



Advanced Innergy Holdings Ltd ASX:AIH

ASX ANNOUNCEMENT

27 November 2025

Advanced Innergy Holdings Ltd Appendix 4E and Consolidated (Condensed) Unaudited Financial Statements for FY25

Sydney, Australia | | **Advanced Innergy Holdings Ltd**, trading as AIS,(ASX:AIH) ('AIH' or the 'Company')¹, a global leader in advanced materials science servicing the energy, transition and industrial sectors, today releases its Appendix 4E and unaudited proforma financial results for the 12 months ended 30 September 2025 (FY25).

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Authorised for ASX release by the Board of Directors of Advanced Innergy Holdings Ltd.

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About Advanced Innergy Holdings Ltd

Advanced Innergy Holdings Ltd (ASX:AIH, 'AIH' or the 'Company'), trading as AIS, is a global leader in materials science technology for the protection of critical infrastructure. It develops, manufactures and installs high performance solutions used in hazardous and highly regulated environments. Its products are trusted across mission critical energy, emerging technology, transport, marine, defence and industrial applications. AIH holds 181 granted and pending patents and over 93 active type approvals globally. The Group operates across 13 countries and employs approximately 800 staff.

www.aisltd.com

¹ The Company listed on ASX on 31 October 2025, following the completion of a corporate restructure. As at 30 September 2025, the Company had not yet acquired the UK operating group and therefore did not trade during the period. Accordingly, the statutory results for the period ended 30 September 2025 reflect only the activity of the Company prior to completion of the restructure and are not indicative of the underlying performance of the operating business. To assist investors in understanding the performance of the operating group, the Company has included proforma financial information, based on UK financial statements prepared under IFRS, that presents the results of the combined group as if the restructure had been in place for the full period.

Advanced Innergy Holdings Limited
Appendix 4E
Preliminary final report

1. Company details

Name of entity: Advanced Innergy Holdings Limited
ABN: 66 687 262 479
Reporting period: For the period ended 30 September 2025

2. Results for announcement to the market

	\$
Revenues from ordinary activities	28,150
Loss from ordinary activities after tax attributable to the owners of Advanced Innergy Holdings Limited	(151,596)
Loss for the period attributable to the owners of Advanced Innergy Holdings Limited	(151,596)

Dividends

There were no dividends paid, recommended or declared during the current financial period.

Comments

The loss for the Company after providing for income tax amounted to \$151,596.

During the financial period, the entity was largely dormant, with its principal activities limited to employing Non-Executive Directors who served governance functions for the Advanced Innergy Holdings Ltd group of companies "AIS Group".

Subsequent to the balance date, Advanced Innergy Holdings Limited and its related entities underwent a group restructure, resulting in the company becoming the holding entity and ultimate parent of the AIS Group. Following this restructure, Advanced Innergy Holdings Limited was admitted to the official list of the Australian Securities Exchange (ASX) on 31 October 2025.

3. Net tangible assets

	Reporting period Cents
Net tangible assets per ordinary security	<u>(15,159,500.00)</u>

4. Control gained over entities

Not applicable.

5. Loss of control over entities

Not applicable.

6. Dividends

Current period

There were no dividends paid, recommended or declared during the current financial period.

7. Dividend reinvestment plans

Not applicable.

8. Details of associates and joint venture entities

Not applicable.

9. Foreign entities

Details of origin of accounting standards used in compiling the report:

Not applicable.

10. Audit qualification or review

Details of audit/review dispute or qualification (if any):

The financial statements have been audited and an unmodified opinion has been issued.

11. Attachments

Details of attachments (if any):

The Annual Report of Advanced Innergy Holdings Limited for the period ended 30 September 2025 is attached.

12. Signed

Signed  _____

Date: 26 November _____ 2025

Registration number: 08848899

Advanced Innergy Holdings Ltd

Consolidated (Condensed) Financial Statements

for the Year Ended 30 September 2025

The condensed financial statements are based on accounts which are in the process of being audited.

Advanced Innergy Holdings Ltd

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Advanced Innergy Holdings Ltd

Year Ended 30 September 2025

Commentary on the result for the year ended 30 September 2025

The directors are pleased with the results for the 2025 period which saw continuing improvement over 2024. The Group achieved sales growth of 10% to £150.5 million for the year (2024: £136.8 million), with growth in both the Thermal and Subsea segments.

The group achieved an improved gross margin of 36.3% for the year (2024: 31.6%), achieved through strong project cost control, improved purchase pricing and a positive product mix.

EBITDA is considered by the board to be the key performance indicator of the Group. The Group generated an adjusted EBITDA of £27.6 million (2024: £19.6 million) and an operating profit of £18.1 million (2024: £9.5 million). This is equivalent to an EBITDA return on sales of 18.3% (2024: 14.3%), an increase driven from improved margins and stable overheads despite the revenue growth.

The forward order book increased in 2025 to £106.4 million (2024: £96.3 million), which reflected order growth in the Groups key markets and the acquisition of Ovun AS in the year.

Working capital controls combined with improved contracting terms helped increase cash balances to £17.8 million (2024: £11.6 million). The revolving credit facility limit was increased during the year to provide additional working capital.

As noted above, the Group completed the acquisition of Ovun AS in September 2025, significantly increasing marine capacity. Integration has progressed well, and further cross-selling opportunities and cost synergies are expected in the year ahead.

The increase in long term borrowings to £44.3m (2024: £37.3 million) was used to support the acquisition of Ovun AS in September 2025.

The Group's pipeline has grown strongly during the year, with new opportunities emerging in the Electric Vehicle battery protection product range alongside continued growth in the Group's core markets.

Events after the reporting date

After the balance sheet date, Advanced Innergy Holdings Ltd underwent a group restructure, resulting in a new ultimate holding company, Advanced Innergy Holdings Ltd, ("AIH") a company incorporated in Australia with Australian Company Number 687 262 479. Following this restructure, AIH was admitted to the official list of the Australian Securities Exchange (ASX) on 31 October 2025.

The listing of the AIS Group will provide access to capital to support the Group's defined acquisition strategy and build on its strong track record of successful acquisitions and integrations.

Advanced Innergy Holdings Ltd

Year Ended 30 September 2025

Earnings per share

Basic EPS: £0.52 (2024: £0.20)

Diluted EPS: £0.52 (2024: £0.20)

(There are no potential ordinary shares on issue; therefore, diluted EPS equals basic EPS.)

EPS has been calculated based on the weighted average number of ordinary shares on issue during the reporting period. The company underwent a significant change in its capital structure as part of its listing on the ASX, resulting in a material increase in the number of shares on issue.

Consequently, the EPS figures presented for the current period may not be indicative of future performance or comparable to prior periods.

Net tangible asset per security

NTA per security: £0.27 (2024: £0.50)

As part of the company's listing on the ASX, there was a material increase in the number of shares on issue. Consequently, the NTA per security figure for the current period is not directly comparable to prior periods and may not be indicative of future asset backing per share.

Advanced Innergy Holdings Ltd

Consolidated statement of profit or loss and other comprehensive income for the year ended 30 September 2025

	Note	2025 £	2024 £
Revenue	3	150,549,965	136,816,634
Cost of sales (excluding depreciation)		(95,841,641)	(93,537,178)
Gross profit		54,708,324	43,279,456
Administrative expenses		(27,839,480)	(24,131,920)
Other operating income		769,722	436,936
Adjusted EBITDA		27,638,566	19,584,472
Depreciation of tangible fixed assets:			
- Owned by the company		(4,182,427)	(4,023,157)
- Leased assets		(1,708,700)	(1,112,077)
- Foreign exchange differences on depreciation		(86,575)	(42,565)
Amortisation of intangible assets		(1,475,360)	(1,457,921)
Impairment of investments		(26,066)	-
Exceptional costs		(2,080,760)	(3,476,469)
Operating profit		18,078,678	9,472,283
Share of profit/(loss) in associates		8,682	(27,615)
(Loss)/gain on derivatives		(50,992)	165,301
Interest receivable and similar income		118,037	326
Interest payable and similar charges		(5,465,020)	(2,959,829)
Profit before income tax expense		12,689,385	6,650,466
Income tax expense		(2,058,112)	(2,675,164)
Profit after income tax expense		10,631,273	3,975,302
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Movement of foreign exchange		(215,903)	39,061
Total comprehensive profit for the year		10,415,370	4,014,363
Profit / (loss) for the year attributable to:			
Non-controlling interest		43,978	(45,804)
Owners of the parent		10,587,294	4,021,106
Profit for the year		10,631,273	3,975,302

Advanced Innergy Holdings Ltd

Consolidated Statement of Financial Position as at 30 September 2025

	Note	2025 £	2024 £
Non-current assets			
Property, plant and equipment	4	52,699,440	41,067,823
Intangibles	5	63,570,716	49,628,413
Investments in minority interests		49,187	-
Investments in joint ventures		35,385	-
		<u>116,354,729</u>	<u>90,696,236</u>
Current assets			
Cash and cash equivalents		17,750,112	11,580,656
Trade and other receivables	6	28,573,835	26,077,621
Corporation tax		423,411	1,039,005
Derivative financial instruments		23,467	74,460
Contract assets	7	14,985,380	20,136,946
Inventories	8	14,023,896	9,203,016
		<u>75,780,101</u>	<u>68,111,704</u>
Current liabilities			
Trade and other payables	9	(28,824,055)	(30,254,457)
Contract liabilities	10	(14,023,918)	(8,667,077)
Borrowings	11	(11,464,931)	(5,541,234)
Provisions		(799,226)	(3,498,989)
Lease liabilities		(3,641,080)	(2,004,339)
Deferred consideration		(605,612)	(1,715,966)
		<u>(59,358,822)</u>	<u>(51,682,062)</u>
Net current assets		<u>16,421,279</u>	<u>16,429,642</u>
Total assets less current liabilities		<u>132,776,008</u>	<u>107,125,878</u>
Non-current liabilities			
Borrowings	11	(44,317,825)	(36,759,914)
Deferred tax		(41,650)	(411,787)
Lease liabilities		(19,147,110)	(9,912,794)
Deferred consideration		(126,062)	(252,616)
Net assets		<u>69,143,361</u>	<u>59,788,767</u>

Advanced Innergy Holdings Ltd

Consolidated Statement of Financial Position as at 30 September 2025

	Note	2025 £	2024 £
Equity			
Issued capital	12	1,063	1,063
Preferred ordinary shares	12	4,076,033	4,076,033
Share premium account		816,067	816,067
Foreign exchange reserve	13	788,894	1,004,797
Capital contribution reserve	13	4,341,974	4,341,974
Retained profits		60,197,880	50,596,477
Equity attributable to owners of the parent		70,221,911	60,836,411
Non-controlling interest		(1,078,550)	(1,047,644)
Total equity		<u>69,143,361</u>	<u>59,788,767</u>

Advanced Innergy Holdings Ltd

Consolidated statement of changes in equity for the Year Ended 30 September 2025

	Share capital	Preferred ordinary shares	Share premium account	Foreign exchange reserve	Capital contribution reserve	Retained earnings	Equity attributable to the parent	Non - controlling interest	Total
	£	£	£	£	£	£	£	£	£
Balance at 1 October 2024	1,063	4,076,033	816,067	1,004,797	4,341,974	50,596,478	60,836,412	(1,047,644)	59,788,768
Profit after income tax expense for the year	-	-	-	-	-	10,587,294	10,587,294	43,978	10,631,272
Other comprehensive loss for the year, net of tax	-	-	-	(215,903)	-	-	(215,903)	-	(215,903)
Total comprehensive income for the year	-	-	-	(215,903)	-	10,587,295	10,371,392	43,978	10,415,370
<i>Transactions with owners in their capacity as owners:</i>									
Dividends paid	-	-	-	-	-	(985,892)	(985,892)	(74,885)	(1,060,777)
Balance at 30 September 2025	1,063	4,076,033	816,067	788,894	4,341,974	60,197,880	70,221,911	(1,078,551)	69,143,360

Advanced Innergy Holdings Ltd

Consolidated statement of changes in equity for the Year Ended 30 September 2025

	Share capital	Preferred ordinary shares	Share premium account	Foreign exchange reserve	Capital contribution reserve	Retained earnings	Equity attributable to the parent	Non - controlling interest	Total
	£	£	£	£	£	£	£	£	£
Balance at 1 October 2023	1,062		814,575	965,734	4,341,974	17,207,202	23,330,547	(924,319)	22,406,228
Profit / (loss) after income tax expense for the year	-	-	-	-	-	4,021,106	4,021,106	(45,804)	3,975,302
Other comprehensive loss for the year, net of tax	-	-	-	39,063	-	-	39,063	-	39,063
Total comprehensive income for the year	-	-	-	39,063	-	4,021,106	4,060,169	(45,804)	4,014,365
<i>Transactions with owners in their capacity as owners:</i>									
Shares issued	1	4,076,033	1,492	-	-	-	4,077,526	-	4,077,526
Capital contribution (1)	-	-	-	-	29,368,170	-	29,368,170	-	29,368,170
Transfers between reserves	-	-	-	-	(29,368,170)	29,368,169	-	-	-
Dividends paid	-	-	-	-	-	-	-	(77,521)	(77,521)
Balance at 30 September 2024	1,063	4,076,033	816,067	1,004,797	4,341,974	50,596,477	60,836,412	(1,047,644)	59,788,768

(1) The capital contribution in the year relates to the waiver of interest and loan note capital.

Advanced Innergy Holdings Ltd

Consolidated statement of cash flows for the Year Ended 30 September 2025

	2025 £	2024 £
Cash flows from operating activities		
Operating profit for the year	18,078,678	9,472,283
Adjustments for:		
Depreciation of property, plant and equipment	5,891,127	5,135,234
Amortisation of intangible assets and finance costs	1,475,360	1,457,922
Taxation paid	(2,211,604)	(972,903)
Share of profit / (loss) in joint ventures	8,682	(27,615)
(Increase) / Decrease in inventories and work in progress	565,740	(1,465,063)
Decrease / (Increase) in trade and other receivables	4,687,663	(7,067,916)
(Decrease) / Increase in payables and accruals	(5,612,237)	5,166,755
Net cash generated by operating activities	22,883,409	11,698,697
Cash flows from investing activities		
Payments for property, plant and equipment	(3,681,094)	(4,916,036)
Proceeds from sale and leaseback transactions	4,134,277	-
Payments for intangible assets	(1,194,715)	(2,827,581)
Payments of acquisition of sub (net of cash acquired)	(14,530,158)	-
Proceeds from disposal of property, plant and equipment	-	5,761
Proceeds from sale of intangible assets	-	232,146
Interest received	118,037	326
Net cash used in investing activities	(15,153,653)	(7,505,384)
Cash flows from financing activities		
Proceeds from issue of ordinary shares, net of issue costs	-	1,494
Repayment of lease liabilities	(2,754,378)	(49,022)
Interest paid on finance leases and hire purchase contracts	(1,056,048)	(342,071)
Interest paid on bank loans and loan notes	(4,187,964)	(2,910,242)
Bank loans issued	14,772,000	41,000,000
Bank loans repaid	(10,700,948)	(8,793,191)
Repayment of loan notes	-	(25,749,191)
Dividends paid	(351,211)	(77,521)
Net cash used in financing activities	(4,278,549)	3,080,256
Net increase in cash and cash equivalents	3,451,207	7,273,569

Advanced Innergy Holdings Ltd

Consolidated statement of cash flows for the Year Ended 30 September 2025

	2025 £	2024 £
Net increase in cash and cash equivalents	3,451,207	7,273,569
Cash and cash equivalents at the beginning of the financial year	9,580,656	2,158,623
Gain on cash foreign exchange	(281,751)	148,464
Cash and cash equivalents at the end of the financial year	12,750,112	9,580,656
Consisting of:		
Cash and short-term deposits	17,750,112	11,580,656
Bank overdrafts and contract financing	(5,000,000)	(2,000,000)
	12,750,112	9,580,656

Advanced Innergy Holdings Ltd

Notes to the consolidated financial statements for the Year Ended 30 September 2025

1 Significant accounting policies

General information

These financial statements cover Advanced Innergy Holdings limited and all its subsidiary undertakings (the 'Group'). The financial statements are presented in Sterling ("£"), which is the Group's functional and presentation currency.

Advanced Innergy Holdings Limited is a company limited by shares, incorporated and domiciled in England & Wales. Its registered office and principal place of business are:

Registered office

Unit E Quedgeley West Business Park
Bristol Road
Gloucester
GL2 4PA

Principal places of business

Unit E Quedgeley West Business Park
Bristol Road
Gloucester
GL2 4PA

Stanley Way
Skelmersdale
Lancashire
WN8 8EA

During the financial year the principal continuing activities of Advanced Innergy Holdings Ltd and its subsidiaries were the manufacture, supply and application of fire retardant coatings, sub-sea insulation materials and buoyancy products to the oil, gas and petrochemical industries.

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Advanced Innergy Holdings Ltd

Notes to the consolidated financial statements for the Year Ended 30 September 2025

Basis of preparation

The financial reporting framework that has been applied in the preparation of the consolidated financial statements is UK-adopted International Accounting Standards. The financial reporting framework that has been applied in the preparation of the parent company financial statements is applicable law and United Kingdom Accounting Standards, including FRS101 'Reduced Disclosure Framework' (United Kingdom Generally Accepted Accounting Practice).

The consolidated financial statements have been prepared under the historical cost convention. The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

Basis of consolidation

The consolidated Financial Statements incorporate the financial statements of the Parent Company and entities controlled by the Company (its subsidiaries) as at 30 September 2025. Control is achieved when the Company:

- has the power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date when such control ceases. The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies. All intra-group balances, transactions, unrealised gains and losses resulting from intragroup transactions and dividends are eliminated in full.

Non-controlling interests in subsidiaries are identified separately from the Group's equity therein. Those interests of non-controlling shareholders that are present ownership interests entitling their holders to a proportionate share of net assets upon liquidation may initially be measured at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement is made on an acquisition-by-acquisition basis. Other non-controlling interests are initially measured at fair value. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity.

Advanced Innergy Holdings Ltd

Notes to the consolidated financial statements for the Year Ended 30 September 2025

New or amended Accounting Standards and Interpretations adopted

The Group has adopted the new or amended Accounting Standards and Interpretations issued by the International Accounting Standards Board ('IASB') that are mandatory for the current reporting period.

Any new or amended accounting standards or interpretations not yet mandatory have not been early adopted.

The following Accounting Standards and Interpretations are most relevant to the Group

There are no new amended Accounting Standards or Interpretations that are not yet mandatory and not been early adopted by the Group which are expected to have a material impact on the financial statements.

Going concern

The Group meets its day-to-day working capital requirements with its available retained cash supported by a revolving credit facility provided by the Group's bankers.

The directors have prepared an extensive three-year forecast which takes into account the current market environment, as discussed in the Strategic Report, and this shows that the Group shall be able to operate within its available cash and working capital facilities.

The business continues to trade satisfactorily with no significant adverse cash flow impact. The business also has cash reserves to draw on if required and is generating positive cashflow from operations. In addition, the group forecasts show covenant compliance throughout the review period with no breaches anticipated. The directors will continue to review the business position and react accordingly. The directors, having taken these steps, believe that the business has sufficient prospect of trade and cash reserves to continue to trade for a period of no less than twelve months from the approval of these accounts.

In view of the above the directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. They therefore continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Advanced Innergy Holdings Ltd

Notes to the consolidated financial statements for the Year Ended 30 September 2025

Foreign currency translation

Foreign currency transactions

Foreign currency transactions are translated into the functional currency of the respective Group entity using the exchange rates prevailing at the dates of the transactions (spot exchange), or where a transaction has been hedged, the hedged rate. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Non-monetary items are not retranslated at year-end and are measured at historical cost (translated using the exchange rates at the transaction date), except for non-monetary items measured at fair value which are translated using the exchange rates at the date when fair value was determined. Where a gain or loss on a non-monetary item is recognised in other comprehensive income the foreign exchange component of that gain or loss is also recognised in other comprehensive income.

Foreign operations

In the Group's financial statements, all assets, liabilities and transactions of Group entities with a functional currency other than Sterling (£) are translated into Sterling (£) upon consolidation. The functional currency of the entities in the Group has remained unchanged during the reporting period.

On consolidation, assets and liabilities have been translated into Sterling (£) at the closing rate at the reporting date. Goodwill and fair value adjustments arising on the acquisition of a foreign entity have been treated as assets and liabilities of the foreign entity and translated into Sterling (£) at the closing rate. Income and expenses have been translated into Sterling (£) at the average rate over the reporting period. Exchange differences are charged or credited to other comprehensive income and recognised in the currency translation reserve in equity. On disposal of a foreign operation, the related cumulative translation differences recognised in equity are reclassified to profit or loss and are recognised as part of the gain or loss on disposal.

Advanced Innergy Holdings Ltd

Notes to the consolidated financial statements for the Year Ended 30 September 2025

Revenue recognition

Revenue is recognised at an amount that reflects the consideration to which the Group is expected to be entitled in exchange for transferring goods or services to a customer. For each arrangement with a customer, the Group: identifies whether the arrangement meets the definition of a contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each performance obligation to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts or any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Whenever applicable, the Group applies the variable consideration allocation exception to recognise revenue for variable amount related to a distinct service that forms part of a single performance obligation.

IFRS Type 3 - Overtime, input method

The Group enters into long term contracts with customers that are typically treated as a single performance obligation to cover the design, manufacture and installation of the Group's products. A percentage-based cost of completion approach is applied as revenue is recognised over time. Warranty costs are identified as separate performance obligations only in the very rare circumstances that the warranty term varies significantly from the prevailing standard within the industry.

IFRS Type 3 - Overtime, output method

Revenue is recognised when the Group has manufactured goods in accordance with its obligations under the terms of sale and title of the goods has been transferred to the buyer.

Revenue recognition is conducted using the output method. Revenue is recognised on the basis of the stage of completion whereby it is probable that the Group will obtain the financial benefits related to the assignment, and when a reliable calculation can be made. Anticipated losses are expensed immediately.

The Group's trade receivables are all related to the value of revenue receivable from contracts with customers.

Advanced Innergy Holdings Ltd

Notes to the consolidated financial statements for the Year Ended 30 September 2025

Revenue Recognition (continued)

The Group has taken the following practical expedients from IFRS 15:

- The Group need not adjust the promised amount of consideration for the effects of a significant financing component if the expectation is that, at contract inception, the period between when the Group transfers a promised service to a customer and when the customer pays for that service will be one year or less; and
- The Group has recognised incremental costs of obtaining a contract as an expense when incurred if the amortisation period for the asset that would have otherwise been recognised would be one year or less. When it is probable that total contract costs will exceed total contract turnover, the expected loss is recognised as an expense immediately.

IFRS Type 1 - Point in time

A sale of goods is recognised when the Group has transferred to the buyer the significant risk and rewards of ownership, generally when the customer has taken undisputed delivery of the goods.

Interest income

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Advanced Innergy Holdings Ltd

Notes to the consolidated financial statements for the Year Ended 30 September 2025

Property, plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Such cost includes the cost of replacing component parts of the property, plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of property, plant and equipment are required to be replaced at intervals, the Group derecognises the replaced part and recognises the new part with its own associated useful life and depreciation. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the income statement as incurred. Gains and losses on disposals are determined by comparing the proceeds with carrying amount and are recognised within administrative expenses in the income statement.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Long-term leasehold property	Over the remaining period of the lease
Plant and machinery	4-10 years
Motor vehicles	4-10 years
Fixture and fittings	2-10 years
Other equipment	4 years
Freehold buildings	20-50 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the Group. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss. Any revaluation surplus reserve relating to the item disposed of is transferred directly to retained profits.

Right-of-use assets

A right-of-use asset is recognised at commencement of the lease and initially measured at the amount of the lease liability, plus any incremental costs of obtaining the lease and any lease payments made at or before the leased asset is available for use by the group.

The right-of-use asset is subsequently measured at cost less accumulated depreciation and any accumulated impairment losses. Depreciation is charged on a straight-line basis over the shorter of the length of the lease or the useful life of the underlying asset.

Advanced Innergy Holdings Ltd

Notes to the consolidated financial statements for the Year Ended 30 September 2025

Intangible assets

Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost. Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

Research and development

Research costs are expensed in the period in which they are incurred. Development costs are capitalised when it is probable that the project will be a success considering its commercial and technical feasibility; the Group is able to use or sell the asset; the Group has sufficient resources; and intent to complete the development and its costs can be measured reliably. Capitalised development costs are amortised on a straight-line basis over the period of their expected benefit, being their finite life of between 4 and 15 years where the amortisation is charged to administrative expenses.

Goodwill

Goodwill represents the future economic benefits arising from a business combination that are not individually identified and separately recognised. Goodwill is carried at cost less accumulated impairment losses.

Goodwill impairment testing

The recoverable amount is determined based on a value in use calculation which uses cash flow projections based on financial budgets approved by the directors covering a three-year period, and a discount rate of 10%.

The cash flow projections have assumed a blended 2% growth rate which is believed to be lower than the projected long-term average growth rate for the sector. The directors believe that any reasonably possible change in the key assumptions on which recoverable amount is based would not cause the aggregate carrying value to exceed the aggregate recoverable amount.

Advanced Innergy Holdings Ltd

Notes to the consolidated financial statements for the Year Ended 30 September 2025

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Bank overdrafts are classified as current liabilities unless the entity has an unconditional right to defer settlement for more than twelve months after the reporting date. Overdrafts are initially recognised at the amount drawn and subsequently measured at amortised cost using the effective interest method. Interest and related charges are recognised in profit or loss as incurred.

For the purposes of the Statement of Cash Flows, bank overdrafts that form an integral part of the entity's cash management are included within cash and cash equivalents. This applies where the overdraft is repayable on demand and fluctuates frequently between positive and overdrawn balances.

Trade and other receivables

Trade receivables are initially measured at their transaction price. Group and other debtors are initially measured at fair value plus transaction costs. Debtors are held to collect the contractual cash flows which are solely payments of principal and interest. Therefore, these debtors are subsequently measured at amortised cost using the effective interest rate method.

An impairment loss is recognised for the expected credit losses on financial assets when there is an increased probability that the counterparty will be unable to settle an instrument's contractual cash flows on the contractual due dates, a reduction in the amounts expected to be recovered, or both.

The probability of default and expected amounts recoverable are assessed using reasonable and supportable past and forward-looking information that is available without undue cost or effort. The expected credit loss is a probability-weighted amount determined from a range of outcomes and takes into account the time value of money.

For trade receivables, expected credit losses are measured by applying an expected loss rate to the gross carrying amount. The expected loss rate comprises the risk of a default occurring and the expected cash flows on default based on the aging of the debtor. The risk of a default occurring always takes into consideration all possible default events over the expected life of those debtors ("the lifetime expected credit losses"). Different provision rates and periods are used based on groupings of historic credit loss experience by product type, customer type and location.

Default is defined by management as probable non-payments of asset balances.

Contract assets

Contract assets are recognised when the Group has transferred goods or services to the customer but where the Group is yet to establish an unconditional right to consideration. Contract assets are treated as financial assets for impairment purposes.

Advanced Innergy Holdings Ltd

Notes to the consolidated financial statements for the Year Ended 30 September 2025

Inventories

Raw materials and work in progress are stated at the lower of cost measured using the “average cost method” and net realisable value after making due allowance for obsolete and slow-moving inventory.

Cost comprises of direct materials and delivery costs, direct labour, import duties and other taxes, an appropriate proportion of variable and fixed overhead expenditure based on normal operating capacity. Costs of purchased stock are determined after deducting rebates and discounts received or receivable.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 to 120 days of recognition.

Contract liabilities

Contract liabilities represent the Group's obligation to transfer goods or services to a customer and are recognised when a customer pays consideration, or when the Group recognises a receivable to reflect its unconditional right to consideration (whichever is earlier) before the Group has transferred the goods or services to the customer.

Borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Financial instruments

Recognition, initial measurement and derecognition

The Group has applied the requirements of IFRS 9 to all financial instruments. Financial assets and liabilities are recognised when the Group becomes party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Advanced Innergy Holdings Ltd

Notes to the consolidated financial statements for the Year Ended 30 September 2025

Classification and subsequent measurement of financial assets

The classification of financial assets under IFRS 9 is based on whether the contractual cash flows of the instrument are solely payments of principal and interest, and whether the business model is to collect those contractual cash flows and/or sell the financial assets. All of the Group's financial assets are classified as assets at amortised cost under IFRS 9.

IFRS 9 requires impairments of financial assets to be assessed using an 'expected loss' model.

The loss allowance on all financial assets is measured by considering the probability of default. Trade debtors are considered to be in default on an individual basis, based on various indicators, such as significant financial difficulty or expected bankruptcy. The directors will continue to estimate impairment losses under IFRS 9 at each reporting date.

Classification and subsequent measurement of financial liabilities

The Group's financial liabilities include borrowings, trade and other payables and derivative financial instruments. Financial liabilities are measured subsequently at amortised cost using the effective interest method except for derivatives and financial liabilities designated at fair value through profit or loss (FVTPL), measured at fair value with gains or losses recognised in profit or loss.

Financial liabilities that do not carry interest at the market rate are measured subsequently at amortised cost using the effective interest method. Where changes are made to the terms of the financial liability, the fair value of the financial liability is only remeasured when there has been a substantial change in terms.

Derecognition of financial assets (including write-offs) and financial liabilities

A financial asset (or part thereof) is derecognised when the contractual rights to cash flows expire or are settled, or when the contractual rights to receive the cash flows of the financial asset and substantially all the risks and rewards of ownership are transferred to another party.

When there is no reasonable expectation of recovering a financial asset it is derecognised ('written off'). The gain or loss on derecognition of financial assets measured at amortised cost is recognised in profit or loss. A financial liability (or part thereof) is derecognised when the obligation specified in the contract is discharged, cancelled or expires. Any difference between the carrying amount of a financial liability (or part thereof) that is derecognised and the consideration paid is recognised in profit or loss.

Advanced Innergy Holdings Ltd

Notes to the consolidated financial statements for the Year Ended 30 September 2025

Derivative financial instruments

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. Hedge accounting has not been applied.

Impairment of non-financial assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit (CGU). Goodwill is allocated to those CGUs that are expected to benefit from synergies of the related business combination and represent the lowest level within the Group at which management monitors the related cash flows.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount in the Statement of Comprehensive Income. Impairment losses recognised for CGUs, to which goodwill has been allocated, are credited initially to the carrying amount of goodwill. Any remaining impairment loss is charged pro rata to the other assets in the CGU. With the exception of goodwill, all assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist.

Goodwill, other individual assets or CGUs that include goodwill are tested for impairment at least annually. All Group entities are considered to be 1 CGU given the manufacture and installation of the Group's products across the business are so closely linked.

Advanced Innergy Holdings Ltd

Notes to the consolidated financial statements for the Year Ended 30 September 2025

Leases

At inception, the Group assesses whether a contract is, or contains, a lease within the scope of IFRS 16. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Where a tangible asset is acquired through a lease, the Group recognises a right-of-use asset and a lease liability at the lease commencement date. Right-of-use assets are included within tangible fixed assets, apart from those that meet the definition of investment property.

Initial measurement of lease liability

The lease liability is initially measured at the present value of the lease payments during the lease term discounted using the interest rate implicit in the lease, or the incremental borrowing rate if the interest rate implicit in the lease cannot be readily determined.

The lease term is the non-cancellable period of the lease plus extension periods that the Group is reasonably certain to exercise and termination periods that the Group is reasonably certain not to exercise.

Lease payments include fixed payments, less any lease incentives receivable, variable lease payments dependent on an index or a rate (such as those linked to LIBOR) and any residual value guarantees. Variable lease payments are initially measured using the index or rate when the leased asset is available for use. Termination penalties are included in the lease payments if the lease term has been adjusted because the Group reasonably expects to exercise an option to terminate the lease. The exercise price of an option to purchase the leased asset is included in the lease liability when the Group is reasonably certain to exercise that option.

Subsequent measurement of lease liability

The lease liability is subsequently increased for a constant periodic rate of interest on the remaining balance of the lease liability and reduced for lease payments. Interest on the lease liability is recognised in profit or loss.

Variable lease payments not included in the measurement of the lease liability as they are not dependent on an index or rate, are recognised in profit or loss in the period in which the event or condition that triggers those payments occurs.

Advanced Innergy Holdings Ltd

Notes to the consolidated financial statements for the Year Ended 30 September 2025

Leases (continued)

Re-measurement of the lease liability

The lease liability is adjusted for changes arising from the original terms and conditions of the lease that change the lease term, the Group's assessment of its option to purchase the leased asset, the amount expected to be payable under a residual value guarantee and/or changes in lease payments due to a change in an index or rate. The adjustment to the lease liability is recognised when the change takes effect and is adjusted against the right-of-use asset, unless the carrying amount of the right-of-use asset is reduced to £nil, when any further adjustment is recognised in profit or loss.

Adjustments to the lease payments arising from a change in the lease term or the lessee's assessment of its option to purchase the leased asset are discounted using a revised discount rate. The revised discount rate is calculated as the interest rate implicit in the lease for the remainder of the lease term, or if that rate cannot be readily determined, the lessee's incremental borrowing rate at the date of reassessment.

Changes to the amounts expected to be payable under a residual value guarantee and changes to lease payments due to a change in an index or rate are recognised when the change takes effect, and are discounted at the original discount rate unless the change is due to a change in floating interest rates, when the discount rate is revised to reflect the changes in interest rate.

Lease modifications

A lease modification is a change that was not part of the original terms and conditions of the lease and is accounted for as a separate lease if it increases the scope of the lease by adding the right to use one or more additional assets with a commensurate adjustment to the payments under the lease.

For a lease modification not accounted for as a separate lease, the lease liability is adjusted for the revised lease payments, discounted using a revised discount rate. The revised discount rate used is the interest rate implicit in the lease for the remainder of the lease term, or if that rate cannot be readily determined, the lessee company's incremental borrowing rate at the date of the modification.

Where the lease modification decreases the scope of the lease, the carrying amount of the right-of-use asset is reduced to reflect the partial or full termination of the lease. Any difference between the adjustment to the lease liability and the adjustment to the right-of-use asset is recognised in profit or loss.

For all other lease modifications, the adjustment to the lease liability is recognised as an adjustment to the right-of-use asset.

Advanced Innergy Holdings Ltd

Notes to the consolidated financial statements for the Year Ended 30 September 2025

Leases (continued)

Subsequent measurement of the right-of-use asset

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of other tangible fixed assets. The right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

Income tax

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable. Tax is recognised in the statement of comprehensive income, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Provisions

Provisions are recognised when the Group has a present (legal or constructive) obligation as a result of a past event, it is probable the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

Advanced Innergy Holdings Ltd

Notes to the consolidated financial statements for the Year Ended 30 September 2025

Employee benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Defined contribution pension expense

Contributions to defined contribution pension plans are expensed in the period in which they are incurred.

Business combinations

The acquisition method of accounting is used to account for business combinations regardless of whether equity instruments or other assets are acquired.

The consideration transferred is the sum of the acquisition-date fair values of the assets transferred, equity instruments issued or liabilities incurred by the acquirer to former owners of the acquiree and the amount of any non-controlling interest in the acquiree. For each business combination, the non-controlling interest in the acquiree is measured at either fair value or at the proportionate share of the acquiree's identifiable net assets. All acquisition costs are expensed as incurred to profit or loss.

On the acquisition of a business, the consolidated entity assesses the financial assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the consolidated entity's operating or accounting policies and other pertinent conditions in existence at the acquisition-date.

Where the business combination is achieved in stages, the consolidated entity remeasures its previously held equity interest in the acquiree at the acquisition-date fair value and the difference between the fair value and the previous carrying amount is recognised in profit or loss.

Contingent consideration to be transferred by the acquirer is recognised at the acquisition-date fair value. Subsequent changes in the fair value of the contingent consideration classified as an asset or liability is recognised in profit or loss. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity.

The difference between the acquisition-date fair value of assets acquired, liabilities assumed and any non-controlling interest in the acquiree and the fair value of the consideration transferred and the fair value of any pre-existing investment in the acquiree is recognised as goodwill. If the consideration transferred and the pre-existing fair value is less than the fair value of the identifiable net assets acquired, being a bargain purchase to the acquirer, the difference is recognised as a gain directly in profit or loss by the acquirer on the acquisition-date, but only after a reassessment of the identification and measurement of the net assets acquired, the non-controlling interest in the acquiree, if any, the consideration transferred and the acquirer's previously held equity interest in the acquirer.

Advanced Innergy Holdings Ltd

Notes to the consolidated financial statements for the Year Ended 30 September 2025

Business combinations (continued)

Business combinations are initially accounted for on a provisional basis. The acquirer retrospectively adjusts the provisional amounts recognised and also recognises additional assets or liabilities during the measurement period, based on new information obtained about the facts and circumstances that existed at the acquisition-date. The measurement period ends on either the earlier of (i) 12 months from the date of the acquisition or (ii) when the acquirer receives all the information possible to determine fair value.

2 Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Recognition of service and construction contract revenues

Revenue recognised overtime is calculated using a percentage of cost completion method. This includes managements best estimate of cost to complete open contracts and projects at the year end. A percentage based cost of completion model is used by management as the best estimate of progress of the contract as it is delivered to the end customer.

Capitalisation of internally developed assets

A judgement is applied by management in distinguishing the research and development phases of a new internally developed asset and determining whether the recognition requirements for the capitalisation of development costs are met. After capitalisation, management monitors whether the recognition requirements continue to be met and whether there are any indicators that capitalised costs may be impaired (see Intangible Assets accounting policy).

Advanced Innergy Holdings Ltd

Notes to the consolidated financial statements for the Year Ended 30 September 2025

Discount rates

Lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, or is not applicable, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset or similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions. To determine the incremental borrowing rate, the Group where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received.

Estimation of useful lives of assets

The Group determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Consolidation of Contraflex Kazakhstan and Advanced Innergy Solutions Angola Ltda

These entities are accounted as subsidiaries as the Group benefits from all of these entities' income and exercises practical control on a day-to-day basis. They are therefore controlled and consolidated into these group financial statements.

Advanced Innergy Holdings Ltd

Notes to the consolidated financial statements for the Year Ended 30 September 2025

3 Revenue

The whole of the revenue is attributable to the principal activity of the Group.

Disaggregation of revenue

The disaggregation of revenue from contracts with customers is as follows:

	2025	2024
	£	£
Revenues from contracts with customers recognised over time	135,567,126	127,749,411
Revenues recognised at a point in time with customers	14,982,839	9,067,223
	<u>150,549,965</u>	<u>136,816,634</u>

	2025	2024
	£	£
Geographical regions		
United Kingdom	37,784,984	25,861,497
Europe	22,888,331	25,251,031
Rest of the World	89,876,650	85,704,106
	<u>150,549,965</u>	<u>136,816,634</u>

Advanced Innergy Holdings Ltd

Notes to the consolidated financial statements for the Year Ended 30 September 2025

4 Non-current assets - property, plant and equipment

	Freehold property	Long term leasehold property	Plant and machinery	Motor vehicles	Assets under construction	Fixtures and fittings	Other Equipment	Total
	£	£	£	£	£	£	£	£
Cost								
At 1 October 2024	13,847,104	13,126,053	41,737,662	85,654	3,527,327	3,414,948	1,426,476	77,165,224
Additions		180,143	1,133,195	-	2,343,988	53,102	197,395	3,907,823
Assets acquired through acquisition	-	9,138,009	4,279,790	46,964	-	145,627	-	13,610,390
Foreign exchange movement	-	39,611	(4,003)	(209)	-	(3,055)	23	32,367
Disposals	-	(27,780)	(1,666,134)	-	-	(885)	-	(1,694,799)
Transfers	-	-	2,945,483	-	(2,945,483)	-	-	-
At 30 September 2025	13,847,104	22,456,036	48,425,993	132,409	2,925,832	3,609,737	1,623,894	93,021,005

Advanced Innergy Holdings Ltd

Notes to the consolidated financial statements for the Year Ended 30 September 2025

	Freehold property	Long term leasehold property	Plant and machinery	Motor vehicles	Assets under construction	Fixtures and fittings	Other Equipment	Total
	£	£	£	£	£	£	£	£
Accumulated depreciation								
At 1 October 2024	4,249,155	2,817,938	26,212,152	44,341	-	1,906,065	867,748	36,097,399
Charge for the year	248,636	1,251,347	3,849,915	14,617	-	312,076	214,537	5,891,128
Eliminated upon disposal	-	-	(1,666,077)	-	-	(885)	-	(1,666,962)
At 30 September 2025	4,497,791	4,069,285	28,395,990	58,958	-	2,217,256	1,082,285	40,321,565
Net book value								
At 30 September 2025	9,349,313	18,386,751	20,030,003	73,451	2,925,831	1,392,482	541,609	52,699,440
At 30 September 2024	9,597,949	10,308,116	15,525,510	41,313	3,527,327	1,508,883	558,727	41,067,825

Advanced Innergy Holdings Ltd

Notes to the consolidated financial statements for the Year Ended 30 September 2025

	Freehold property	Long term leasehold property	Plant and machinery	Motor vehicles	Assets under construction	Fixtures and fittings	Other Equipment	Total
	£	£	£	£	£	£	£	£
Cost								
At 1 October 2023	13,789,064	10,973,966	38,982,002	144,320	2,458,745	2,742,438	1,147,761	70,238,296
Additions	58,040	3,456,437	974,391	24,086	2,587,795	630,928	278,851	8,010,528
Acquisitions through business combinations	-	-	359,426	-	-	2,189	328	361,943
Foreign exchange movement	-	(24,624)	(53,357)	(859)	-	(3,752)	(465)	(83,057)
Disposals	-	(1,279,726)	-	(81,893)	-	(868)	-	(1,362,487)
Transfers	-	-	1,475,200	-	(1,519,213)	44,013	-	-
At 30 September 2024	13,847,104	13,126,053	41,737,662	85,654	3,527,327	3,414,948	1,426,475	77,165,223

Advanced Innergy Holdings Ltd

Notes to the consolidated financial statements for the Year Ended 30 September 2025

	Freehold property	Long term leasehold property	Plant and machinery	Motor vehicles	Assets under construction	Fixtures and fittings	Other Equipment	Total
	£	£	£	£	£	£	£	£
Accumulated depreciation								
At 1 October 2023	3,871,764	3,002,015	23,020,610	97,294	-	1,643,911	683,298	32,318,892
Charge for the year	377,391	1,095,648	3,191,542	23,180	-	263,022	184,450	5,135,233
Eliminated upon disposal	-	(1,279,726)	-	(76,133)	-	(868)	-	(1,356,727)
At 30 September 2024	4,249,155	2,817,937	26,212,152	44,341	-	1,906,065	867,748	36,097,398
Net book value								
At 30 September 2024	9,597,949	10,308,116	15,525,510	41,313	3,527,327	1,508,883	558,727	41,067,825
At 30 September 2023	9,917,300	7,971,951	15,961,392	47,025	2,458,746	1,098,526	464,464	37,919,404

Advanced Innergy Holdings Ltd

Notes to the consolidated financial statements for the Year Ended 30 September 2025

The Right-of-use assets included in the non-current assets note above are as follows:

	Long term leasehold property	Plant and machinery	Assets under construction	Other Equipment	Fixtures and fittings	Motor vehicles	Total
	£	£	£	£	£	£	£
Cost							
At 1 October 2024	9,108,202	2,872,973	2,459,834	409,026	1,055,562	49,895	15,955,493
Assets Acquired	9,138,009	-	-	-	-	-	9,138,009
Transfers		1,464,034	(1,464,034)				
Additions	180,143	673,238	1,102,828	-	-	-	1,956,209
Foreign exchange movement	39,611	-	-	-	-	-	39,611
Disposals	(27,780)	-	-	-	-	-	(27,780)
At 30 September 2025	18,438,185	5,010,245	2,098,628	409,026	1,055,562	49,895	27,061,542
Depreciation							
At 1 October 2024	1,826,491	1,599,202	-	95,606	165,852	31,213	3,718,364
Charge for the year	1,177,539	400,859	-	102,257	105,554	8,308	1,794,517
At 30 September 2025	3,004,030	2,000,061	-	197,863	271,406	39,521	5,512,881
Net Book Value at 30 September 2025	15,434,155	3,010,184	2,098,628	211,163	784,156	10,374	21,548,661
Net Book Value at 30 September 2024	7,281,711	1,273,771	2,459,834	313,420	889,710	18,682	12,237,129

Advanced Innergy Holdings Ltd

Notes to the consolidated financial statements for the Year Ended 30 September 2025

5 Non-current assets – intangible assets

	Total
	£
Cost	
At 1 October 2024	66,581,893
Additions - internally generated	1,671,607
Assets - acquisition	13,756,699
Forex movement	33,482
Disposals	(3,060,842)
At 30 September 2025	78,982,839
	Total
	£
Amortisation and impairment	
At 1 October 2024	16,953,478
Amortisation expense	1,475,360
Impairment on disposals	(3,016,714)
At 30 September 2025	15,412,124
Net Book Value	
At 30 September 2025	63,570,716
At 30 September 2024	49,628,413

Full breakdown will be provided in the annual report

The purchase price allocation and fair value measurements for the acquired assets and liabilities of Ovun AS are provisional and subject to refinement within the measurement period of up to 12 months from the acquisition date.

Advanced Innergy Holdings Ltd

Notes to the consolidated financial statements for the Year Ended 30 September 2025

	Total
	£
Cost	
At 1 October 2023	64,012,801
Additions - internally generated	1,990,098
Acquisitions through business combinations	837,483
Disposals	(232,146)
Forex movement	(26,345)
At 30 September 2024	66,581,891
	Total
	£
Amortisation and impairment	
At 1 October 2023	15,495,465
Amortisation expense	1,457,922
At 30 September 2024	16,953,387
Net Book Value	
At 30 September 2024	46,160,868
At 30 September 2023	39,424,095

Advanced Innergy Holdings Ltd

Notes to the consolidated financial statements for the Year Ended 30 September 2025

6 Current assets - trade and other receivables

	2025	2024
	£	£
Trade receivables	25,637,904	23,550,554
Expected credit loss	(627,924)	(1,540,197)
	25,009,980	22,010,357
Other receivables	700,696	2,168,434
Amounts due from joint ventures	196,780	159,755
Prepayments	2,666,379	1,739,075
	<u>28,573,835</u>	<u>26,077,621</u>

In both periods, trade receivables all relate to receivables for revenue from contracts with customers.

Allowance for expected credit losses

The Group has recognised a loss of £25,825 in profit or loss in respect of the actual credit losses for the year ended 30 September 2025 (2024: £238,521 profit).

Trade receivables are normally due within 30 to 120 days and do not bear any effective interest rate. All trade receivables are subject to credit risk exposure although management maintain a credit insurance policy to aid in managing this risk and there is no specific concentration of credit risk as the amounts recognised represent a large number of receivables from various customers.

Advanced Innergy Holdings Ltd

Notes to the consolidated financial statements for the Year Ended 30 September 2025

7 Current assets - contract assets

	2025	2024
	£	£
Contract assets	14,985,380	20,136,946
Reconciliation		
Opening balance	20,136,946	13,624,576
Transfer to trade receivables	(20,136,946)	(13,624,576)
Contract assets recognised	14,985,380	20,136,946
Closing balance	14,985,380	20,136,946

8 Current assets – inventories

	2025	2024
	£	£
Raw materials	11,700,335	7,564,885
Work in progress	829,577	421,952
Finished goods	1,493,984	1,216,179
	14,023,896	9,203,016

The amount of inventory recognised as an expense within costs of sales is £68,094,364 (2024: £65,601,549)

Advanced Innergy Holdings Ltd

Notes to the consolidated financial statements for the Year Ended 30 September 2025

9 Trade and other payables

	2025 £	2024 £
Current liabilities		
Trade payables	16,688,987	19,658,823
Other taxation and social security	1,700,793	765,548
Other payables	888,437	1,073,359
Accruals	9,545,838	8,756,727
	28,824,055	30,254,457

Trade payables include amounts payable from trade purchase and related costs. Trade payables are non-interest-bearing and normally settled on 30 to 60 day terms. The Group maintains financial risk management policies to guarantee the timely payment of the trade payables. See note 25.

The fair value of trade payables has not been disclosed as, due to their short duration, management considers the carrying amounts recognised in the balance sheet to be a reasonable approximation of their fair value.

10 Current liabilities - contract liabilities

	2025 £	2024 £
Contract liabilities	14,023,918	8,667,077
Reconciliation		
Opening balance	8,667,077	8,904,835
Revenue recognised	(8,667,077)	(8,904,835)
Transfer from trade receivables	14,023,918	8,667,077
Closing balance	14,023,918	8,667,077

Advanced Innergy Holdings Ltd

Notes to the consolidated financial statements for the Year Ended 30 September 2025

11 Borrowings

	2025 £	2024 £
Current		
Bank overdraft and revolving credit facility	5,000,000	2,000,000
Bank loans	6,464,931	3,541,234
	<u>11,464,931</u>	<u>5,541,234</u>
Non-current		
Bank loans	44,317,825	36,759,914
	<u>44,317,825</u>	<u>36,759,914</u>

Advanced Innergy Holdings Ltd

Notes to the consolidated financial statements for the Year Ended 30 September 2025

12 Equity - issued capital

	2025		2024	
	No.	£	No.	£
A1 Ordinary shares of £0.001 each	887,209	887	887,209	887
A2 Ordinary shares of £0.001 each	175,955	176	175,955	176
B Ordinary shares of £0.001 each	100	0.10	100	0.10
A Preferred ordinary of £0.21 each	17,213,870	3,614,913	17,213,870	3,614,913
B Preferred ordinary of £0.21 each	904,696	189,986	904,696	189,986
C Preferred ordinary of £0.21 each	1,291,115	271,134	1,291,115	271,134
	20,472,945	4,077,096	20,472,945	4,077,096

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the company does not have a limited amount of authorised capital.

Preferred ordinary shares

Preferred ordinary shares entitle shareholders to preferential rights which are superior to those of ordinary shares. The holder to participate in dividends and rank ahead of ordinary shares.

Advanced Innergy Holdings Ltd

Notes to the consolidated financial statements for the Year Ended 30 September 2025

13 Equity - reserves

Retained earnings account

The retained earnings account reflects the cumulative profits and losses, net of distributions to owners.

Foreign exchange reserve

The foreign exchange reserve is the unrealised cumulative net gains and losses on translation of the net assets and results of subsidiaries undertakings which have a functional currency other than the sterling (£).

Share premium account

The share premium account reflects the difference between the amount received for share capital and its nominal value.

Capital contribution reserve

The capital contribution reserve is used to recognise an irrevocable gift made to the company by a shareholder and loan note holder.

Dividends paid

Interim dividends declared of £1.02 and £0.46 per A1 and A2 ordinary share respectively during the year. No dividends were declared in the prior year. Future dividend policy is yet to be agreed or approved.

Advanced Innergy Holdings Ltd

Notes to the consolidated financial statements for the Year Ended 30 September 2025

14 Acquisition

On 1 April 2025, the Company acquired 100% of the share capital of Advanced Innergy Testing Ltd (formerly CAPSE Ltd).

On 12 September 2025, the Company acquired 100% of the share capital of Ovun Holdings AS and Ovun AS.

The amounts recognised in respect of the identifiable assets acquired and liabilities assumed are as set out in the table below:

	2025 £ Ovun AS and Ovun Holdings AS	2025 £ Advanced Innergy Testing Ltd
Assets and Liabilities Acquired		
Financial Assets	8,905,929	-
Tangible Fixed Assets	8,204,726	3,537,000
Intangible Fixed Assets	2,668,391	-
Financial Liabilities	(15,199,416)	(3,249,999)
Total identifiable assets	4,579,630	287,001
Goodwill	11,515,750	165,606
Total Consideration	16,095,380	452,607
Satisfied by:		
Cash	16,095,380	-
Deferred Consideration	-	452,607
Total consideration transferred	16,095,380	452,607
Cash Flow Analysis:		
Cash consideration	16,095,380	-
Less: cash and cash equivalent balances acquired	(1,565,222)	-
Net cash outflow arising on acquisition	14,530,158	-

Advanced Innergy Holdings Ltd

Notes to the consolidated financial statements for the Year Ended 30 September 2025

14 Acquisition (continued)

The acquisition of Ovun AS, Ovun Holdings AS and Advanced Innergy Testing Ltd resulted in goodwill on acquisition as shown above of £11.5m and £0.17m respectively. As disclosed in the intangibles note, the purchase price allocation and fair value measurements for the acquired assets and liabilities of Ovun AS are provisional and subject to refinement within the measurement period of up to 12 months from the acquisition date.

The trade of Ovun Holdings AS and Ovun AS contributed revenues of £0.76m and net loss after tax of £0.9m to the group for the year ended 30 September 2025. If the acquisition had occurred on 1st October 2024, consolidated proforma revenue and profit for the year ended 30 September 2025 would have been £15.9m and £1.6m respectively.

The trade of Advanced Innergy Testing Ltd contributed revenues of £0.48m and net loss after tax of £0.78m to the group for the year ended 30 September 2025. If the acquisition had occurred on 1st October 2024, then the results would not have been materially different.

15 Audit Status

The condensed financial statements are unaudited and are based on accounts which are in the process of being audited. An audit report will be provided with the final annual report.