

KEVIN JOHNSON, CEO

AGM 2025

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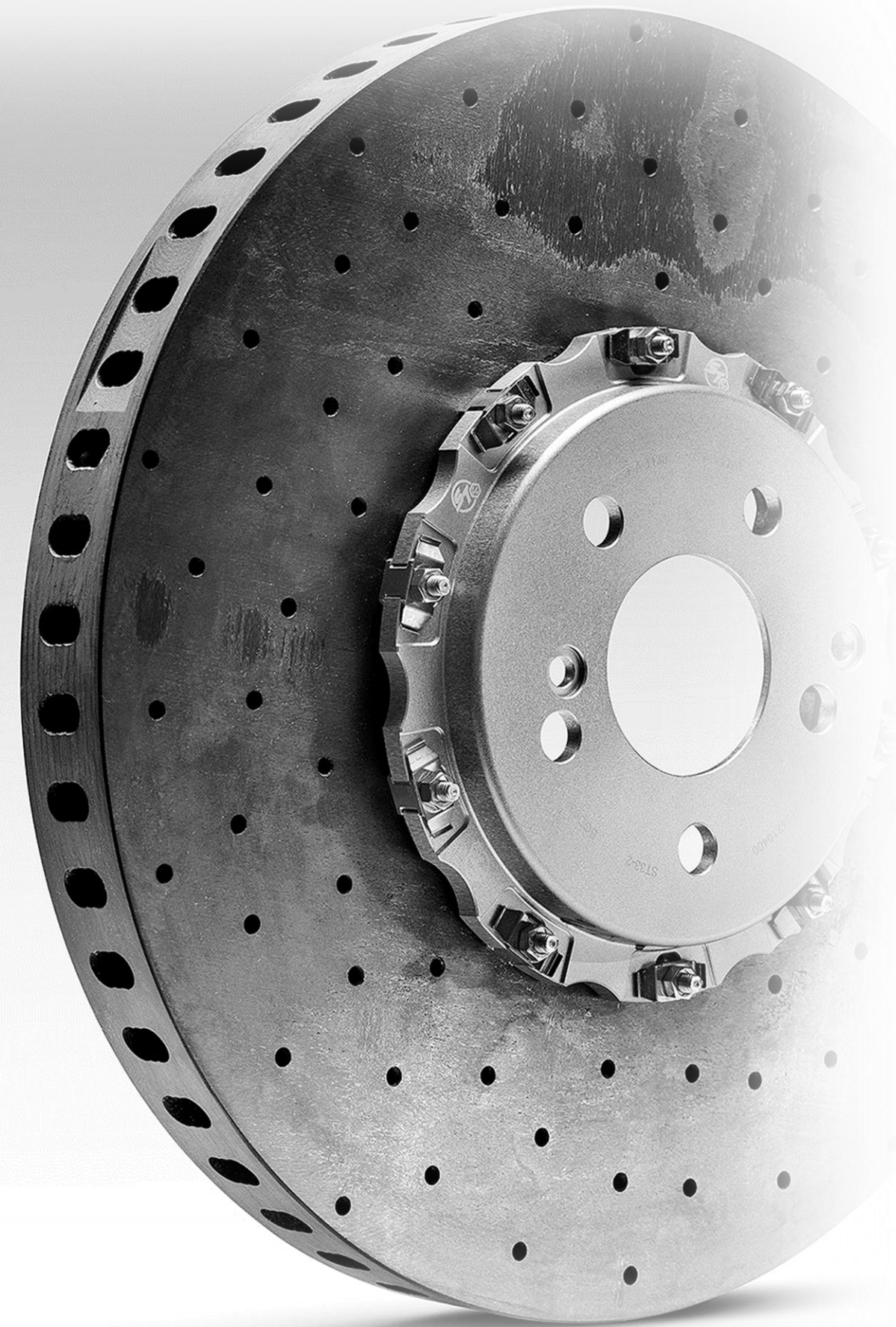
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SUMMARY

Trading update

- Revenue and Cash

Customers

- Support from customers
- Customer KPIs

Operations

- Manufacturing Yield
- Capacity
- Cost reduction

People



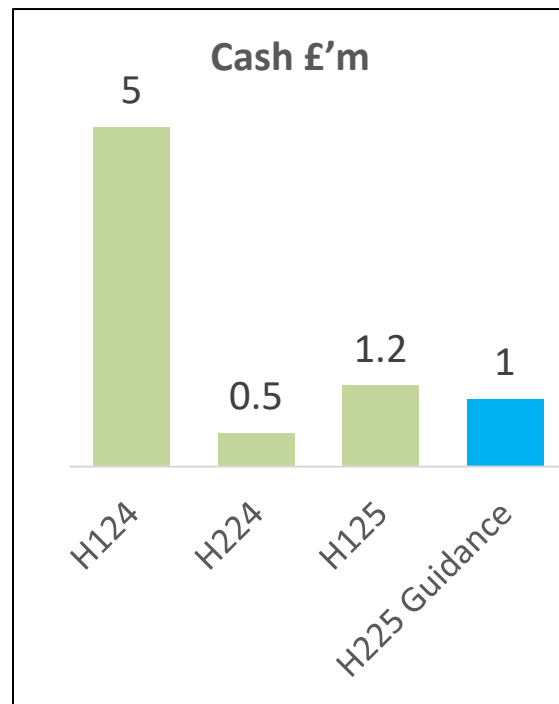
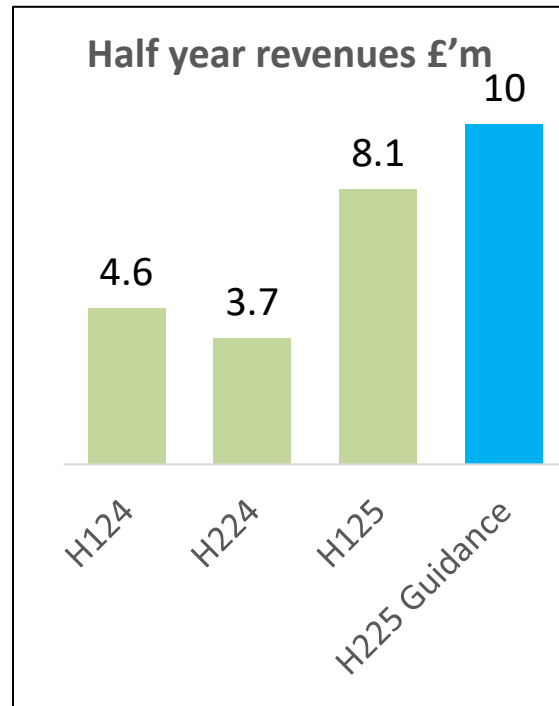
H125 - TRADING UPDATE

Revenues

- Growth returned in H125
 - *c.75% growth compared to H124.*
 - *2024 full year revenues achieved in H125*
- Q125 revenues flat
 - *Focus was on improving cash flow, yield and manufacturing output*
- Q225 revenues significantly stronger
 - *Output and yield delivering required operational performance*
- H225
 - *Good growth compared to H125*
 - *Sustain current operational performance*

Cash

- Q125 – cash flow constraints
 - *Significant support received from Customers*
- Q225 – tightly managed cash flow
- H125 investment
 - *People, yield improvements, manufacturing processes and equipment improvement*
- H225
 - *EBITDA positive through sustaining current operational performance*
 - *Estimated £2.5m VAT receipt and R&D tax credit*



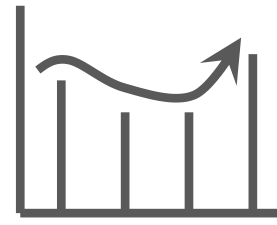
CUSTOMERS

Highly supportive



Technical resources

- Deployment of manufacturing specialists
- Embedded into business
- Focused on quality and output
 - Operational improvements
 - Six sigma & Lean manufacturing techniques
- Work now complete



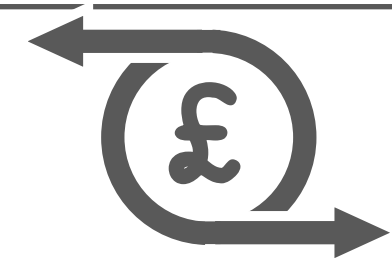
Demand management

- Redefining forecasts
- Modifying demand schedules
- Inventory management
- Balancing demand to supply constraints



Improved Pricing

- Analysed costs
- Defined sustainable price
- Enables financial stability



Supporting cash flow

- Customer prepayments £12.9m
- Survive and stabilise
- Repayment across contract term in negotiation
 - Equity conversion unlikely
- H225
 - Repayments commence
 - Anticipated reduction of c.20% by YE25

Customer KPIs

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Contracted OEMs

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Contracts in series

£300m- 400m¹

Lifetime contracts value

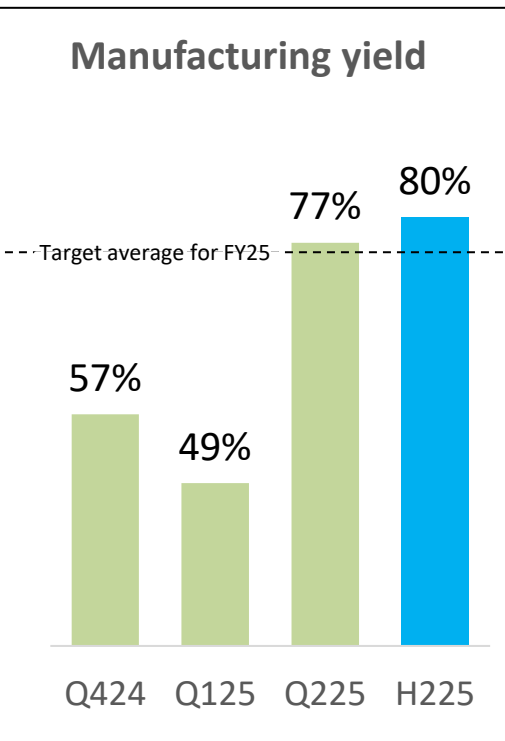


¹ This is based on the directors' expectations, their understanding of the relevant OEMs production plans and an assumed disc demand

OPERATIONS

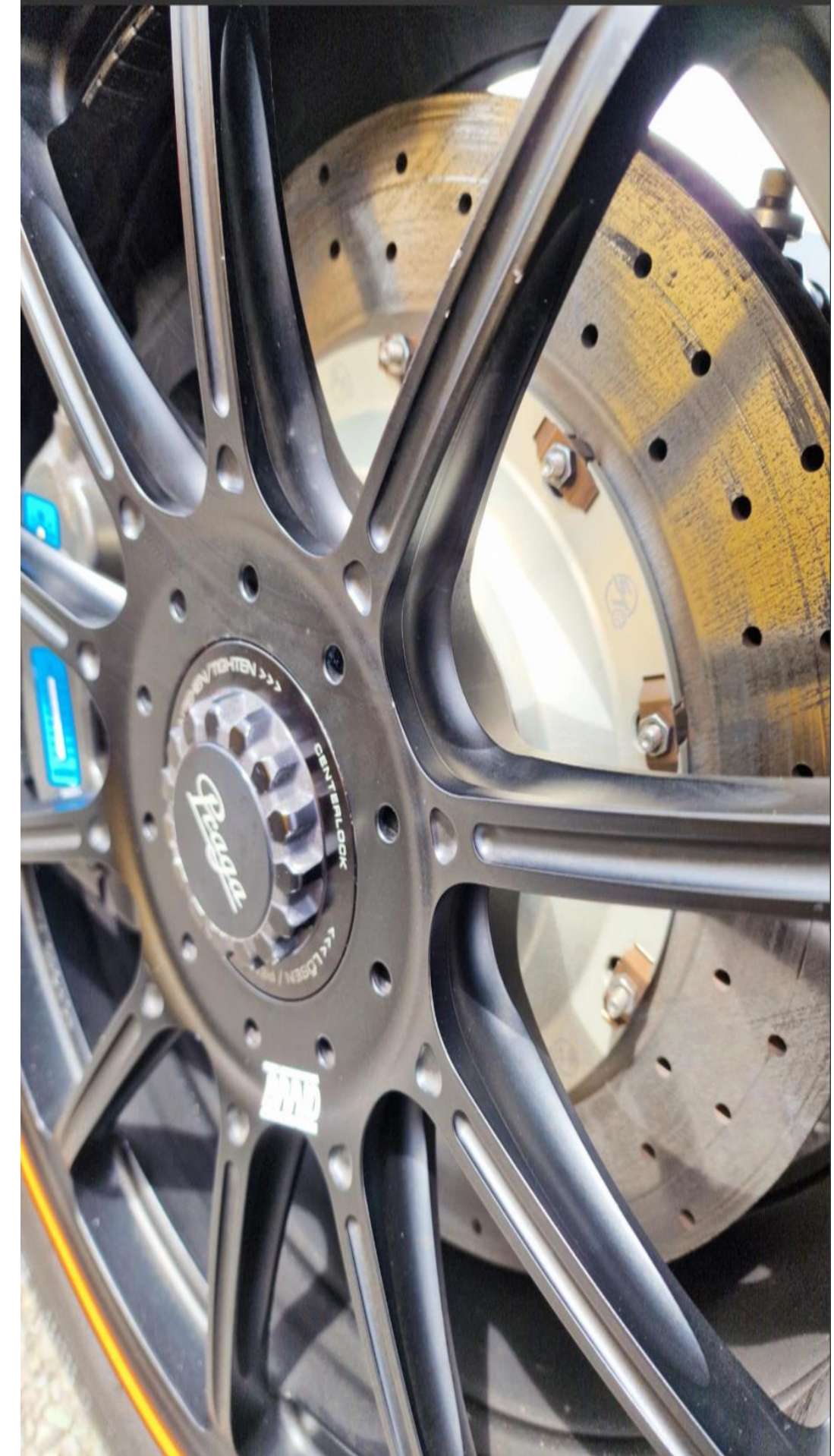
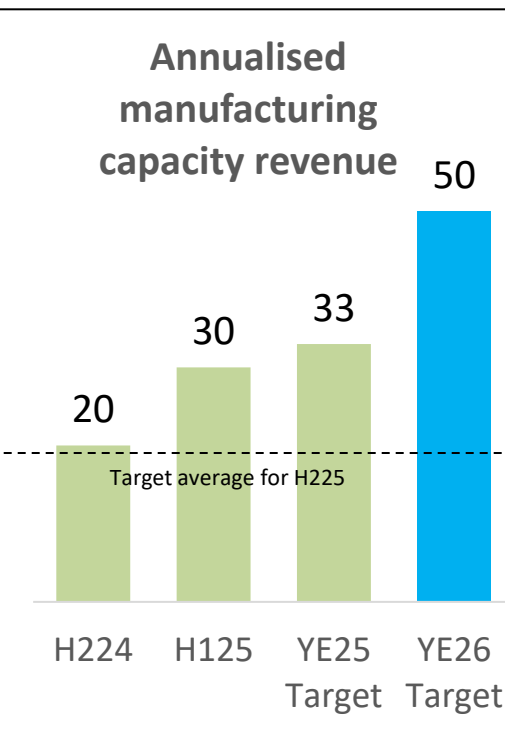
Manufacturing yield

- Q125 – poor performance with ramp up challenges
- Q225 – Significant improvement
 - *Achieved 77% average target for FY25*
- H225 – sustaining current performance
 - *Delivers the target >80%*
 - *Significant reduction in the cost of quality*
 - *Delivers to customers*
 - *Enables financial sustainability*



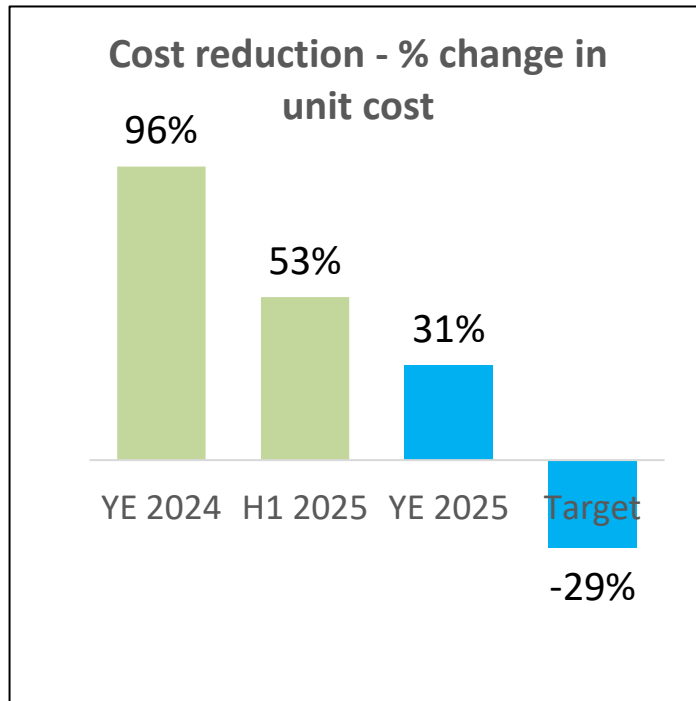
Capacity

- H125
 - *Capacity constraints eased*
 - *£9.8m of capex loan programme invested*
 - *Capacity risks remain for resilience, unplanned downtime & yield*
- YE25
 - *Further improvements to existing plant*
 - *Additional equipment being installed and commissioned*
 - *£13.2m capex programme fully invested*
- YE26
 - *Completion of investment with commissioning & validation*
 - *Plant capable of capacity providing headroom and resilience*



OPERATIONS

Cost reduction

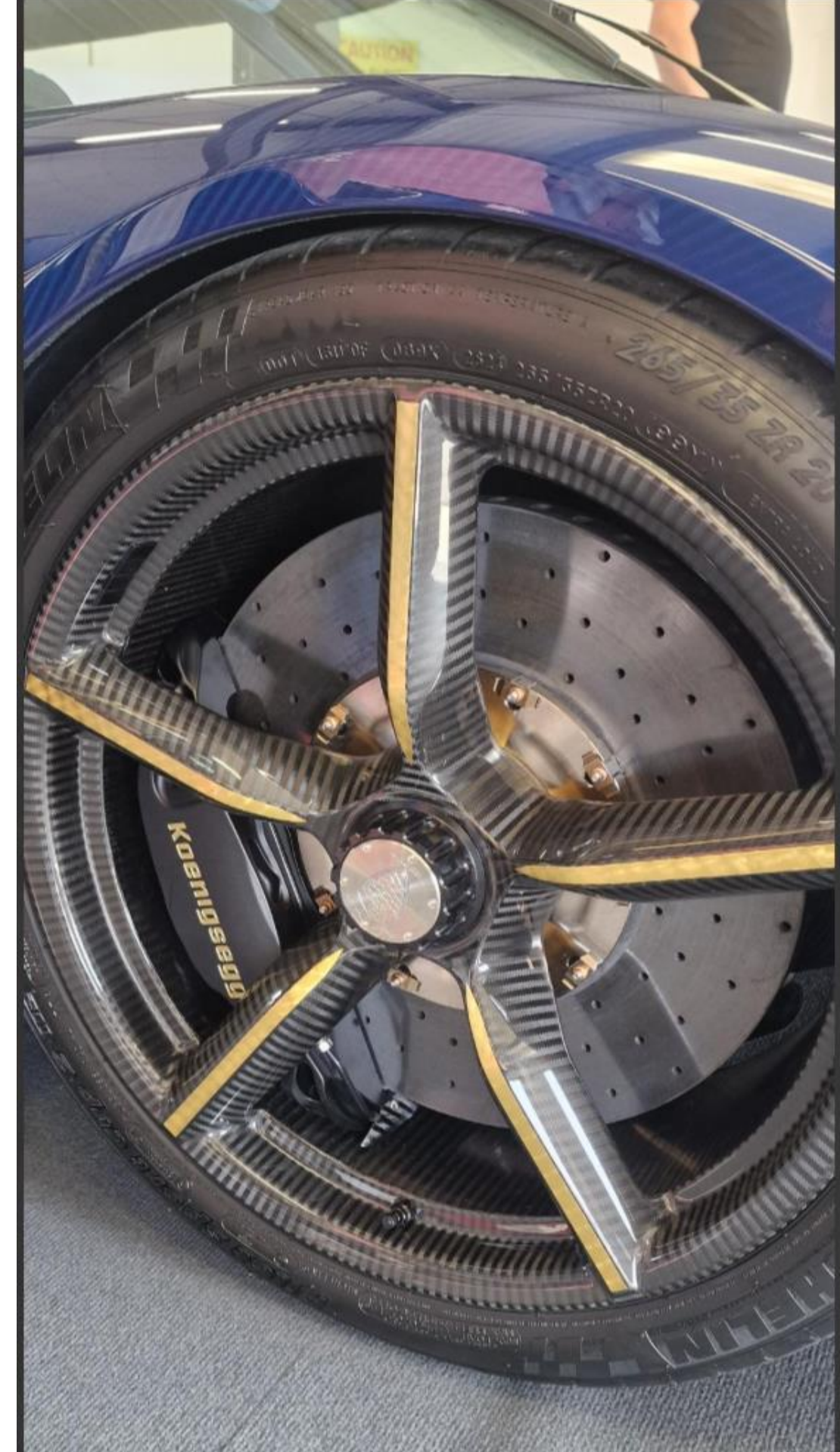


- 2024 – 96% away from planned cost
 - *Supply chain pressures*
 - *Inefficient manufacturing due to instabilities and variations*
 - *Delays to new equipment with improved efficiency*
- H125 – Recovery with deficit to 53%
 - *Lean approach to manufacturing processes*
 - *Cost benefits from improvements to existing equipment*
- YE25 – Sustained improvement with deficit of 31%
 - *Lean approach to manufacturing processes*
 - *Cost benefits from introduction of new equipment*
- Future target – achieve reduction of 29%
 - *Completion of cost reduction programme*



People

- Ian Cleminson – New Chair
- Steve Harrison – New interim CFO
- Gareth Laker – New COO
- Strengthening of senior leadership team



INVESTMENT SUMMARY

Revenues and Cash

- H125 revenues £8m – broadly equalling FY2024
- Sustaining Q225 operational performance delivers positive EBITDA in H225
- Cash tightly managed with customer prepayments establishing the business
- Cash H125 £1.2m with expected year end cash £1m

Highly supportive customers

- Technical support in H125 complete
- £12.9m prepayment at H125 – expected to reduce by c.20% in H225
- Repayment across contract term in negotiation – not anticipated to be converted into equity

Customer KPIs unchanged overall

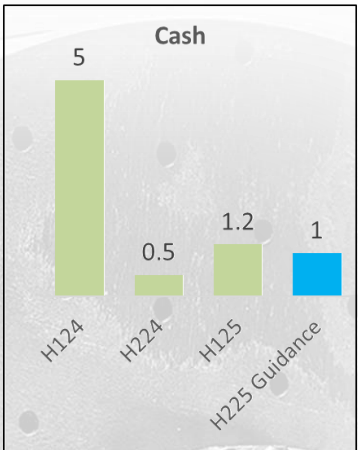
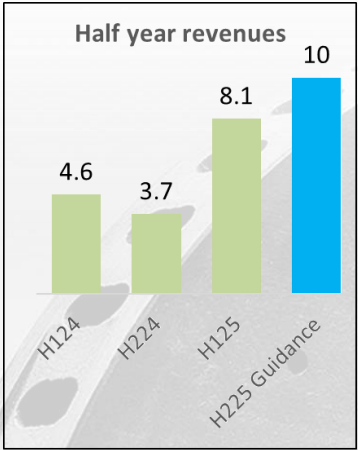
- Customer mix and timing have changed

Operations – sustaining current performance for H225 delivers to customers and financial sustainability

- Manufacturing yield at required level for Q225
- Capacity – constraints being eased with investment programme concluding at the end of 2025
- Cap ex investment loan of £13.2m expected to be fully drawn by year end 25
- Cost reduction – progressing well with further opportunities identified

People

- Chair, Interim CFO and COO
- Strengthening of senior leadership team



Technical resources



Demand management



Improved Pricing



Supporting cash flow

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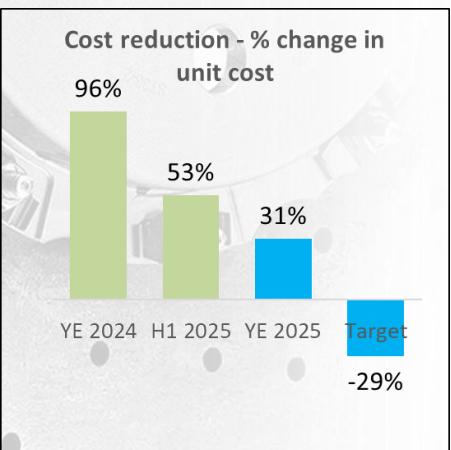
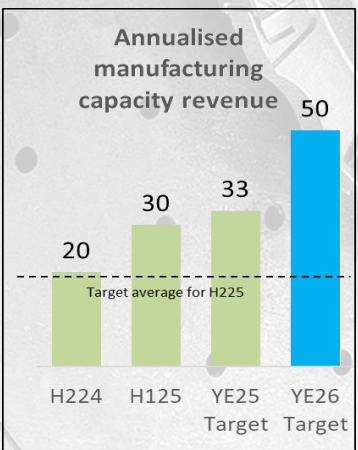
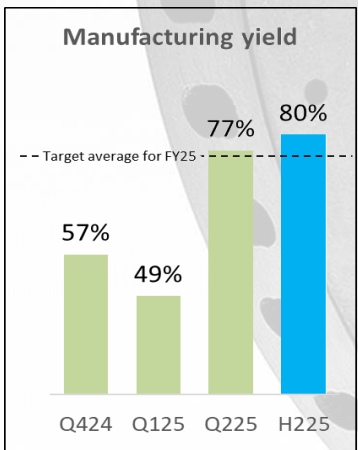
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