydrogen hub
 - § UK HAR1 and HAR2 approved or shortlisted, but contracts delayed, expected in FY26
- o Launch hydrogen road trailer products and secure new orders from UK and European customers
 - § Type 1 steel and Type 4 composite hydrogen road trailer designs launched in UK market
 - § Several major enquiries in the pipeline for FY26 and FY27 order placement
- o Develop European customer relationships to secure hydrogen refuelling station contracts
 - § Initial contract secured with French customer for refuelling station storage

Lifecycle Services

- o Invest in Integrity Management resources to support growth in UK and European markets
 - § Recruitment and training are progressing to support expected growth
- o Secure new Integrity Management contracts for European defence customers
 - § In advanced discussions with three European navies and their prime contractors, orders expected in FY26

FY26 strategic objectives

Secure UK and overseas naval newbuild contracts, secure UK HAR1 hydrogen contracts, expand UK HAR2 opportunities pipeline, secure in-situ Integrity Management contracts for overseas naval customers

Defence

- o Deliver completion milestones for UK Dreadnought submarine newbuild programme
- o Deliver manufacturing milestones for ongoing Australian, Canadian, Spanish and French submarine and surface ship newbuild programmes
- o Secure UK SSN-A (AUKUS) newbuild contracts to strengthen the UK defence outlook from FY27
- o Secure Taiwanese and French-built export submarine newbuild contracts to grow overseas defence order book, deliver early manufacturing milestones
- o Progress qualification to supply US submarine programme, completion in Q1 2027

Hydrogen

- o Deliver UK NZHF Strand 2 large-scale storage to bp Aberdeen City Council
- o Secure UK HAR1 large-scale storage system contract, delayed from FY25, and deliver initial contract milestones
- o Secure UK HAR2 contracts, build opportunities pipeline for delivery from FY27
- o Secure Type 1 and Type 4 hydrogen road trailer orders for UK customers

Lifecycle Services

- o Secure and deliver Integrity Management deployments for UK naval fleet revalidation packages
- o Secure Integrity Management contracts for Portuguese, Spanish and Swedish naval customers and further expand pipeline of overseas naval opportunities
- o Secure 2026 road trailer fleet recertification contracts with gas majors

FY27-FY29 strategic objectives

Accelerate growth in hydrogen and defence markets and in lifecycle services, drive profitability and cash generation

Defence

- o Conclude qualification to supply US submarine programme
- o Secure first contract to supply US submarine programme, for delivery from FY28 and FY29

- o Deliver UK SSNA contract milestones
- o Secure UK and overseas contracts for submarine and surface ship newbuild programmes to underpin longer-term defence outlook

Hydrogen

- o Deliver final UK HAR1 contract milestones
- o Secure and deliver UK HAR2 contracts through to FY29
- o Secure and deliver UK HAR3 contracts for delivery from FY29
- o Expand Type 1 and Type 4 hydrogen road trailer order book for UK customers, with deliveries expected from FY27

Lifecycle Services

- o Expand high-value Integrity Management services for UK and overseas submarine and surface ship fleets
- o Accelerate growth for in-situ and in-factory lifecycle services for the hydrogen energy market, based on the expanding installed fleet

Principal risks and uncertainties are set out in the strategic report, together with an explanation of how these risks are managed or mitigated.

Business and financial review

Good strategic progress was made towards 2028 targets during the year, and financial performance was significantly improved, with earnings ahead of market expectations.

Overall revenue from continuing operations was £16.6 million (2024: £14.8 million) and Adjusted EBITDA* after central costs was £0.8 million (2024: Adjusted EBITDA loss of £0.9 million). The loss after tax for the period was £0.6 million (2024: £2.3 million).

Proceeds from the sale of the PMC division in October 2024 supported a year-end net cash position of £2.1 million (2024: £0.1 million), which helped to strengthen the balance sheet and provided future working capital flexibility.

Overall order intake during FY25 of £23.4 million (2024: £13.1 million) underpinned an order book of £16.3 million at the end of the period (2024: £9.5 million).

The following table presents consolidated financial performance for the continuing operations and excludes PMC discontinued operations.

£ million	2025	2024	2023	2022	2021
Revenue	16.6	14.8	20.7	17.6	18.9
Defence	12.8	11.1	17.2	13.5	11.1
Hydrogen energy	2.6	1.7	2.1	2.4	2.2
Industrial	0.5	1.6	0.5	0.7	5.3
Offshore services	0.7	0.4	0.9	1.0	0.3
Gross margin**	39%	33%	41%	31%	28%
Adjusted trading EBITDA***	1.6	0.8	3.9	1.1	2.6
Central costs****	(0.8)	(1.7)	(1.9)	(1.7)	(1.7)
Adjusted EBITDA	0.8	(0.9)	2.0	(0.6)	0.9

* Adjusted EBITDA is defined as earnings / (loss) before interest, tax, depreciation, amortisation and exceptional costs

** Restated from 2022 for reclassification of labour costs from cost of sales to administration costs

*** Adjusted trading EBITDA is defined as earnings before interest, tax, depreciation, amortisation and exceptional costs for CSC before central costs

**** Central costs include the employment and administration costs of the Board of Directors, central staff costs, regulatory costs of operating as a public limited company quoted on the London Stock Exchange

Defence

Defence revenue increased by 15% to £12.8 million (2024: £11.1 million), reflecting strong growth from overseas contracts secured during the first half of the year, as revenue reduced from UK naval newbuild programmes nearing completion, and record performance from UK naval Integrity Management deployments.

Defence order intake more than doubled to £19.1 million (2024: £9.3 million), driven by growth from overseas newbuild contracts and UK Integrity Management naval deployments. The defence order book at the end of the period was significantly stronger at £14.6 million (2024: £8.2 million).

Overseas contract awards secured in the year include submarine and surface ship programmes for the Royal Australian, Royal Canadian, US and Spanish navies.

CSC continues to focus on the delivery of the existing order book for UK and overseas defence customers and remains well positioned for growth in overseas defence markets over the medium term. The backdrop of geopolitical tensions and increasing global defence budgets underpin a strong outlook for newbuild programmes in the UK and overseas, including initial milestones for the SSN-A (AUKUS) Astute submarine replacement programme expected from FY27, future opportunities in the US submarine programme from FY28 and wider overseas surface ship and submarine newbuild opportunities.

submarine newbuild opportunities.

Hydrogen

Hydrogen revenue increased by over 50% to £2.6 million (2024: £1.7 million), the highest hydrogen revenue on record for CSC. This performance reflects in-factory lifecycle services for static storage and road trailers and the initial milestones for the bp Aberdeen Hydrogen Hub contract, secured in the first half of the year.

Hydrogen order intake also more than doubled to £3.2 million (2024: 1.5 million) and the hydrogen order book at the end of the period was £1.2 million (2024: £0.6 million).

In April 2025, the UK government reaffirmed its commitment to support domestic green hydrogen production growth through the Hydrogen Allocation Rounds (HAR). Overall, ten HAR1 projects have been approved by the government and a shortlist of 27 HAR2 projects has been announced. CSC is actively engaged with key developers regarding storage and transport systems for HAR1 and HAR2 newbuild contracts, which are expected to be operational between 2026 and 2029.

One major contract award under HAR1 that was previously expected in Q4 2025 is now expected in Q1 2026 and we expect our first HAR2 contract award within FY26.

The anticipated growth in green hydrogen production and offtake from HAR and privately funded projects is driving fleet expansion plans for hydrogen road trailers in the UK. CSC has signed a cooperation agreement with a leading European Type 4 composite cylinder manufacturer, enabling the integration and supply of advanced lightweight modular hydrogen storage systems and road trailers to meet this growing UK demand.

Integrity Management services

Revenue from Integrity Management lifecycle services doubled to £4.8 million (2024: £2.4 million), which was also the highest level on record and reflects a peak in activity on major UK naval deployments throughout the year.

The longer-term outlook for Integrity Management services remains strong, covering the in-situ lifecycle support and recertification of safety-critical pressure systems, including future UK naval deployments. CSC is in discussions with several overseas navies regarding Integrity Management services for their surface ship and submarine fleets, with deployment expected in FY26.

Profitability

Gross profit was £6.4 million at 39% margin (2024: £4.9 million at 33% margin restated). Overhead costs at £6.3 million were 5% lower than last year (2024: £6.6 million restated) due to planned cost savings realised principally in the first half of the year.

Adjusted operating profit of £43,000 (2024: adjusted operating loss of £1.7 million) in the year. Adding back depreciation charges of £0.8 million (2024: £0.8 million), Adjusted EBITDA profit was £0.8 million in the year (2024: Adjusted EBITDA loss of £0.9 million).

Exceptional costs

Exceptional costs of £0.8 million (2024: £0.7 million) were incurred in the year, principally related to management bonuses paid on completion of the sale of PMC in October 2024, reorganisation costs and corporate finance services.

Tax

The tax credit for Company continuing operations in the year was £0.2 million (2024: tax credit of £0.3 million). The current year tax credit was principally due to the incremental recognition of deferred tax on losses brought forward in the Company. The Company is expected to recover the resulting deferred tax asset through projected future profits between FY26 and FY28. Corporation tax refunded in the year totalled £nil (2024: £6,000).

Loss per share

Basic loss per share from continuing operations was 1.6 pence (2024: loss per share 6.1 pence). Allowing for add-back of exceptional costs, adjusted loss per share was 0.0 pence (2024: adjusted loss per share of 4.7 pence).

Dividends

No dividends were paid in the year (2024: £nil) and no dividends have been declared in respect of the year ended 27 September 2025 (2024: £nil).

Operating cash flow, capital expenditure and cash flow before financing

Operating cash inflow was £0.2 million (2024: £2.0 million), arising primarily from Adjusted EBITDA of £0.8 million (2024: Adjusted EBITDA of £0.6 million) and working capital outflows of £0.6 million (2024: inflows of £1.4 million). Key movements within working capital in the year included higher trade receivables at the end of the year due to increased sales in the second half of the year.

Capital expenditure in the year was £0.3 million (2024: £0.4 million), incurred principally for the replacement and maintenance of site facilities and equipment. Proceeds from the disposal of the PMC division in the year was £4.4 million.

Allowing for exceptional costs of £0.8 million (2024: £0.9 million), finance costs of £0.1 million (2024: £0.5 million) and corporation tax refunds of £nil (2024: £6,000), cash inflow before financing was £3.5 million (2024: inflow of £0.2 million).

Cash balances, borrowings and liquidity

The cash balance at 27 September 2025 was £2.1 million (2024: £0.1 million). The increase in the cash balance of £2.0 million is due to the cash inflow before financing of £3.5 million, less repayment of the term loan of £1.0 million and repayment of £0.3 million lease liabilities. A balance of £0.2 million was also transferred to the discontinued PMC operation prior to its sale.

Net cash at 27 September 2025 was £1.8 million (2024: £1.4 million net debt). The decrease in net debt of £3.2 million is primarily due to the £3.5 million cash inflow before financing.

Markets

UK & overseas defence

What is happening in the market?	What does this mean for us?
<p>Defence spending continues to be driven by the ongoing Russia-Ukraine conflict, increasing instability in the Middle East, and wider geopolitical tension, including the threat to critical subsea assets. Commitments made within NATO to increase defence budgets remain a primary factor behind the market outlook.</p> <p>The UK government continues to affirm its commitment to its defence budget. UK defence spending reached an estimated 2.32% of GDP in 2024, maintaining the national commitment of at least 2% of GDP and making it the second largest defence budget in NATO. Looking ahead, the government remains committed to increasing the defence budget to 2.5% of GDP by 2030.</p> <p>Importantly, the government repeatedly states that this investment will deliver a 'defence dividend', with an increase in orders for UK manufacturers, enabling greater levels of private investment and job creation across the supply chain.</p> <p>The SSN-A (AUKUS) submarine programme, the tri-lateral agreement with the United States and Australia to deliver next-generation nuclear-powered attack submarines to replace the Astute-class, remains fundamental to the UK's long-term defence strategy. This programme continues to drive significant investment in skills training and jobs in the UK, building on the initial commitment to the design phase.</p> <p>Global defence spending saw a sharp increase in 2024 and is projected to continue growing, particularly with a significant number of naval new construction programmes now commencing, and many more in the design and planning stages across major allied nations.</p> <p>The US, Australia, Canada, and France remain committed to long-term investment programmes. In the US, the Columbia-class (ballistic missile submarine) and Virginia-class (attack submarine) programmes are active, which continues to involve the use of the UK-approved supply chain.</p>	<p>As a world-leading supplier of high-pressure gas storage systems to NATO members and NATO-friendly state navies, CSC has long-term contracts to supply mission-critical products and services for conventional and nuclear submarine and surface ship programmes in the UK and overseas.</p> <p>CSC is in discussion with navies and their prime contractors for future UK and overseas newbuild contracts which would support manufacturing activity to 2040 and beyond. These programmes including the well-publicised SSN-A (AUKUS), for which CSC expects to commence early design and manufacturing stages from 2027.</p> <p>Sole supplier to UK Royal Navy newbuild programmes through prime contractors BAE Systems and Babcock, CSC is also a long-term supplier to French shipbuilder Naval Group for domestic and export newbuild programmes.</p> <p>In January 2025, CSC was awarded a strategically significant contract to supply safety-critical pressure vessels to the US defence prime contractor, General Dynamics Electric Boat (GDEB), the company responsible for the design, construction and lifecycle support of submarines for the US Navy.</p> <p>The contract award covers supplier qualification and the delivery of pressure vessels to GDEB in early 2027 and provides a foundation for future growth and development in the US naval defence market, where ongoing nuclear submarine new construction programmes are planned to run through to 2043.</p> <p>Although the phasing of defence project milestones and contract revenues can fluctuate significantly between and within financial years, there is good medium and long-term visibility of vessel construction programmes and planned defence expenditure from navies and their prime contractors.</p> <p>CSC is the principal supplier of inspection and testing services to the UK MoD for through-life cylinder performance and safety management on various classes of nuclear submarine.</p> <p>CSC has current opportunities to supply European navies with these inspection and testing services, typically having been the OEM for onboard pressure systems when the submarines or surface ships were built.</p>

Hydrogen energy

What is happening in the market?	What does this mean for us?
<p>The global hydrogen energy market continues to develop, underpinned by its potential to support decarbonisation in transport, power, and industrial applications.</p> <p>At the start of 2025, the market was characterised by continued growth in investment, albeit with some project delays and a recalibration of initial 2030 targets.</p> <p>Capital spending globally on low-emissions hydrogen projects reached approximately 4.3 billion in 2024, an 80% increase from 2023. Based on recent Final Investment Decisions (FIDs), this spending is projected to rise by over 80% in 2025 to nearly 8 billion.</p> <p>While the overall pipeline of announced hydrogen production projects has shrunk due to cancellations and delays, the number of projects reaching FID has grown by almost 20% since late 2023.</p> <p>The uncertainty about costs, the challenge of matching offtake agreements to production costs,</p>	<p>CSC is well positioned to supply products and services to the growing hydrogen market, primarily in the UK.</p> <p>The development of smaller localised hydrogen refuelling station infrastructure has slowed since 2020, driven by supply chain constraints, a limited supply of green hydrogen and lower than expected demand from the heavy-goods transport sector.</p> <p>The shift to large-scale hydrogen production projects such as those now supported by the UK's NZHF Strands 1 and 2 funding from February 2024 and more recent HAR funding programmes will seek to address green hydrogen supply issues in line with national clean energy targets.</p> <p>Hydrogen production projects will require different types and sizes of pressurised storage and transportation system. CSC is in discussion with UK HAR1 and HAR2 developers where its Type 1 steel cylinders are required for static storage and road trailer applications and remains well positioned to secure projects from Q4 2025 onwards.</p>

and the need for clear regulatory frameworks remain the primary barriers to faster deployment.

In the UK, the government announced in April 2025 that it had shortlisted 27 projects to receive funding support through its second Hydrogen Allocation Round (HAR), its flagship hydrogen policy and funding mechanism. HAR2 projects are expected to become operational between 2026 and 2029.

The UK government is expected to publish an update to its Hydrogen Strategy at the end of 2025. Key expectations of the update are:

Increase focus on hydrogen demand, recognising that certainty of offtake is one of the biggest challenges facing developers.

Drop the 10GW 2030 production target

Recommit to HAR3 and beyond.

The UK government has indicated that it will take action to increase levels of UK content in HAR projects. A Call for Evidence on "options for the hydrogen supply chain" will soon be published, and the government has stated it will consider expanding the Clean Industry Bonus into the hydrogen sector, which has already been introduced in the offshore wind sector to provide developers with subsidies if they can evidence greater use of UK technology and job creation.

to secure projects from Q4 2025 onwards.

The first projects under HAR1 and HAR2 are likely to progress cautiously through 2026 and 2027, as developers take care with the implementation of new technologies, compliance with regulatory regimes and the integration of system components from a wide range of suppliers.

CSC hydrogen revenues hit a record level in FY25 and are expected to grow strongly from FY26 onwards. Once developers have proven concepts under HAR1 and HAR2, UK demand for storage systems and road trailers is expected to grow further from 2027 onwards.

Demand for hydrogen tube trailer periodic inspection, testing and recertification continued steadily during 2025 and is expected to remain an important component of CSC's lifecycle services revenue over the medium term. CSC continues to expand its customer base of gas majors and independent operators in this market, which has been supported by improved operational efficiencies and margins. CSC is one of very few suppliers of this specialised safety-critical service.

Hydrogen energy (continued)

What is happening in the market?

This aligns with a statement in the HAR2 Due Diligence and Cost Assurance Guidance document, which confirmed that the government is *"exploring options where we could invest further into shorter and more sustainable supply chains through Hydrogen Allocation Round 3 and beyond."*

In a letter from the Chancellor to CSC, Ms Reeves said: *"The government is progressing multiple aspects of the Hydrogen economy, and places particular strategic importance on developing domestic supply chains from hydrogen production to usage"*. Publicly, the Chancellor has repeatedly stated: *"where things are made, and who they are made by, matters"*.

It is important to note that whilst the UK government continues to pursue its clean power mission, and the Prime Minister attended COP30 to reinforce the UK's commitment to the energy transition, the political consensus in Westminster on net zero has broken.

The Conservative Party, who introduced the UK's legal requirement to achieve net zero carbon emissions by 2050, are now in favour of formally scrapping the target. In addition, Reform UK, who have led in opinion polls since Spring 2025, proposed cancelling subsidies for wind and solar projects and favour domestic fossil fuel extraction, off and onshore. Reform UK have, as of November 2025, not said anything formally regarding hydrogen, but they do regularly propose taking action to reindustrialise the UK and build up manufacturing capabilities.

The EU Hydrogen Bank remains the central instrument for scaling hydrogen production, imports, and infrastructure across Europe. Despite progress, industry uncertainty persists due to slow permitting, unclear subsidy design, and missing offtake agreements. For example, seven projects withdrew from the 2nd auction.

The European Parliament plans to cut industrial electricity prices from January 2026. This will improve cost competitiveness for electrolyzers, while policy focus is broadening, with hydrogen, SAF,

What does this mean for us?

A major contract was secured in March 2025 to supply bp Aberdeen Hydrogen Energy with large-scale storage systems under UK NZHF Strand 2 funding. A further major contract under HAR1 was delayed from Q1 2025 and is now expected in Q4 2025 or early in Q1 2026.

Over the longer term to 2050 and beyond, large-scale hydrogen transportation is expected to be predominantly by pipeline, and some high-density bulk storage may move to liquefied hydrogen, but demand for pressurised buffer storage and road trailer transportation is expected to remain.

While the demand for new pressurised storage and transportation systems may reduce as pipeline infrastructure expands, there will remain a strong market for CSC in the periodic inspection and testing of the installed fleets of cylinders, generating a repeat high-value revenue stream over the longer-term.

ammonia, and e-methanol now seen as complementary pillars of industrial decarbonisation. National measures such as Germany's Hydrogen Acceleration Act and industrial power price scheme aim to strengthen investment confidence and accelerate market delivery from 2026.	
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Industrials

What is happening in the market? The market for bulk gas storage and transportation has a diverse customer base, including industrial gas majors, higher education and scientific research bodies, civil nuclear and conventional power plants and specialised applications, including space programmes.	What does this mean for us? Specialised new build opportunities for high-volume industrial gas storage are ad hoc and provide strong margin opportunities, while in-situ and factory inspection, testing and reconditioning services have been identified as a moderate growth area for CSC.
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Offshore services

What is happening in the market? The market for offshore services includes products and services related to oil and gas exploration, production, and support, as well as offshore renewable energy developments like wind farms. The oil and gas market is characterised by deepwater and ultra-deepwater exploration and production, requiring robust and reliable solutions for operations under extreme conditions. The offshore renewables sector, particularly wind energy, is expanding rapidly. Floating wind turbines and wave energy systems, increasingly supporting green hydrogen production, are key growth areas.	What does this mean for us? These sectors rely on specialised high-pressure gas storage systems. CSC has traditionally played a role in delivering safety-critical cylinder packages and providing in-situ and factory-based periodic inspection and testing services in this highly regulated market. Applications include: <ul style="list-style-type: none"> • Motion compensation systems of offshore installations, including the supply of air pressure vessels for new build projects and the provision of spares and periodic inspection services through life. • Diving support systems, including the supply of new safety-critical breathing air storage packages and the periodic inspection, testing and upgrading of installed systems. The demand for Integrity Management services is forecast to increase steadily for diving support vessels, offshore installations and floating cranes over the next few years.
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Principal risks

Risk identification and management

The Directors have identified the principal risks and uncertainties that could materially affect the activities, performance and financial position of the Company and its subsidiaries.

Risk management is overseen by the Board, which includes setting the risk appetite based on the nature of each risk and available mitigations.

Effective risk management helps to protect the Company and its stakeholders, while enabling the execution of the strategy and the sustainable delivery of growth targets.

The risk register identifies the key business risks and documents the status and trends, together with the policies and practices in place to support risk mitigations.

The Board considers the risk register and any supplementary sub-registers twice per year through the Audit and Risk Committee.

Principal risks

The principal risks identified by the Directors are summarised in the table below. All risks considered by the Board cover a broader range of areas than the principal risk in this table.

Risk and potential impact	Status and key mitigations
1. Global economic conditions, political uncertainty and market sector volatility	

<p>Economic factors and market sectors</p> <p>Economic and political factors may adversely impact key markets, in particular in the UK and NATO-allied countries, and the activities and decisions of customers and suppliers, which in turn may impact sales and the availability and cost of materials and therefore the financial performance.</p> <p>CSC principally operates in the defence and hydrogen energy market sectors, with some activity in industrial and offshore services markets.</p> <p>A slowdown in either or both of these key markets may adversely impact sales, financial performance and liquidity requirements.</p>	<p>Status: No change in FY25</p> <p>Uncertainty in the international trade environment increased, with policy changes and tariffs implemented by the US.</p> <p>Geopolitical factors continued to drive activity in UK and overseas defence markets through commitments to increased spending in Europe and across NATO. The UK government has reinforced its commitment to clean energy, including wind, solar and hydrogen projects.</p> <p>While the defence sector has benefitted from these macro trends, it should be noted that defence spending on naval newbuild programmes is variable over time. Work on current major UK defence programmes passed a peak in early 2024, with the next major UK submarine newbuild programme expected to commence from 2027.</p> <p>CSC is positioned strongly for growth in overseas defence markets and secured orders in 2024 and 2025 that have helped mitigate the reduction in UK programmes and strengthened the overall defence order book.</p> <p>Development and growth in the hydrogen market was slower than expected during 2025, but the outlook remains positive. CSC is positioned strongly in the UK hydrogen market, which is expected to account for an increasing share of revenues from 2026.</p> <p>CSC maintains close contact with its customers, major suppliers and industry associations to ensure the best possible understanding of future project requirements and the availability and cost of materials, given the prevailing macro-economic conditions.</p>
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Risk and potential impact	Status and key mitigations
1. Global economic conditions, political uncertainty and market sector volatility (continued)	
<p>Economic factors and market sectors (continued)</p>	<p>CSC quotes on short-term validity to protect against changes in raw material, energy and component costs and ensures appropriate commercial protections against through-contract escalations, cancellations or delays.</p> <p>CSC is proactively growing its in-factory and in-situ lifecycle services activities, which provide some resilience against the variability, delays and potential downturns in defence and hydrogen newbuild programmes.</p>
<p>Foreign exchange</p> <p>A proportion of the CSC's business is carried out in overseas markets and contracts may adopt currencies other than Sterling, in which CSC and the Company recognise the bulk of their costs.</p> <p>Exposure to exchange rate fluctuations may affect the financial results and cash position.</p>	<p>Status: No change in FY25</p> <p>Natural hedges are in place for the main currencies that CSC is exposed to in contracts with customers and suppliers. All foreign currency transactions are completed by treasury function, including the use of forward exchange contracts, when appropriate.</p> <p>CSC typically quotes for business on a short quote expiry and where appropriate will include price escalation clauses to limit exposure to fluctuations in foreign currencies.</p>
2. Governmental policy, regulation, legislation and compliance	
<p>Government policies</p> <p>Revenue generated from defence and hydrogen energy contracts may be impacted by changes to UK government policies which the Company may not be able to influence.</p> <p>Changes in UK government policy may result in amendments to tax and employment policies that could adversely affect the business.</p>	<p>Status: No change in FY25</p> <p>The UK government confirmed commitments to steadily increase defence spending through to 2030 and announced major naval newbuild programmes in June 2025.</p> <p>The UK government's stance on hydrogen energy appears to be very supportive, with established HAR funding rounds progressing, although slower than expected.</p> <p>CSC is leading a joint campaign with a group of UK hydrogen technology manufacturers to influence government policy and practices that help maximise UK supplied content in government-funded hydrogen production projects (HAR).</p> <p>Increased Employer's National Insurance costs have adversely impacted costs and constrained recruitment.</p>
Health, Safety & Environment	Status: No change in FY25

<p>CSC operates a heavy industrial manufacturing facility and has a fundamental duty to protect its people, other stakeholders and the environment from harm whilst conducting its business.</p>	<p>CSC is accredited to international ISO standards for HSE and operates with an established management system, which is subject to periodic independent third-party audit.</p> <p>Managers and appointed safety officers have completed recognised HSE training.</p> <p>Senior management monitors HSE performance during weekly and monthly management meetings, taking actions to address trends or key findings. The Directors review HSE performance during Board meetings. Performance improved during FY25, with the overall number of safety incidents falling. All employees have objectives to support the continuous improvement of safety performance.</p>
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Risk and potential impact	Status and key mitigations
3. Contract delivery, commercial relationships and customer concentration	
<p>Contract delivery</p> <p>CSC designs and manufactures products and provides services that are mission critical to its customers and end users.</p> <p>Failure to deliver products and services on time and to the required standard may result in significant financial impact (e.g. warranty claims and liquidated damages), lost future orders and an adverse impact on reputation.</p>	<p>Status: Reduced risk in FY25</p> <p>In recent years, the CSC has invested consistently in people, systems and management processes to help drive improvements to on-time delivery and right-first-time product conformity to meet customer expectations.</p> <p>Contract performance is reviewed by senior management against time, cost and quality goals.</p> <p>The Directors review delivery performance against targets in monthly Board meetings.</p>
<p>Commercial relationships</p> <p>Failure to adequately manage contract risk and, as a result, commit to obligations which the Company is unable to meet without incurring significant unplanned costs.</p>	<p>Status: Reduced risk in FY25</p> <p>Onerous legacy contracts have either ended or been renegotiated with acceptable commercial terms.</p> <p>Authority for the approval of major contract terms and conditions rests with the senior management team or is delegated according to Company policies.</p> <p>CSC also seeks to minimise the impact of delivery risk through its terms of business, including limiting exposure to claims for liquidated damages and avoiding any exposure to consequential damages.</p> <p>Commercial management skills and processes have been strengthened considerably in recent years.</p>
<p>Customer concentration</p> <p>CSC customer concentration is high. Relationships with key customers could be materially adversely affected by several factors, including:</p> <ul style="list-style-type: none"> customer decisions to diversify or change how products are sourced; failure to agree on mutually acceptable pricing or terms; failure to meet contractual commitments; significant or prolonged disputes. <p>If CSC was unable to enter similar relationships with other customers on a timely basis, or at all, the business could be materially adversely impacted.</p>	<p>Status: No change in FY25</p> <p>Key customer relationship management is a continued focus for the management team. Recent improvements to operational improvement have increased customer satisfaction and retention.</p> <p>Expansion of the defence customer base to include new overseas prime contractors (e.g. US) will help to reduce dependency on UK defence customers.</p> <p>The growth of the hydrogen energy business will add new customers and help lower customer concentration.</p> <p>Provision of lifecycle services enables the expansion of the customer base to include the periodic inspection and testing of non-CSC supplied products.</p>

Risk and potential impact	Status and key mitigations
4. Supply chain	
<p>Supplier dependency</p> <p>CSC is dependent on its supply chain for cost, quality and on-time delivery.</p> <p>Failure of individual suppliers or the supply chain may result in significant</p>	<p>Status: No change in FY25</p> <p>Strengthened supplier management and procurement activities have supported the reduction of supply chain risk and reduced the supplier concentration in key areas.</p> <p>Most of the seamless steel tube used in the manufacturing of</p>

supply chain may result in significant operational disruption (e.g. raw material delivery and outsourced processes) and delays to contract delivery, leading to potential financial impact and damage to customer relationships.	<p>Most of the stainless steel tube used in the manufacturing of ultra-large high-pressure cylinders has historically been sourced from two suppliers in mainland Europe, which reduced to one key supplier from 2024.</p> <p>There are few alternative suppliers globally that can match the cost, quality and lead times of the current European supplier. CSC's established strategic supplier relationship is well supported by long-term supply and cooperation agreements and collaboration on joint product development in defence hydrogen energy markets.</p>
5. Financial	
Funding and liquidity CSC and the Company maintain financial resources sufficient to meet its obligations over the short and longer term, including cash headroom and working capital flexibility to enable operational delivery.	Status: Reduced risk in FY25 At the end of FY25, the Company had no bank loans, overdrafts or other related financial liabilities. Proceeds from the sale of the PMC division in October 2024 supported a year-end net cash position of £2.1 million, which helped to strengthen the balance sheet and provides future working capital flexibility. Systems for financial planning, management and control include a comprehensive budgeting process, with annual budgets and detailed three-year plans, including market-sensitised scenarios, approved by the Directors. Monthly monitoring of actual results against budget by the Directors is a standard practice, as is the quarterly review of financial forecasts, which consider operational performance, trading conditions and market opportunities. Annual budgets include a consolidated profit and loss, balance sheet and cash flow forecast for the year ahead and the subsequent three-year period, based on the management team's understanding of principal markets, customers, supply chains and operational resources. Increased commercial focus has improved payment terms with customers for long-term contracts. Earnings from continuing operations during FY25 were significantly improved over FY24 and are expected to improve further throughout the forecast period to FY29. Assumptions regarding working capital and capex cash requirements over the forecast period have been incorporated to support growth in defence and hydrogen energy markets.

Risk and potential impact	Status and key mitigations
6. Availability of key resources	
Leadership As a publicly quoted SME, the Company is dependent on a small senior management team with responsibilities to shareholders and a wide range of stakeholders.	Status: No change FY25 Given the future strategy, the management team has been strengthened in recent years to provide governance and the strategic, financial, operational and commercial leadership to deliver business performance and meet established targets. Chris Webster, Chief Operating Officer joined the Company in April 2022. Sally Millen was appointed Director of Finance in November 2024. Other key management roles have been strengthened since 2024, underpinning confidence in performance and the delivery of growth plans. The senior management engages proactively with employees, customers, suppliers and other stakeholders.
Retention of key staff in critical roles Failure to evolve organisation structure and culture could prevent the Company from recruiting and retaining the right talent, knowledge and skills to deliver the strategy and targets.	Status: Reduced in FY25 Recruitment, retention and engagement of employees is a key focus for the Company, recognising the value created by its people. Proactive steps taken by senior management include the continuing investment in training and development, embedded personal development reviews, benchmarked pay and employee profit share scheme, Employee Forum and Town Hall communication channels, succession planning and promotion from within, where possible, investment in apprenticeships and support for continued learning.
Major capital assets CSC relies on large or critical pieces of equipment, some of which are at or approaching their reasonable end-of-life assessment.	Status: No change in FY25 Key assets are subject to ongoing maintenance programmes and strategic spares are held. Significant improvements have been made to the planned maintenance and availability of equipment, despite constrained replacement capex in recent years.

Major breakdown may affect CSC's ability to maintain delivery performance, meet customer expectations and deliver growth plans.	recent years.
7. Technology & innovation	
Product development The strength of our business is built upon a history of delivering products that advance safety and reliability in demanding environments. Failure to keep abreast of market needs or to innovate solutions risks market share to our competitors and loss of margins from price competition.	Status: No change in FY25 The hydrogen energy market presents a significant growth opportunity. CSC Type 1 steel products are trusted and well proven in the safety-critical storage and transportation of hydrogen, while advanced light-weight Type 4 composite cylinders enable more efficient transport of hydrogen and are likely to be selected by UK HAR projects for road trailer applications.

Risk and potential impact		Status and key mitigations
7. Technology & innovation (continued)		
Product development (continued)	<p>CSC will supply Type 4 trailers and Multi-Element Gas Container (MEGC) units to UK customers through an established collaboration agreement with NPROXX, a leading European Type 4 manufacturer. CSC will continue to provide periodic inspection, testing and recertification services to operators of composite Type 3 and Type 4 cylinders.</p> <p>Technical managers and engineers in CSC work with customers and suppliers in the development of progressive gas storage and transportation solutions.</p> <p>Collaborations with major steel tube suppliers are supporting product and service development in CSC.</p> <p>Collaborations with academic and research bodies are supporting the development of new manufacturing and inspection processes.</p>	
Disruptive technologies	<p>Technological advances in production processes or materials may result in a reduction in demand for CSC's products and services.</p>	Status: No change in FY25 Note developments related to Type 4 composite cylinders above. The monitoring of evolving technologies that may disrupt the defence and hydrogen markets is ongoing and the Company will look to capitalise on the opportunities they present for CSC and offset any threats.
8. Cyber security		
Cyber crime	<p>A cyber-attack or data breach may result in the theft of sensitive information, operational disruption or financial loss.</p> <p>Company exposure includes risks to intellectual property, personal data of customers and employees, quality and manufacturing systems.</p>	Status: Increased risk in FY25 Threat levels and the cyber environment are constantly changing, with increasingly sophisticated cyber-crime. Several high-profile cyber-attacks, including against Jaguar Land Rover, M&S, Co-op and Harrods, occurred in the UK during 2025. The Company maintains up-to-date security measures including firewalls, network monitoring, and regular vulnerability assessments. The Company uses secure cloud storage with secure data access under the 24/7 control and support of a professional Managed Service Provider. The Company has Cyber Essentials Plus accreditation, which was renewed in September 2025. Server and operating system upgrades were completed during 2024, providing additional cyber resilience. All employees undertake regular mandatory cyber security training.

People

Steve Hammell, Chief Financial Officer, resigned from the Board and left the Company on 31 October 2024. Sally Millen was appointed Director of Finance in a non-Board position with effect from 1 November 2024. There were no other Board changes during the year.

Appointments were made in CSC during the year to strengthen commercial and project management functions and to increase capacity in Integrity Management services in support of growth plans for UK and overseas deployments.

Training activity during the year focused on manufacturing process and quality inspection skills development to support upcoming UK and overseas defence programmes from FY27. An additional apprentice intake during the year, in cooperation with Sheffield University's Advanced Manufacturing Research Centre, increased the current apprentice cohort to five. Three former apprentices are currently progressing through Mechanical Engineering degree courses at Sheffield University.

Section 172 statement

The Board of Chesterfield Special Cylinders Holdings plc has put in place appropriate measures to enable it to understand and comply with its collective and individual responsibilities under Section 172 of the Companies Act 2016.

Each Director understands their obligation to act individually and together in a way they consider to be in good faith and would be most likely to promote the success of the Company for the benefit of its members as a whole. In making decisions on behalf of the Company, Board members carefully consider:

- the likely consequences of any decision in the long term;
- the interests of the Company's employees;
- the need to proactively foster the Company's business relationships with suppliers, customers and others;
- the impact of the Company's operations on local communities and the environment;
- the desirability of the Company maintaining a reputation for high standards of business conduct; and
- the need to act fairly between members and stakeholders of the Company.

The Board recognises that long-term growth and profitability are enhanced when the business acts in a sustainable and responsible manner, with respect for all stakeholders.

Engaging with stakeholders strengthens business relationships and helps to inform better decisions and deliver on commitments. The Board is regularly updated on feedback and insight from wider stakeholder engagement, enabling the Directors to understand any issues and consider any decisions to be made. Details can be found in the Corporate Governance Report, specifically principles three and four regarding stakeholder engagement.

The stakeholders of the Company and its subsidiary include its:

- shareholders;
- customers;
- employees;
- suppliers;
- government, regulators and industry bodies; and
- the communities in which we operate.

Shareholders

The Board aims to behave responsibly towards our shareholders and to treat them equally and fairly. The Company demonstrated resilience during the challenging conditions of recent years, including the Covid-19 pandemic, depressed oil and gas markets, fluctuating defence contract schedules and the impact of the Russia-Ukraine conflict on supply chains. We are in a strong position to execute our value-creation strategy for shareholders.

The Company held an Annual General Meeting in March 2025 to directly engage with all shareholders. In addition, Executive Directors meet periodically with the Company's major shareholders and also engage with smaller shareholders. Harwood Capital LLP, a major shareholder, appointed a representative to the Board in May 2023. Feedback obtained from investor meetings is reviewed by the Board and used in the formulation and execution of strategy. The Executive Director and management team also host and attend events for new and existing private investors, including accommodating investors who wish to visit its manufacturing sites.

Customers

Our customers are pioneers in what they do. We work in close collaboration with them to develop technical solutions for their engineering needs and produce products that can be trusted to perform in environments where failure would be catastrophic. Customer feedback helps us measure customer satisfaction. Customer satisfaction and loyalty are crucial factors that determine our financial performance and we look to improve this constantly.

Building and nurturing trusted customer relationships and maintaining open channels of communication ensures that customers:

- receive the information they require;
- are consulted on matters relevant to them;
- are heard and their needs actioned; and
- feedback is collected and reviewed in a structured manner.

The Board has regard to this information in making decisions regarding capital investment, workforce size and distribution, production planning and continuous improvement initiatives.

Employees

Committed, well trained, highly skilled and motivated employees are at the heart of our business. We strive to create a working environment where our employees can fulfil their potential by providing clear organisational purpose and objectives, appropriately structured incentive schemes and by providing training and career development opportunities, including a commitment to our apprenticeship programme. We get the best from our people by nurturing our unique culture reflected in our 4 core values:

- We put people first;
- We deliver to the highest standard;

we deliver to the highest standard;

We work with each other; and

We innovate and create the future.

It is the policy of the Company to communicate with employees through site-based employee forums and by regular briefing meetings conducted by senior management to promote a long-term perspective of the business. We also undertake periodic employee engagement surveys using a structured questionnaire to gather employee feedback that is used to evolve the culture and practices of the Company.

These communication methods provide a two-way flow of information between senior management and employees, providing valuable insight into the perspective and interests of employees. The Board has regard to this information in making decisions in relation to pay levels for specific employee groups, Company-wide pay reviews, updating of terms and conditions, investment in site facilities and amenities, investment in health & safety and in provision of training and career development opportunities.

The Company operates a number of employee incentive schemes including performance-related bonuses covering all staff grades.

Suppliers

We build and maintain strong, long-term relationships with our suppliers. A robust supply chain is critical to the delivery of our products/services on-time, on-cost and on-quality.

We have continued to focus on strengthening our supplier relationships and performance during the year, with key initiatives including:

Measurement of supplier quality and on-time delivery performance;

Proactive engagement led by supplier managers who ensure that any issues are dealt with promptly;

Regular meetings to review supplier performance and the outlook for demand; and

Collaboration and long-term supply agreements with key suppliers.

The information gathered from supplier engagement is used by the Board in making decisions in relation to supplier payment policies, capital investment and health & safety policies.

Government, regulators and industry bodies

As a technical leader in our field, we contribute to the development of technical, safety and operational standards that relate to the products we design and manufacture:

We engage periodically with local and national government representatives and have encouraged visits to our sites;

We participate regularly in expert working groups with industry and regulatory bodies; and

We communicate regularly and openly regarding policies that relate to the sectors we are involved in.

The Board has regard to this information in making decisions in relation to product development, regulatory compliance and health & safety investments.

Communities in which we operate

The Company continues to support local charities and employees who individually raise money or volunteer for local organisations. The objective is to protect and enhance the reputation of the Company in its local community and the markets it chooses to serve.

Environmental responsibility

The Company recognises that its activities have an impact on the environment. Understanding and managing this impact are integral to effective governance and good practice.

The Company has an environmental policy, and the Executive Directors and management team are responsible for maintaining and implementing the policy at the operating site of CSC.

The Company complies with all relevant environmental regulations and is committed to the continuous improvement of its environmental performance and management system. In particular, the Company seeks to reduce waste and energy use and to prevent pollution.

As part of continuous improvement, it is the policy of the Company to establish and document measurable environmental objectives. These objectives are periodically reviewed, and the Company ensures that the resources required to meet them are allocated for this purpose.

Employees are given such information, training and equipment as necessary to enable them to undertake their work with the minimum impact on the environment.

There were no notifiable environmental incidents in 2025 (2024: nil).

Safety

The Board places particular emphasis on health and safety and environmental performance. An experienced safety manager with recognised HSE training covers CSC's operation facility, reporting through senior management to the Chief Executive, ensuring that the Company employs best practice, drives continuous safety improvement and fulfils all statutory requirements.

CSC had one reportable safety incident (RIDDOR) in FY25 (2024: one RIDDOR).

Approval of the strategic report

The strategic report has been approved by the Board.

By order of the Board

Chris Walters
Chief Executive

Consolidated statement of comprehensive income

For the 52-week period ended 27 September 2025

	Notes	52 weeks ended 27 September 2025 £'000	Restated* 52 weeks ended 28 September 2024 £'000
Continuing operations			
Revenue	1	16,583	14,827
Cost of sales		(10,197)	(9,939)
Gross profit		6,386	4,888
Administration expenses		(6,343)	(6,560)
Operating profit / (loss) before exceptional costs		43	(1,672)
Separately disclosed items of administration expenses:			
Exceptional costs	5	(790)	(712)
Total administration expenses		(7,133)	(7,272)
Operating loss		(747)	(2,384)
Finance costs	3	(62)	(277)
Loss before taxation	4	(809)	(2,661)
Taxation	9	192	316
Loss for the period from continuing operations		(617)	(2,345)
Profit / (loss) for the period from discontinued operations	12	263	(92)
Loss for the period attributable to the owners of the parent		(354)	(2,437)
Other comprehensive income / (expense) to be reclassified to profit or loss in subsequent periods:			
Currency exchange differences on translation of foreign operations		2	(11)
Total other comprehensive income / (expense)		2	(11)
Total comprehensive expense for the period attributable to the owners of the parent		(352)	(2,448)
Basic earnings / (loss) per share			
From continuing operations	7	(1.6)p	(6.1)p
From discontinued operations	7	0.7p	(0.2)p
From total loss	7	(0.9)p	(6.3)p
Diluted earnings / (loss) per share			
From continuing operations	7	(1.6)p	(6.1)p
From discontinued operations	7	0.7p	(0.2)p
From total loss	7	(0.9)p	(6.3)p

Consolidated statement of financial position

As at 27 September 2025

	Notes	27 September 2025 £'000	Restated* 28 September 2024 £'000
Non-current assets			
Intangible assets		-	-
Property, plant and equipment		6,382	6,822
Contract assets		-	551
Deferred tax asset		803	626
		7,185	7,999
Current assets			

Inventories		2,618	3,020
Trade and other receivables		5,568	3,977
Cash and cash equivalents	11	2,130	116
Assets classified as held for sale	12	-	9,313
		10,316	16,426
Total assets		17,501	24,425
Current liabilities			
Trade and other payables		(5,492)	(5,225)
Borrowings	8	-	(1,000)
Lease liabilities	9	(219)	(245)
Liabilities classified as held for sale	12	-	(5,412)
		(5,711)	(11,882)
Non-current liabilities			
Other payables		(274)	(497)
Lease liabilities	9	(143)	(313)
Deferred tax liabilities		(557)	(572)
		(974)	(1,382)
Total liabilities		(6,685)	(13,264)
Net assets		10,816	11,161
Equity			
Share capital		1,933	1,933
Share premium account		1,699	1,699
Translation reserve		(262)	(264)
Retained earnings		7,446	7,793
Total equity		10,816	11,161

Consolidated statement of changes in equity

For the 52-week period ended 27 September 2025

	Share capital £'000	Share premium account £'000	Translation reserve £'000	Retained earnings £'000	Total equity £'000
Balance at 30 September 2023	1,933	1,699	(253)	10,207	13,586
Share based payments					
- continuing operations	-	-	-	14	14
- discontinued operations	-	-	-	9	9
Transactions with owners	-	-	-	23	23
Loss for the period	-	-	-	(2,437)	(2,437)
Other comprehensive expense:					
Exchange differences on translating foreign operations	-	-	(11)	-	(11)
Total comprehensive expense	-	-	(11)	(2,437)	(2,448)
Balance at 28 September 2024	1,933	1,699	(264)	7,793	11,161
Share based payments					
- continuing operations	-	-	-	7	7
Transactions with owners	-	-	-	7	7
Loss for the period	-	-	-	(354)	(354)

Other comprehensive income: Exchange differences on translating foreign operations	-	-	2	-	2
Total comprehensive income / (expense)	-	-	2	(354)	(539)
Balance at 27 September 2025	1,933	1,699	(262)	7,446	10,816

Consolidated statement of cash flows

For the 52-week period ended 27 September 2025

	Notes	52 weeks ended 27 September 2025 £'000	52 weeks ended 28 September 2024 £'000
Operating activities			
Operating cash flow	10	266	2,023
Exceptional costs		(790)	(944)
Finance costs paid		(62)	(455)
Income tax refunded		-	6
Net cash (outflow) / inflow from operating activities		(586)	630
Investing activities			
Proceeds from sale of fixed assets		-	19
Proceeds from sale of disposal group	12	4,392	-
Purchase of property, plant and equipment		(302)	(440)
Net cash inflow / (outflow) from investing activities		4,090	(421)
Net cash inflow before financing		3,504	209
Financing activities			
Repayment of borrowings		(1,000)	(1,407)
Repayment of lease liabilities		(262)	(777)
New borrowings		-	1,500
Net cash outflow from financing activities		(1,262)	(684)
Net increase / (decrease) in cash and cash equivalents		2,242	(475)
Cash and cash equivalents at beginning of period		116	945
Cash and cash equivalents at end of period		2,358	470
Cash and cash equivalents transferred to disposal group	12	(228)	(354)
Cash and cash equivalents at end of period		2,130	116
Borrowings		-	(1,000)
Lease liabilities		(362)	(558)
Net Cash / (Debt)	11	1,768	(1,442)

Accounting policies

1. Basis of preparation

The consolidated financial statements have been prepared in accordance with UK-adopted International Accounting Standards, in conformity with the requirements of the Companies Act 2006. The Company has elected to prepare its parent company financial statements in accordance with Financial Reporting Standard 101 (FRS 101). The financial statements are made up to the Saturday nearest to the period end for each financial period.

Chesterfield Special Cylinders Holdings plc, company number 06135104, is incorporated and domiciled in the United Kingdom. The registered office address is Meadowhall Road, Sheffield, South Yorkshire, S9 1BT.

The Company has applied all accounting standards and interpretations issued relevant to its operations for the period ended 27 September 2025. The consolidated financial statements have been prepared on a going concern basis.

The summary accounts set out above do not constitute statutory accounts as defined by Section 424 of the UK

The summary accounts set out above do not constitute statutory accounts as defined by Section 434 of the UK Companies Act 2006. The summarised consolidated statement of comprehensive income, the summarised consolidated balance sheet at 27 September 2025, the summarised consolidated statement of comprehensive income, the summarised consolidated statement of changes in equity and the summarised consolidated statement of cash flows for the period then ended have been extracted from the Group's 2025 statutory financial statements upon which the auditor's opinion is unqualified and did not contain a statement under either sections 498(2) or 498(3) of the Companies Act 2006. The audit report for the period ended 27 September 2025 did not contain statements under sections 498(2) or 498(3) of the Companies Act 2006.

The statutory financial statements for the period ended 27 September 2025 were approved by the directors on 17 December 2025 but have not yet been delivered to the Registrar of Companies. The statutory financial statements for the period ended 28 September 2024 have been delivered to the Registrar of Companies.

2. Going concern

The financial statements have been prepared on a going concern basis. Projections for the period to the end of March 2027 demonstrate that the Company, including its subsidiaries, can continue to operate and meet its financial obligations as they fall due for at least twelve months from the date of approval of the accounts. The Directors have not identified any material uncertainties that may cast significant doubt on the ability of the Company to continue to operate as a going concern. Factors likely to affect the Company's future development, performance and position are set out in the strategic report, together with principal risks and uncertainties.

At the end of the reporting period, the Company had no bank loans, overdrafts or other related financial liabilities. Proceeds from the sale of the PMC division in October 2024 supported a year-end net cash position of £2.1 million, which helped to strengthen the balance sheet and provides future working capital flexibility.

The Company's systems for financial planning, management and control include a comprehensive budgeting process, with annual budgets approved by the Directors. Monthly monitoring of actual results against budget by the Directors is a standard practice, as is the quarterly review of financial forecasts, which consider operational performance, trading conditions and market opportunities.

Annual budgets include a consolidated profit and loss, balance sheet and cash flow forecast for the year ahead and the subsequent three-year period, based on the management team's understanding of principal markets, customers, supply chains and operational resources.

The FY26 budget and three-year plan to FY29 recognise that the Company remains dependent on the trading profitability of CSC, which is itself dependent on revenues from major UK and overseas defence contracts, UK hydrogen orders and high-value Integrity Management services.

Due to the significance of revenues from UK hydrogen projects in the FY26 budget and three-year plan and the history of delays in this market, the Directors have considered scenarios that pessimistically account for the loss of all future hydrogen newbuild projects. The Directors have also considered further sensitised scenarios that account for reasonably plausible delays to the placement of UK and overseas defence contracts, in addition to the loss of future hydrogen newbuild projects. The Directors believe that the loss of future hydrogen contracts and material delays to defence contracts would give the Company sufficient time to take mitigating actions and adjust operating costs and capital expenditure plans to maintain liquidity and sufficient cash headroom throughout the forecast period. These mitigations have been included in the sensitised scenarios considered by the Directors in their confirmation of the going concern basis of preparation.

3. New standards adopted in 2025

No new standards were applied during the year.

4. Amendments to IFRSs that are mandatorily effective for future years

At the date of the authorisation of these financial statements, several new, but not yet effective, standards and amendments to existing standards, and interpretations have been published by the IASB. None of these standards or amendments to existing standards have been adopted early by the Company. Management anticipates that all relevant pronouncements will be adopted for the first period beginning on or after the effective date of pronouncement. The impact of new standards, amendments and interpretations not adopted in the year have not been disclosed as they are not expected to have a material impact on the Company's financial statements.

Notes to the consolidated financial statements

1. Segment analysis

IFRS 8 requires operating segments to be identified on the basis of internal reports prepared to measure the performance of operating units of the Group.

During the period, the Group comprised the following operating segments:

- **Chesterfield Special Cylinders Holdings plc ("Central")**: this segment comprises the publicly listed parent entity and its attributable costs.
- **Chesterfield Special Cylinders Limited ("CSC")**: design and manufacture of high-pressure gas storage and transportation systems, used principally in safety-critical defence and hydrogen energy applications. Inspection, testing and recertification services throughout the system lifecycle.
- **Precision Machined Components ("PMC")**: manufacture and finishing of precision-engineered components used in the oil and gas industry.

CSC and Central segments represent continuing operations as disclosed in the statement of comprehensive income.

The disposal of PMC completed on 8 October 2024 and was part of the Group in FY25 for ten days only. PMC represents discontinued operations and the asset held for sale, in Note 12 of these financial statements.

For the 52-week period ended 27 September 2025

CSC
2025

Central
2025

Group
2025

	£'000	£'000	£'000
Revenue from external customers	16,583	-	16,583
Gross profit	6,386	-	6,386
Adjusted EBITDA	1,623	(772)	851
Depreciation	(724)	(84)	(808)
Operating profit / (loss) before exceptional costs	899	(856)	43
Exceptional costs	(68)	(722)	(790)
Operating profit / (loss)	831	(1,578)	(747)
Net finance costs	(28)	(34)	(62)
Profit / (loss) before tax	803	(1,612)	(809)
Segmental net assets*	10,666	150	10,816
Other segment information:			
Taxation credit	36	156	192
Capital expenditure - property, plant and equipment	354	14	368

* Segmental net assets comprise the net assets of each division adjusted to reflect the elimination of the cost of investment in subsidiaries.

For the 52-week period ended 28 September 2024

	CSC £'000	Central £'000	Group £'000
Revenue from external customers*	14,827	-	14,827
Gross profit**	4,888	-	4,888
Adjusted EBITDA	758	(1,678)	(920)
Depreciation	(660)	(92)	(752)
Operating profit / (loss) before exceptional costs	98	(1,770)	(1,672)
Exceptional costs	(53)	(659)	(712)
Operating profit / (loss)	45	(2,429)	(2,384)
Net finance costs	(53)	(224)	(277)
Profit / (loss) before tax	(8)	(2,653)	(2,661)
Segmental net assets / (liabilities)***	10,651	(1,376)	9,275
Other segment information:			
Taxation credit	178	138	316
Capital expenditure - property, plant and equipment	381	154	535

* Revenue from external customers is stated after deducting inter-segment revenue of £130,000 for PMC. There is no impact on the overall result for the financial period.

** Gross profit for the prior period has been restated to reflect a re-classification of labour costs in CSC from cost of sales to administration expenses.

*** Segmental net assets comprise the net assets of each division adjusted to reflect the elimination of the cost of investment in subsidiaries.

Revenue disaggregated by primary geographical markets is as follows:

Revenue	2025 £'000	2024 £'000
United Kingdom	11,058	11,486

Canada	1,987	-
Germany	804	399
Australia	738	1,239
France	642	1,118
Spain	569	199
USA	311	16
Norway	174	7
Italy	3	3
Rest of Europe	89	106
Rest of World	208	254
	16,583	14,827

During the year, there were three customers that each contributed over 10% of revenue. The revenue from these three customers was £8.7 million, or 52.4% of total revenue (2024: two customers contributed £4.7 million or 31.8% of revenue). The following tables provide an analysis of revenue by market.

Revenue	2025	2024
	£'000	£'000
Defence	12,761	11,080
Hydrogen Energy	2,608	1,738
Industrial	485	1,559
Offshore services	729	450
	16,583	14,827

Revenue disaggregated by pattern of revenue recognition and category is as follows:

Revenue	2025	2024
	£'000	£'000
Sale of goods transferred at a point in time	4,513	6,744
Sale of goods transferred over time	7,227	5,731
Rendering of services	4,843	2,352
	16,583	14,827

The following aggregated amounts of transaction values relate to the performance obligations from existing contracts that are unsatisfied or partially unsatisfied as at 27 September 2025:

Revenue expected in future periods	£'000
Sale of goods - CSC	7,793

2. Impairment Review

The Company tests annually for impairment, in accordance with IAS 36, if there are indicators that intangible or tangible fixed assets might be impaired. In this reporting period, the Directors exercised their judgement on the basis of information available at 27 September 2025.

The impairment methodology considers relevant Cash Generating Units ("CGUs") within the continuing operations of the Company.

Each relevant CGU is assessed for potential indicators of impairment, including internal or external factors or events that could reduce the recoverable value of the fixed assets of the Company. If indicators of impairment are identified, a full impairment review is undertaken to determine the recoverable amount of the CGU.

The Directors exercise their judgement in determining the recoverable amount of a CGU, involving the use of estimates in relation to the future prospects of the CGU, in this case the CSC continuing operations of the Company.

The recoverable amount of a CGU is determined using a discounted cashflow model that is based upon a five-year forecast period. The forecast takes into account the firm order book, sales pipeline and market opportunities of the CGU, together with expected gross margin performance and consideration of the cost base, planned capital expenditure and estimated working capital needs of the CGU. A long-term growth assumption is applied beyond the five-year forecast period. The future cashflows are then discounted to a present, recoverable value by applying a risk-adjusted pre-tax discount rate. If the recoverable value of a CGU is less than the carrying value of its balance sheet, then an impairment charge may be required. The carrying value of the balance sheet is determined by application of the accounting policies of the Company.

An impairment trigger has been identified for CSC given that, over the medium term, the business will continue to transition from predominantly serving UK defence programmes (relatively low competition and high margin contracts) towards overseas defence programmes (more competition, greater price sensitivity) and the UK hydrogen market (higher revenue growth potential but more competitive and inherently lower margin). Also, over the medium term, the business will focus on the growth and development of in-factory and in-situ lifecycle inspection, testing and recertification services.

It is also noted that the sale of the PMC division at the start of FY25 has resulted in CSC being the only trading subsidiary of the Company which needs to support in full the ongoing Company central costs in its long-term projections.

The future cashflows of CSC have been extrapolated from FY29 in perpetuity at a growth rate of 2% and applying a risk-adjusted pre-tax discount rate of 16%. On this basis, the recoverable value of CSC is estimated to be £17.1 million. The carrying value of the net assets of CSC at 27 September 2025, adjusting for cash, inter-company and deferred tax balances, was £8.8 million. On this basis, an impairment charge is not required.

Potential delays to UK and overseas defence programmes and risks in the development of the UK hydrogen market also present impairment triggers for the assessment of sensitised cases, where revenue and earnings may be lower over the medium term.

In the sensitised cases, cashflows are reduced in the period FY26-FY29 and into perpetuity. The resulting recoverable value of CSC is £8.8 million, equal to the carrying value of the net assets at 27 September 2025. Therefore, an impairment charge is not required for this sensitised case.

3. Finance costs

	2025 £'000	2024 £'000
Interest payable on bank loans and overdrafts	-	10
Interest payable on term loan	4	170
Interest payable on lease liabilities	33	15
Other interest payable	25	82
	<u>62</u>	<u>277</u>

4. Loss before taxation

Loss before taxation is stated after charging:

	2025 £'000	2024 £'000
Depreciation of property, plant and equipment - owned assets	632	574
Depreciation of property, plant and equipment - leased assets	176	205
Loss on disposal of fixed assets	-	22
Staff costs - excluding share-based payments	7,425	6,904
Cost of inventories recognised as an expense	5,307	4,945
Share-based payments	7	14
	<u>19,147</u>	<u>18,664</u>

5. Exceptional costs

	2025 £'000	2024 £'000
Costs in relation to the sale of PMC*	593	627
Costs in relation to the sale of PMC, recharged to discontinued operation	-	(131)
Other corporate finance services	48	-
Arrangement of term loan	10	111
Reorganisation costs	95	17
Debt advisory services on behalf of Lloyds Banking Company	-	15
Write-down of historical fixed assets	-	33
Other plc costs	44	40
	<u>790</u>	<u>712</u>

*Exceptional costs in relation to the sale of PMC including transaction advisor fees, legal costs and management incentives.

6. Taxation

	2025 £'000	2024 £'000
Current tax (charge)		
(Under) provision in respect of prior years	-	(52)
	<u>-</u>	<u>(52)</u>
Deferred tax credit / (charge)		
Origination and reversal of temporary differences	232	53
(Under) provision in respect of prior years	(40)	(147)
	<u>192</u>	<u>(94)</u>
Total taxation credit / (charge)	<u>192</u>	<u>(146)</u>
	<u>192</u>	<u>(146)</u>
Total taxation credit / (charge) is attributable to:		
Loss from continuing operations	192	316
Loss from discontinued operations	-	(462)
Total taxation credit / (charge)	<u>192</u>	<u>(146)</u>

Corporation tax is calculated at 25% (2024: 25%) of the estimated assessable loss for the period. Deferred tax is calculated at the rate applicable when the temporary differences are expected to unwind, being 25% for both periods. The credit / (charge) for the period can be reconciled to the loss per the consolidated statement of comprehensive income as follows:

	2025 £'000	2024 £'000
Loss before taxation: continuing operations	(421)	(2,661)
(Loss) / profit before taxation: discontinued operations	(125)	370
Total loss before taxation	(546)	(2,291)
Theoretical tax credit at UK corporation tax rate 25% (2024: 25%)	136	572
Effect of (charges) / credits:		
- non-deductible expenses	(1)	(19)
- non-deductible exceptional items	(25)	(225)
- adjustments in respect of prior years	(40)	(199)
- unrealised profit on sale of discontinued operation	97	-
- unrealised pre-sale loss in discontinued operation	(31)	-
- unrealised loss in overseas entities	(11)	(4)
- recognition and utilisation of losses brought forward	67	(271)
Total taxation credit / (charge)	192	(146)

As the most significant timing differences are not expected to unwind until 2026 or later, the deferred tax rate was maintained at 25% in the period.

7. Loss per ordinary share

The calculation of basic loss per share is based on the loss attributable to ordinary shareholders divided by the weighted average number of shares in issue during the period.

The calculation of diluted loss per share is based on basic loss per share, adjusted to allow for the issue of shares on the assumed conversion of all dilutive share options. As the Company made a loss after taxation for the financial year there is no dilution to take place.

Adjusted loss per share shows loss per share after adjusting for the impact of amortisation charges and any other exceptional items, and for the estimated tax impact, if any, of those costs. Adjusted loss per share is based on the loss as adjusted divided by the weighted average number of shares in issue.

For the 52-week period ended 27 September 2025

	£'000
Loss after tax from continuing operations	(617)
Profit after tax from discontinued operations	263
Total loss after tax	(354)
	Number of shares ('000)
Weighted average number of shares - basic	38,667
Dilutive effect of share options - SAYE	63
Dilutive effect of share options - Warrants	1,933
Weighted average number of shares - diluted	40,663
Loss per share from continuing operations - basic	(1.6)p
Earnings per share from discontinued operations - basic	0.7p
Total loss per share - basic	(0.9)p
Loss per share from continuing operations - diluted	(1.6)p
Earnings per share from discontinued operations - diluted	0.7p
Total loss per share - diluted	(0.9)p

The effect of anti-dilutive potential shares is not disclosed in accordance with IAS 33.

Adjusted loss per share is calculated as follows:	£'000
Loss after tax from continuing operations	(617)
Profit after tax from discontinued operations	263
Exceptional costs: continuing operations	790
Profit on disposal of PMC: discontinued operations	(388)
Tax effect of the above adjustments: continuing operations	(198)
Tax effect of the above adjustments: discontinued operations	97
Adjusted loss	(53)

Adjusted loss per share: continuing operations	(0.0)p
Adjusted loss per share: discontinued operations	(0.1)p
Total adjusted loss per share	(0.1)p

The tax effect is based on applying a 25% tax rate to the adjustment for exceptional costs.

For the 52-week period ended 28 September 2024

	£'000
Loss after tax from continuing operations	(2,345)
Loss after tax from discontinued operations	(92)
Total loss after tax	(2,437)
	Number of shares ('000)
Weighted average number of shares - basic	38,667
Dilutive effect of share options - SAYE	193
Dilutive effect of share options - Warrants	1,933
Weighted average number of shares - diluted	40,793
Loss per share from continuing operations - basic and diluted	(6.1)p
Loss per share from discontinued operations - basic and diluted	(0.2)p
Total loss per share - basic and diluted	(6.3)p

The effect of anti-dilutive potential shares is not disclosed in accordance with IAS 33.

Adjusted loss per share is calculated as follows:

Loss after tax from continuing operations	(2,345)
Loss after tax from discontinued operations	(92)
Exceptional costs: continuing operations	712
Exceptional costs: discontinued operations	232
Tax effect of the above adjustments: continuing operations	(178)
Tax effect of the above adjustments: discontinued operations	(58)
Adjusted loss	(1,729)
Adjusted loss per share: continuing operations	(4.7)p
Adjusted earnings per share: discontinued operations	0.2p
Total adjusted loss per share	(4.5)p

The tax effect is based on applying a 25% tax rate to the adjustment for exceptional costs.

8. Borrowings

	2025 £'000	2024 £'000
Current		
Term loan	-	1,000

On 14 November 2023, a new £1.5 million term loan facility was agreed with two of the major shareholders of Chesterfield Special Cylinders Holdings plc.

The interest rate on the term loan was 14.25% per quarter, and total interest payments of £4,000 were made in the year (2024: £170,000). The loan was fully repaid in October 2024 following the sale of PMC.

In conjunction with the provision of the term loan, the two major shareholders were issued with 1,933,358 warrants in aggregate (representing 5% of the issued share capital) to subscribe for ordinary shares in the Company at a price of 32 pence per share, representing a 20% premium to the closing share price on 23 October 2023 (being the day prior to the announcement of the new facility). The warrants may be exercised at any time in the 5 years following drawdown of the facility and continue to be exercisable notwithstanding that the facility was repaid in October 2024 before its final expiry.

Obligations under finance leases are secured on the plant and machinery assets to which they relate.

The carrying amount of other borrowings is considered to be a reasonable approximation of fair value. The carrying amounts of the Company's borrowings are all denominated in GBP.

9. Lease liabilities

Lease liabilities are presented in the statement of financial position as follows:

	2025 £'000	2024 £'000
Current		
Asset finance lease liabilities	149	116
Right of use asset lease liabilities	70	129

	2025	2024
	219	245
Non-current		
Asset finance lease liabilities	30	125
Right of use asset lease liabilities	113	188
	143	313

Leases are held for several items of plant, office equipment and motor vehicles.

For right of use assets, with the exception of short-term leases and leases of low-value underlying assets, each lease is reflected on the balance sheet as a right-of-use asset and a lease liability.

Right-of-use assets are classified in a consistent manner to its property, plant and equipment. Each lease generally imposes a restriction that, unless there is a contractual right for the Company to sublet the asset to another party, the right-of-use asset can only be used by the Company. Leases are either non-cancellable or may only be cancelled by incurring a substantive termination fee. Some leases contain an option to extend the lease for a further term. The Company is prohibited from selling or pledging the underlying leased assets as security.

For leases over office buildings and factory premises the Company must keep those properties in a good state of repair and return the properties in their original condition at the end of the lease. Further, the Company must insure items of property, plant and equipment and incur maintenance fees on such items in accordance with the lease contracts.

The lease liabilities are secured by the related underlying assets. Future minimum lease payments at 27 September 2025 were as follows:

	Within one year £'000	Over one to five years £'000	Total £'000
27 September 2025			
Lease payments	247	152	399
Finance costs	(28)	(9)	(37)
Net present value	219	143	362
	Within one year £'000	Over one to five years £'000	Total £'000
28 September 2024			
Lease payments	275	346	621
Finance costs	(30)	(33)	(63)
Net present value	245	313	558

Lease payments not recognised as a liability

Liabilities for short-term leases are not recognised (leases with an expected term of 12 months or less) or for leases of low value assets. Payments made under such leases are expensed on a straight-line basis.

10. Reconciliation of operating profit / (loss) to operating cash flow

	2025 £'000	2024 £'000
Adjusted Operating profit / (loss) from continuing operations	43	(1,672)
<u>Adjustments for:</u>		
Depreciation of property, plant and equipment	808	752
Share option costs	7	14
Write-off of older assets	-	54
Movement in translation reserve	2	(11)
<u>Changes in working capital:</u>		
Decrease / (increase) in inventories	402	(362)
(Increase) / decrease in trade and other receivables	(1,040)	1,153
Increase in trade and other payables	44	1,073
Operating cash flow from continuing operations	266	1,001
Adjusted Operating (loss) / profit from PMC discontinued operations	(125)	780
<u>Adjustments for:</u>		
Depreciation of property, plant and equipment	13	710
Share option costs	-	9
Release of grants	-	(20)
Profit on disposal of property, plant and equipment	-	(19)
Write-off of older assets	-	54
<u>Changes in working capital:</u>		
Decrease in inventories	11	1,625

Decrease / (increase) in trade and other receivables	103	(955)
Decrease in trade and other payables	(100)	(1,162)
Operating cash flow from PMC discontinued operations	(98)	1,022
Total operating cash flow	168	2,023

11. Net debt reconciliation

Cash	Borrowings	Leases	Total
	£'000	£'000	£'000
At 30 September 2023	945	(907)	(2,401)
Cash flows	(475)	-	-
Repayments	-	1,407	777
New facilities - term loan	-	(1,500)	-
New facilities - asset finance leases	-	-	(408)
New facilities - right of use asset leases	-	-	(251)
At 28 September 2024, including disposal group	470	(1,000)	(2,283)
Transfers to disposal group held for sale	(354)	-	1,725
At 28 September 2024	116	(1,000)	(558)
Cash flows	2,242	-	-
Repayments	-	1,000	262
New facilities - asset finance leases	-	-	(66)
Transfers to disposal group prior to sale	(228)	-	-
At 27 September 2025	2,130	-	(362)
			1,768

12. Discontinued operations (previously disposal group held for sale)

The sale of the Precision Machined Components (PMC) division to Raghu Vamsi Machine Tools Private Limited, a manufacturer of specialised precision engineered components based in India, completed on 8 October 2024. As such, PMC was part of the Group's discontinued operations in FY25 for ten days only.

The assets and liabilities of PMC were classified as a disposal group held for sale as at 28 September 2024. Revenue and expenses, gains and losses relating to the discontinuation of this division have been eliminated from profit or loss from the Group's continuing operations and are shown as a single line item in the consolidated statement of comprehensive income.

Operating (loss) / profit of PMC in the period and the profit or loss from the disposal group held for sale are summarised as follows:

	52 weeks ended 27 September 2025 £'000	52 weeks ended 28 September 2024 £'000
Revenue	50	17,095
Cost of sales	(103)	(13,367)
Gross (loss) / profit	(53)	3,728
Administration expenses	(71)	(2,948)
Operating (loss) / profit	(124)	780
Exceptional costs	-	(232)
Finance costs	(1)	(178)
(Loss) / profit from discontinued operations before tax	(125)	370
Tax charge	-	(462)
Loss from discontinued operations after tax	(125)	(92)

There is no tax charge or credit attributed to the discontinued operation. Its loss in the ten days between the FY24

year-end and completion of the sale is treated as unrealised.

The profit on disposal of the PMC division, recognised in the 52 weeks ended 27 September 2025, is as follows:

	£'000
Proceeds from sale of disposal group	4,392
Less:	
Non-current assets: property, plant and equipment	2,989
Deferred tax assets	10
Current assets: inventories	1,276
Current assets: trade and other receivables	4,321
Current assets: cash and cash equivalents	484
Current liabilities: trade and other payables	(3,179)
Lease liabilities	(1,727)
Deferred tax liabilities	(170)
Net assets sold	4,004
Profit on disposal of the PMC division	388
Loss from discontinued operations after tax	(125)
Profit for period from discontinued operations	263

The carrying amounts of assets and liabilities in this disposal group are summarised as follows:

	27 September 2025 £'000	28 September 2024 £'000
<u>Non-current assets</u>		
Property, plant and equipment	-	3,002
Deferred tax assets	-	10
	-	3,012
<u>Current assets</u>		
Inventories	-	1,287
Trade and other receivables	-	4,660
Cash and cash equivalents	-	354
	-	6,301
Assets classified as held for sale	-	9,313
<u>Current liabilities</u>		
Trade and other payables	-	(3,517)
Lease liabilities	-	(308)
	-	(3,825)
<u>Non-current liabilities</u>		
Other payables	-	-
Lease liabilities	-	(1,417)
Deferred tax liabilities	-	(170)
	-	(1,587)
Liabilities classified as held for sale	-	(5,412)
Net assets classified as held for sale	-	3,901

The prior year figures above are stated before net amounts of £2,015,000 owed by PMC to the continuing operations of the Group at the balance sheet date.

As at 28 September 2024, property, plant and equipment included £1,787,000 of assets held under finance and right of use leases. Of this £423,000 related to land and buildings and £1,364,000 to plant and machinery.

Cash flows generated by PMC for the reporting periods under review (which exclude the transfers from continuing operations as presented in the primary statement) are as follows:

	52 weeks ended 27 September 2025 £'000	52 weeks ended 28 September 2024 £'000
Operating cash flow	(98)	1,022
Exceptional costs	-	(232)
Finance costs	-	(178)
Income tax refunds	-	6
Net cash (outflow) / inflow from operating activities	(98)	618
Net cash outflow from Investing activities	-	(92)
Net cash outflow from financing activities	-	(419)

Cash (outflow) / inflow from discontinued operations

(98)

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