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Cerillion PLC
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AIM: CER

Cerillion plc

("Cerillion" or "Company" or "Group")

Final results for the year ended 30 September 2026

Milestone Contract Secured in a Year Affected by Some Revenue Softness
Outlook Remains Encouraging

Cerillion plc, the billing, charging and customer relationship management software solutions provider, reports its annual results for the 12 months ended 30 September 2026.

Year ended 30 September	2026	2025	Change
Total contract value[1] ("TCV")	£216.9m	£176.8m	+23%
Total new orders	£49.3m	£47.6m	+4%
Annualised recurring revenues[2] ("ARR")	£28.4m	£22.6m	+26%
Revenue	£46.5m	£45.4m	+3%
Adjusted EBITDA[3]	£21.1m	£23.1m	-8%
Adjusted EBITDA margin	45.5%	50.9%	-540bps
Statutory profit before tax	£19.5m	£21.7m	-10%
Statutory basic earnings per share	49.3p	56.3p	-12%
Total dividend per share	16.7p	15.4p	+8%
Net cash[4]	£34.7m	£34.4m	+1%

Financial highlights:

TCV grew by 23% in the year, driven by total new orders at a record £49.3m, even after the 25% increase in the prior year (2025: £47.6m).
Revenue and profitability reflect the delay and deferral of anticipated new and existing customer orders. Nonetheless, significant progress was made in FY26 with the signing of the milestone Omantel contract and continued product development.
Back-order book strong at £67.0m (2025: £56.9m). This is made up of:
- £57.6m of sales contracted-but-not-yet-recognised (2025: £47.4m) - c. 25% of which will be recognised within 12 months; and
- £9.4m of annualised support and maintenance revenue (2025: £9.5m).

Encouraging pipeline of new customer sales opportunities[5] of £255m at year-end (30 September 2025: £275m) even after converting the £42.5m Omantel contract.
Very robust balance sheet with net cash of £34.7m (30 September 2025: £34.4m).
Operating cash conversion[6] remains strong at 79% (30 September 2025: 84%), despite the increase in accrued revenue of £8.7m mainly relating to software licence revenues recognised in the year.
Final dividend of 11.2p per share proposed (2025: 10.6p), taking total dividend to 16.7p per share (2025: 15.4p), an increase of 8% year-on-year.

Operational highlights:

Cerillion's largest ever contract secured with Omantel in Q2; worth £42.5m, including its five-year subscription term.
- Cerillion's BSS/OSS solution will support Omantel's entire fixed, mobile and broadband customer base and all its sales channels.
- Base solution installed at Omantel, with the next phase firmly under way.

Other major implementations and upgrades progressed well:
- new installation for Ucom, one of Armenia's leading telecommunications providers, is nearing completion; and
- major upgrade for Telesur, Suriname's leading telecommunications provider, went live in September 2026.

Continued product development, supported by increased R&D.
- Cerillion named in two major independent industry reports in September 2026:
  - Gartner's *2026 Gartner® Magic Quadrant™ for CSP AI-Enabled Marketing and Sales Solutions* * and
  - Frost & Sullivan's *Growth Opportunities for Agentic AI in Telco Business Support Systems.*

Sales resource expanded across geographies to support ongoing growth.

Louis Hall, CEO of Cerillion plc, commented:

"While we did not perform as well as expected against some key financial metrics, the

successful securing of our largest ever contract win was a major milestone for the business. It is another strong endorsement for our solution and helps to raise our profile in the telecoms marketplace. It has also driven new orders to a new high, supports the back-order book and increases recurring revenues.

"We continue to see a breadth of growth opportunities ahead and will invest in the business to support long-term growth. Cerillion's position is firmly underpinned by its strong balance sheet and cash generation, which reinforces our confidence about prospects for growth."

For further information please contact:

Cerillion plc Louis Hall, CEO, Greg Price, CFO	c/o KTZ Communications T: 020 3178 6378
Panmure Liberum (Nomad and Joint Broker) Bidhi Bhoma, Edward Mansfield, Piers Shimwell	T: 020 3100 2000
Singer Capital Markets (Joint Broker) James Moat, James Fischer	T: 020 7496 3000
KTZ Communications Katie Tzouliadis, Robert Morton	T: 020 3178 6378

About Cerillion

Cerillion has a 27-year track record in providing mission-critical software for billing, charging and customer relationship management ("CRM"), mainly to the telecommunications sector but also to other markets, including utilities and financial services. The Company has c. 70 customer installations across c. 45 countries.

Headquartered in London, Cerillion also has operations in India, Bulgaria and Oman as well as a sales presence in Continental Europe, the USA, Singapore and Australia.

The business was originally part of Logica plc before its management buyout, led by CEO, Louis Hall, in 1999. The Company joined AIM in March 2016.

Notes

Note 1 TCV is the total contracted value for all active customer contracts (restated for FX rates as at 30 September 2026), irrespective of when revenue is recognised. Where contracts are renewed, the value of a customer contract is updated to reflect the new value.

Note 2 ARR is the annualised revenue from term software licences and recurring revenue streams, being support & maintenance, managed services, Skyline, hardware and hosting for subscriptions, including subscriptions contracted-but-not-yet-live.

Note 3 Adjusted earnings before interest, tax, depreciation and amortisation ("EBITDA") is calculated by taking operating profit and adding back depreciation & amortisation and share-based payment charges.

Note 4 Net cash is made up of cash and cash equivalents, net of borrowing (excluding leases).

Note 5 New customer sales pipeline is the total, unweighted value of all qualified sales prospects.

Note 6 Operating cash conversion is calculated as cash generated from operations as a proportion of operating profit.

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Gartner Magic Quadrant for CSP AI-Enabled Marketing and Sales Solutions , Pulkit Pandey, Khurram Shahzad, 15 September 2026.
Gartner Critical Capabilities for CSP AI-Enabled Marketing and Sales Solutions , Khurram Shahzad, Pulkit Pandey, 15 September 2026.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER'S REPORT

Introduction

We made significant operational progress over the financial year, with a key highlight being the winning of the Oman Telecommunications ("Omantel") contract. This win with Oman's leading telecommunications services provider is Cerillion's largest ever new customer contract at a landmark £42.5m. While it was a milestone endorsement for our solution, financial results for the year were short of expected targets, with annual revenue at £46.5m (2025: £45.4m) and profit before tax down to £19.5m (2025: £21.7m). These results reflected slower pipeline conversion with new and existing customers, although we still expect the anticipated upgrade projects and software licence expansions for existing customers to come through over time.

The Omantel win took total new orders to a new high, even after the 25% increase in total new orders we secured in the prior year. The Omantel installation will contribute to services revenues both in the new financial year and next. Once it is live, it will also contribute significantly to the Group's recurring revenues[1], and will be an important reference for further new, large-scale wins.

As ever, we continued to invest in our technology and increased our overall R&D spending during the year. We also expanded our teams in delivery and sales and marketing, and recruited young talent through our graduate programmes at our main operational bases in London, Sofia and Pune.

The pipeline of potential new customer sales remains strong and includes opportunities at a range of values and in a broad range of geographic markets. At the financial year-end, and after removing the Omantel opportunity following its signing, the unweighted value of the

pipeline stood at £255m (2025: £275m). Annualised recurring revenue at the year-end was up 26% to £28.4m (2025: £22.6m).

We enter the new financial year with confidence. We have both a strong back-order book and an encouraging new business pipeline. Our balance sheet is also extremely robust, with significant net cash. The Company is therefore well positioned to make further progress as telecommunications providers look to improve efficiencies, drive flexibility and maximise the benefits of their investments in new network technology.

Financial Overview

Total revenue for the year to 30 September 2026 was £46.5m (2025: £45.4m). There was a very strong second-half revenue weighting to the year, with revenue in the second-half up by c.58% over the first-half (H2 2026: £28.5m; H1 2026: £18.0m), and up by 16% over the second-half last year (H2 2025: £24.5m), but the overall result, as previously indicated, reflected slower-than-expected pipeline conversion in H2. As usual, existing customers (classified as those acquired before the beginning of the reporting period) accounted for a high proportion of total revenue, generating 72% of the overall result (2025: 93%).

Although financial results for the year were below management's expectations, new orders reached a new high of £49.3m (2025: £47.6m), driven by the closure of the Omantel contract and total contract value ("TCV"), which represents the full value of all the contracts the business is delivering, grew by 23% year-on-year to £216.9m (2025: £176.8m). At the year-end, annualised recurring revenue, ("ARR"), which includes live subscriptions and those which are contracted-but-not-yet-live, was up 26% year-on-year to £28.4m (30 September 2025: £22.6m).

The Group's revenue streams are categorised into three segments: Software revenue; Services revenue; and revenue from Other activities. Software revenue principally comprises software licences (for both Cerillion and third-party products), related support and maintenance fees, and managed services fees. Services revenue is generated by software implementations and ongoing account development work. Revenue from Other activities includes the reselling of third-party hardware, hosting fees and rebillable expenses.

- Software revenue increased by 8% to £26.2m (2025: £24.4m) with higher revenue from both Cerillion's own licences and third-party licences. Software revenue accounted for 56% of total revenue (2025: 54%).
- Services revenue decreased by 7% to £17.8m (2025: £19.0m). This reflected lower implementation revenue for new customers in the year due to the timing of new contract wins. Services revenue comprised 38% of total revenue (2025: 42%).
- Other revenue increased by 31% to £2.5m (2025: £1.9m). This increase was largely driven by an increase in third-party revenue. Other revenue comprised 6% of total revenue (2025: 4%).

Gross margin was 77.8% (2025: 81.5%), which was slightly lower than the prior year and mainly reflected the mix of revenue, with a higher proportion of third-party revenue.

Operating expenses were well-controlled, but rose by 7% to £17.7m (2025: £16.7m) as a result of increased investment in the business, with higher headcount, and inflation. Higher headcount includes increased investment in the sales team to support future growth.

Adjusted EBITDA for the year decreased by 8% to £21.1m (2025: £23.1m), driven by the lower revenue discussed above, as well as higher costs related to third-party revenue and investment in the business, as noted above. The Board considers adjusted EBITDA to be a key performance indicator for Cerillion as it adds back key non-cash transactions, being share based payments, depreciation and amortisation.

Investment in new product development continued, with a 5% increase in R&D man-days versus the prior year. The amount capitalised during the year was £1.8m (2025: £1.8m) and the amount amortised was £1.3m (2025: £1.1m). Expenditure on tangible fixed assets was £2.0m (2025: £0.4m), the increase driven by hardware purchases required for our new customer win. Operating profit was £18.4m (2025: £20.6m).

Profit before tax decreased to £19.5m (2025: £21.7m) and earnings per share to 49.3p (2025: 56.3p).

Cash Flow and Balance Sheet

The Group continued to generate strong underlying cash flows. Net cash amounted to £34.7m at the close of the financial year (30 September 2025: £34.4m), which was after £4.8m of dividend payments (2025: £4.1m). Free cash flow of £6.1m (2025: £10.9m) was after £2.0m of hardware purchases, partly funded by borrowings.

Operating cash conversion remained strong at 79% (30 September 2025: 84%), despite an increase in accrued revenue of £8.7m mainly relating to licence revenues recognised in the year.

Dividend

The Board is pleased to propose a 6% increase in the final dividend to 11.2p per share (2025: 10.6p). Together with the interim dividend of 5.5p per share (2025: 4.8p), this brings the total dividend for the year to 16.7p per share (2025: 15.4p), an 8% increase year-on-year.

The dividend, which is subject to shareholder approval at the Company's Annual General Meeting on 4 February 2027, is payable on 24 February 2027 to those shareholders on the Company's register as at the close of business on the record date of 8 January 2027. The ex-dividend date is 7 January 2027.

Operational Overview

We commenced work on the major new contract secured with Omantel in the second quarter of the financial year. As previously reported, we are delivering a major digital transformation programme for Omantel, modernising its business and operations support system (BSS/OSS^2). Our programme forms a key component in Omantel's strategy to evolve from 'Telco' to 'Techco', and will result in a future-ready, low-code/no code platform that will provide Omantel with heightened business agility. It is worth noting that in tendering for the contract, we were in competition with most of the major BSS/OSS vendors.

Over the second half of the financial year, we completed the requirements analysis for the project, finalised its scope and finished installing the base software. Our team is now

engaged in the configuration and interface development phases of the project.

The installation of our BSS/OSS suite for Ucom, one of Armenia's largest telecommunications providers, which started in 2025, progressed well. We completed most of the implementation work and expect our platform to go live in early 2027. It will support Ucom's one million customer base across fixed, mobile, broadband and TV services.

We also completed major upgrades for several of our existing customers, bringing them up to date with our latest product versions. This included implementing Cerillion 26.1 for Telesur, the leading telecommunications provider in Suriname. The upgrade has given Telesur access to new capabilities, which include AI-powered agents to support greater automation and operational efficiency and our Promotions Engine, which will enable Telesur to design and launch new customer offers much more rapidly.

We increased our investment in R&D over and above last year's level, with a 5% increase in man-days, and AI remained a key focus. In April, we released Cerillion 26.1, which has introduced new Agent2Agent capabilities. They enable communications services providers ("CSPs") to move from siloed automation towards coordinated, multi-step process execution across systems. Building on our previous introduction of AI agents and the Model Context Protocol, Cerillion 26.1 now enables AI agents to communicate, coordinate and execute tasks collaboratively – both within the Cerillion platform and with external systems. This marks a significant step towards autonomous, real-time operations, allowing CSPs to streamline complex processes and reduce manual intervention. Overall, our AI strategy combines embedded assistants and agents with a model-agnostic architecture, thereby enabling CSPs to apply AI across the systems used to create, sell, fulfil, charge and bill for products and services.

Cerillion 26.1 has further strengthened our standards-based, product-led approach, with a range of enhancements across the BSS/OSS Suite. They are designed to improve real-time responsiveness, boost monetisation flexibility, and enhance the end-customer experience. They include:

- Standards leadership and interoperability, supported by Diamond-level TM Forum Open API conformance, including industry-leading Real World Open API certifications and continued progress in ODA Component conformance;
- expanded event-driven capabilities, enabling real-time notifications for key lifecycle events and supporting more responsive, automated workflows;
- enhanced charging and policy control, with more flexible quota management and Quality of Service-based rating and discounting;
- improved mobile app customer journeys, streamlining onboarding, product changes, and in-app payment experiences; and
- greater operational visibility and reliability, including enhanced inventory monitoring and diagnostics.

In November 2026, after the end of the financial year under review, we launched Cerillion 26.2. This release introduces further AI capabilities across customer, product and service operations. They improve operational efficiency and enable CSPs to respond faster to changing customer and market needs.

- The new Customer Care Agent will help end-users access relevant information, resolve enquiries and identify appropriate next actions.
- The significantly expanded Service Configuration Agent now automates a wide range of service and system configuration activities, accelerating time-to-market for new services and network integrations.
- Predictive Churn capabilities have been introduced. They use advanced AI and machine-learning models to identify customers at greatest risk of leaving. The models have already proved highly effective in early customer pilots, and the resulting churn scores can be used by Cerillion's Promotions Engine to support targeted retention campaigns and offers.
- Enterprise Product Catalogue now includes a competitor-awareness tool. It uses details of competing offers to help product teams respond with attractive and differentiated propositions. The new Dynamic Catalogue Workspace also provides a flexible, grid-based environment to compare and update complex product, package and pricing structures at scale, with changes applied directly within the grid.

We were pleased to see further external validation of our innovation this year when, in June 2026, in collaboration with partners, we won the *Best Moonshot Catalyst award for the Composable IT and Ecosystem Challenge* at TM Forum's DTW Ignite 2026, for our *Hyperconnected intelligent network of trust (HINT) for supply chain – Phase III Catalyst* project. Our BSS/OSS suite provided the project's billing and multi-party settlement capabilities.

In September 2026, we were pleased to be included in the *2026 Gartner® Magic Quadrant™ for CSP AI-Enabled Marketing and Sales Solutions** report. This report evaluates commercial, off-the-shelf solutions that use AI to support CSP marketing and sales operations, including capabilities embedded within BSS platforms as well as horizontal marketing and sales applications. We believe our inclusion reflects our continued focus on developing AI-enabled BSS/OSS capabilities and our product-led approach to embedding AI directly within operational workflows.

We were also delighted to be profiled, alongside Netcracker and CSG, in Frost & Sullivan's *Growth Opportunities for Agentic AI in Telco Business Support Systems*, which was also published in September 2026. The report explores how "enhanced efficiency and increased automation" is "set to transform global 5G communication".

At the close of the financial year, the back-order book stood at £67.0m (2025: £56.9m). It is made up of £57.6m of sales that are contracted-but-not-yet-recognised (2025: £47.4m), together with £9.4m of annualised support and maintenance revenue (2025: £9.5m). We expect about 25% of the £57.6m contracted-but-not-yet-recognised sales will be recognised within 12 months from 30 September 2026.

** Gartner Magic Quadrant for CSP AI-Enabled Marketing and Sales Solutions, Pulkit Pandey, Khurram Shahzad, 15 September 2026.*

Board Change

On 1 May 2026, we were delighted to welcome Greg Price as Chief Financial Officer to the Board of Directors. Greg has over 20 years' experience in senior financial roles and was previously Chief Financial Officer of the software and technology businesses, essensys plc, and Checkit plc. In his earlier career, he worked at Monarch Airlines, the airline group, AA Limited, the UK's leading motoring organisation and Diageo plc, a global leader in beverages. We also acknowledge and thank Andrew Dickson, whom Greg succeeded.

Andrew made a significant contribution to Cerillion over his tenure as CFO, which was greatly appreciated.

The Board keeps its composition and the tenure of its members under review and, as part of this process, has interviewed a number of candidates for non-executive roles. A further announcement will be made in due course.

Outlook

We are pleased with the progress we have made in advancing our offering and improving the Company's market profile. Our largest ever new customer contract win, secured in the year, marked a significant milestone, and helps to enhance our credentials as we compete for large scale contracts in the future.

We start the new financial year in good shape with a strong pipeline of new business opportunities and an enriched product. Looking ahead, we expect to make good progress and we will continue to invest in the business to support growth. Cerillion's very strong balance sheet, with significant net cash and robust cash flows, reinforces our continued confidence in the Company's growth prospects in the year ahead and beyond.

A M Howarth	**L T Hall**
Non-executive Chairman	Chief Executive Officer

Notes

Note 1 Recurring revenue includes support and maintenance, managed service, Skyline and third-party hardware and hosting revenue reported in the year.

Note 2 "BSS/OSS" refers to business support systems and operations support systems.

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CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 September 2026

	Notes	**Year to 30 September 2026 £'000**	Year to 30 September 2025 £'000
Revenue	**2**	**46,509**	45,358
Cost of sales		**(10,321)**	(8,390)
Gross profit		**36,188**	36,968
Operating expenses		**(17,744)**	(16,655)
Other income	**6**	**360**	324
Impairment losses on financial assets	**3**	**(424)**	(27)
Adjusted EBITDA*		**21,147**	23,079
Depreciation and amortisation		**(2,648)**	(2,410)
Share-based payment charge		**(119)**	(59)
Operating profit	**3**	**18,380**	20,610
Finance income	**4**	**1,361**	1,295
Finance costs	**5**	**(205)**	(190)
Profit before taxation		**19,536**	21,715
Taxation	**6**	**(4,986)**	(5,097)
Profit for the year		**14,550**	16,618
Other comprehensive expense			
Items that will or may be reclassified to profit or loss:			
Exchange difference on translating foreign operations		**(69)**	(128)
Total comprehensive income for the year		**14,481**	16,490
Earnings per share			

Basic earnings per share – continuing and total operations	**8**	**49.3 pence**	56.3 pence
Diluted earnings per share – continuing and total operations	**8**	**49.3 pence**	56.2 pence

All transactions are attributable to the owners of the parent.

* Adjusted earnings before interest, tax, depreciation and amortisation ("EBITDA") is calculated by taking operating profit and adding back depreciation & amortisation and share-based payment charge.

The accompanying accounting policies and notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2026

	Notes	**2026 £'000**	2025 £'000
ASSETS			
Non-current assets			
Goodwill	**9**	**2,053**	2,053
Other intangible assets	**9**	**3,782**	3,320
Property, plant and equipment		**2,165**	567
Right-of-use assets	**10**	**2,083**	2,797
Trade and other receivables	**11**	**20,215**	13,282
Deferred tax assets		**251**	250
		30,549	22,269
Current assets			
Trade and other receivables	**11**	**18,808**	18,597
Cash and cash equivalents		**35,880**	34,399
		54,688	52,996
TOTAL ASSETS		**85,237**	75,265
LIABILITIES			
Non-current liabilities			
Trade and other payables	**12**	**(742)**	(629)
Lease liabilities	**10**	**(1,470)**	(2,369)
Borrowings		**(930)**	-
Deferred tax liabilities		**(1,006)**	(561)
Provisions		**(413)**	(191)
		(4,561)	(3,750)
Current liabilities			
Trade and other payables	**12**	**(9,995)**	(10,224)
Lease liabilities	**10**	**(1,009)**	(942)
Borrowings	**13**	**(271)**	-
Provisions		**-**	(743)
		(11,275)	(11,909)
TOTAL LIABILITIES		**(15,836)**	(15,659)
NET ASSETS		**69,401**	59,606
EQUITY ATTRIBUTABLE TO SHAREHOLDERS			
Ordinary share capital	**14**	**147**	147
Share premium account		**13,319**	13,319
Treasury stock		**(75)**	(688)
Share option reserve		**164**	277
Foreign exchange reserve		**(539)**	(470)
Retained earnings		**56,385**	47,021
TOTAL EQUITY		**69,401**	59,606

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 30 September 2026

	Notes	**2026 £'000**	2025 £'000
Cash flows from operating activities			
Profit for the year		**14,550**	16,618
Adjustments for:			
Taxation	**6**	**4,986**	5,097
Finance income	**4**	**(1,361)**	(1,295)
Finance costs	**5**	**205**	190

Share option charge		**119**	59
Other income	**6**	**(360)**	(324)
Depreciation		**1,269**	1,242
Amortisation	**9**	**1,379**	1,168
		20,787	22,755
Increase in trade and other receivables		**(6,633)**	(5,961)
Increase in trade and other payables		**401**	522
Cash generated from operations		**14,555**	17,316
Finance costs	**5**	**(158)**	(190)
Finance income	**4**	**849**	982
Tax paid		**(5,275)**	(4,880)
NET CASH GENERATED FROM OPERATING ACTIVITIES		**9,971**	13,228
Cash flows from investing activities			
Capitalisation of intangible assets	**9**	**(1,841)**	(1,862)
Purchase of property, plant and equipment		**(2,019)**	(417)
NET CASH USED IN INVESTING ACTIVITIES		**(3,860)**	(2,279)
Cash flows from financing activities			
Receipts from borrowings	**13**	**1,494**	-
Borrowings repaid		**(340)**	-
Purchase of treasury stock		**(233)**	(1,384)
Receipts from exercise of share options		**181**	64
Principal elements of lease liabilities	**10**	**(969)**	(949)
Dividends paid	**7**	**(4,753)**	(4,131)
NET CASH USED IN FINANCING ACTIVITIES		**(4,620)**	(6,400)
NET INCREASE IN CASH AND CASH EQUIVALENTS		**1,491**	4,549
Translation differences		**(10)**	0
Cash and cash equivalents at beginning of year		**34,399**	29,850
CASH AND CASH EQUIVALENTS AT END OF YEAR		**35,880**	34,399

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 September 2026

	Ordinary share capital	**Share premium account**	**Treasury stock**	**Share option reserve**	**Foreign exchange reserve**	**Retained earnings**	**Total**
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 1 October 2024	147	13,319	-	394	(342)	34,990	48,508
Profit for the year	-	-	-	-	-	16,618	16,618
Other comprehensive expense:							
Exchange differences on translating foreign operations	-	-	-	-	(128)	-	(128)
Total comprehensive income	-	-	-	-	(128)	16,618	16,490
Transactions with owners:							
Share option charge	-	-	-	59	-	-	59
Purchase of treasury stock	-	-	(1,384)	-	-	-	(1,384)
Exercise of share options	-	-	696	(176)	-	(456)	64
Dividends	-	-	-	-	-	(4,131)	(4,131)
Total transactions with owners	-	-	(688)	(117)	-	(4,587)	(5,392)
Balance as at 30 September 2025	147	13,319	(688)	277	(470)	47,021	59,606

	Ordinary share capital	**Share premium account**	**Treasury stock**	**Share option reserve**	**Foreign exchange reserve**	**Retained earnings**	**Total**
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 1 October 2025	147	13,319	(688)	277	(470)	47,021	59,606
Profit for the year	-	-	-	-	-	14,550	14,550
Other comprehensive expense:							

Exchange differences on translating foreign operations	-	-	-	-	(69)	-	(69)
Total comprehensive income	-	-	-	-	(69)	14,550	14,481
Transactions with owners:							
Share option charge	-	-	-	119	-	-	119
Purchase of treasury stock	-	-	(233)	-	-	-	(233)
Exercise of share options	-	-	846	(232)	-	(433)	181
Dividends	-	-	-	-	-	(4,753)	(4,753)
Total transactions with owners	-	-	613	(113)	-	(5,186)	(4,686)
Balance as at 30 September 2026	**147**	**13,319**	**(75)**	**164**	**(539)**	**56,385**	**69,401**

NOTES TO THE ACCOUNTS

1 Critical accounting estimates and judgements and other sources of estimation uncertainty

1 (a) Critical accounting estimates and judgements

The preparation of Financial Statements under IFRS requires the use of certain critical accounting assumptions, and requires management to exercise its judgement and to make estimates in the process of applying Cerillion's accounting policies.

Judgements

(i) Revenue recognition

The Group assesses the products and services promised in its contracts with customers and identifies a performance obligation for each promise to transfer to the customer a product or service (or bundle of products and services) that is distinct. This assessment is performed on a contract-by-contract basis and involves significant judgement. The determination of whether performance obligations are distinct or not affects the timing and quantum of revenue and profit recognised in each period. Company specific factors considered for this judgement include, but are not limited to, if the customer can benefit from the software without accompanying professional services, hosting of the system, bundling of services, stand-alone selling price and the availability and acceptance by the customer of the same.

Estimates

(i) Revenue recognition

For contracts where goods or services are transferred over time, revenue is recognised in line with the percentage completed in terms of effort to date as a percentage of total forecast effort. Total forecast effort is prepared by project managers on a monthly basis and reviewed by the project office and senior management team on a monthly basis. The forecast requires management to be able to accurately estimate the effort required to complete the project and affects the timing and quantum of revenue and profit recognised on these contracts in each period. Changes in assumptions in relation to project percentage completed in terms of effort could result in a material change to services revenue recognised in the financial year. A 3% increase/decrease in the percentage completed could increase/decrease the Group's revenue by approximately £1,492,000 (2025: £1,526,000).

1 (b) Other sources of estimation uncertainty

(i) Recoverability of trade debtors and accrued income

Management use their judgement when determining whether trade debtors and accrued income are considered recoverable or where a provision for impairment is considered necessary. The assessment of recoverability will include consideration of whether the balance is with a long-standing client, whether the customer is experiencing financial difficulties, the fact that balances are recognised under contract and that the products sold are mission-critical to the customer's business. Refer to note 11.

2 Segment information

The Group is organised into three main business segments for revenue purposes.

Under IFRS 8 there is a requirement to show the profit or loss for each reportable segment and the total assets and total liabilities for each reportable segment if such amounts are regularly provided to the chief operating decision-maker. There are no other material items that are separately presented to the chief operating decision-maker.

In respect of the profit or loss for each reportable segment the expenses are not reported by segment and cannot be allocated on a reasonable basis and, as a result, the analysis is limited to the Group revenue.

Assets and liabilities are used or incurred across all segments and therefore are not split between segments.

	2026	2025
	£'000	£'000
Revenue		
Services	**17,764**	19,044
Software	**26,205**	24,372
Other	**2,540**	1,942
Total revenue	**46,509**	45,358

The following table provides a reconciliation of the revenue by segment to the revenue recognition accounting policy. Revenue recognised on performance obligations partially satisfied in previous periods was £24,586,000 (2025: £28,621,000).

		Accounting policies				
Year ended 30 September 2026		**(i)**	**(ii)**	**(iii)**	**(iv)**	**Total**
	£'000	£'000	£'000	£'000	£'000	£'000
Services	**17,764**					
implementation fees		4,629	-	-	-	4,629
ongoing account development work		-	-	13,135	-	13,135
Software	**26,205**					
initial licence fees		8,559	-	-	1,773	10,332
sale of additional licences and licence renewals		-	2,610	-	291	2,901
ongoing maintenance and support fees		8,153	-	-	1,347	9,500
managed service and Skyline fees		3,472	-	-	-	3,472
Other	**2,540**	-	-	-	2,540	2,540
Total	**46,509**	24,813	2,610	13,135	5,951	46,509

Accounting policy descriptions:
(i) Sale of standard licensed products; (ii) Sale of additional licences and licence renewals; (iii) Ongoing account development work; and (iv) Third-party time, material works, licences and re-billable expenses

		Accounting policies				
Year ended 30 September 2025		**(i)**	**(ii)**	**(iii)**	**(iv)**	**Total**
	£'000	£'000	£'000	£'000	£'000	£'000
Services	**19,044**					
implementation fees		5,684	-	-	-	5,684
ongoing account development work		-	-	13,360	-	13,360
Software	**24,372**					
initial licence fees		2,104	-	-	329	2,433
sale of additional licences and licence renewals		-	7,305	-	517	7,822
ongoing maintenance and support fees		8,636	-	-	1,265	9,901
managed service and Skyline fees		4,216	-	-	-	4,216
Other	**1,942**	-	-	-	1,942	1,942
Total	**45,358**	20,640	7,305	13,360	4,053	45,358

(a) Geographical information
As noted above, the internal reporting of the Group's performance does not require that the statement of financial position information is gathered on the basis of the business streams. However, the Group operates within discrete geographical markets such that capital expenditure, total assets and net assets of the Group are split between these locations as follows:

	UK & Europe	MEA	Americas	Asia Pacific
	£'000	£'000	£'000	£'000
Year ended/As at 30 September 2026				
Revenue – by customer location	24,899	15,798	5,210	602
Capital expenditure	3,876	-	-	139
Non-current assets	27,429	1,576	-	1,544
Total assets	82,791	3	2	2,440
Trade receivables – by customer location	1,751	730	176	26
Accrued income – by customer location	13,950	17,489	2,255	4
Net assets	69,219	(4)	(2)	187

	UK & Europe	MEA	Americas	Asia Pacific
	£'000	£'000	£'000	£'000
Year ended/As at 30 September 2025				
Revenue – by customer location	34,924	5,968	3,724	742
Capital expenditure	2,240	-	-	1,502
Non-current assets	20,643	-	-	1,626
Total assets	72,640	-	1	2,624
Trade receivables – by customer location	2,049	1,258	55	8

Accrued income – by customer location	14,879	8,625	1,499	-
Net assets	59,365	-	-	241

All revenue is contracted within the UK subsidiary Cerillion Technologies Limited and therefore all revenue is domiciled in the UK & Europe segment.

Cerillion receives greater than 10% of revenue from individual customers in the following geographical regions:

		2026 £'000	**2025 £'000**
Customer			
No. 1	MEA	**12,853**	-
No. 2	Europe	**10,406**	13,094

3 Operating profit

	2026 £'000	2025 £'000
Operating profit is stated after charging/(crediting):		
Employee benefits expenses	**18,110**	18,011
Capitalised development staff costs (note 9)	**(1,834)**	(1,751)
Depreciation	**1,269**	1,242
Amortisation of intangibles	**1,379**	1,168
Impairment losses on financial assets	**424**	27
Foreign exchange losses/(gains)	**162**	(298)
Operating leases	**420**	351
Fees payable to Cerillion's principal auditors:		
- Audit of Cerillion plc's annual financial statements	**25**	25
- Audit of subsidiaries	**120**	157
- Non-audit services – other services	**-**	-
Fees payable to associates of principal auditors:		
- Audit of subsidiaries	**-**	14

The impairment losses on financial assets relates to the provisions made against the risk of non-recovery of receivables.

Employee benefits expenses include research and developments costs expensed of £643,000 (2025: £645,000).

4 Finance income

	2026 £'000	2025 £'000
Finance income:		
Bank interest	**849**	982
Unwinding discount of contracts with significant financing component	**512**	313
	1,361	1,295

5 Finance costs

	2026 £'000	2025 £'000
Finance costs:		
Interest and finance charges for lease liabilities	**(158)**	(177)
Other interest payable	**(47)**	(13)
	(205)	(190)

6 Taxation

(a) Analysis of tax charge for the year

The tax charge for the Group is based on the profit for the year and represents:

	2026 £'000	2025 £'000
Current tax expense - UK	**4,187**	4,908
Current tax - adjustment in respect of prior year	**-**	(17)
Current tax expense - overseas	**371**	274
Current tax expense - total	**4,558**	5,165
Deferred tax charge	**415**	76
Deferred tax - adjustment in respect of prior year	**13**	(144)
Deferred tax charge/(credit) – total	**428**	(68)
Total tax charge	**4,986**	5,097

(b) Factors affecting total tax for the year

The tax assessed for the year is higher (2025: lower) than the standard rate of corporation tax in the United Kingdom 25.0% (2025: 25.0%). The differences are explained as follows:

	2026 £'000	2025 £'000
Profit on ordinary activities before tax	**19,536**	21,715
Profit on ordinary activities multiplied by standard rate of corporation tax in the United Kingdom of 25.0% (2025: 25.0%)	**4,884**	5,429
Effect of:		
Expenses not deductible for tax purposes	**371**	321
Other temporary differences	**115**	101
Irrecoverable foreign taxes	**163**	-
Foreign tax – other	**(39)**	(47)
Prior year tax adjustment	**-**	(17)
Prior year tax adjustment – deferred tax	**13**	(144)
Other permanent differences – relating to share options	**(146)**	(208)
Enhanced relief for research and development	**(375)**	(338)
Total tax charge	**4,986**	5,097

Periodically, the Group is subject to inquiries from tax authorities. There is currently ongoing discussion with the India tax authority in relation to the period 2021 to 2022. We firmly consider all Group submissions made to be valid and fully supportable and accordingly no provision has been made. If necessary, the Group will record the outcome of any discussion in the period to which such resolution occurs.

Other income in the consolidated statement of comprehensive income relates to a 20% taxable credit on qualifying research and development costs under the new merged RDEC scheme, totalling £360,000 (2025: £324,000). This item is treated as non-cash within the consolidated cash flow statement, as it will discharge part of the corporation tax payable by the Group for the year.

7 Dividends

(a) Dividends paid during the reporting period

The Board paid the final dividend in respect of 2025 of 10.6p per share, on 24 February 2026, and declared and paid an interim 2026 dividend of 5.5p (2025: 4.8p) per share on 26 June 2026. Total dividends paid during the reporting period were £4,753,000 (2025: £4,131,000).

(b) Dividends not recognised at the end of the reporting period

Since the year end the Directors have proposed the payment of a dividend in respect of the full financial year of 11.2p per fully paid Ordinary Share (2025: 10.6p). The aggregate amount of the proposed dividend expected to be paid out of retained earnings at 30 September 2026, but not recognised as a liability at the year-end is £3,309,000 (2025: £3,127,000).

8 Earnings per share

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of Ordinary Shares in issue during the year.

	2026	2025
Profit attributable to equity holders of the Company (£'000)	**14,550**	16,618
Weighted average number of Ordinary Shares in issue (number)	**29,546,558**	29,544,824
Less weighted average number of shares held in Treasury (number)	**(63,460)**	(32,197)
Weighted average number of Ordinary Shares in issue (number)	**29,483,098**	29,512,627
Effect of share options in issue (number)	**45,771**	61,804
Weighted average shares for diluted earnings per share (number)	**29,528,869**	29,574,431
Basic earnings per share (pence per share)	**49.3**	56.3
Diluted earnings per share (pence per share)	**49.3**	56.2

9 Intangible assets

Group	Goodwill	Purchased customer contracts	Intellectual property rights	Software development costs	External software licences	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Cost						
At 1 October 2024	2,053	4,383	2,567	8,622	317	17,942
Additions	-	-	-	1,751	111	1,862
At 30 September 2025	2,053	4,383	2,567	10,373	428	19,804

Additions	-	-	-	1,834	7	1,841
At 30 September 2026	2,053	4,383	2,567	12,207	435	21,645
Accumulated Amortisation						
At 1 October 2024	-	4,383	2,567	6,040	273	13,263
Provided in the year	-	-	-	1,134	34	1,168
At 30 September 2025	-	4,383	2,567	7,174	307	14,431
Provided in the year	-	-	-	1,322	57	1,379
At 30 September 2026	-	4,383	2,567	8,496	364	15,810
Net book amount at 30 September 2026	2,053	-	-	3,711	71	5,835
Net book amount at 30 September 2025	2,053	-	-	3,199	121	5,373

Amortisation has been included in operating expenses in the consolidated statement of comprehensive income.

The carrying value of goodwill included within the Cerillion plc consolidated statement of financial position is £2,053,000 (2025: £2,053,000), which is allocated to the cash-generating unit ("CGU") of Cerillion Technologies Limited Group. The CGU's recoverable amount has been determined based on its fair value less costs to sell. As Cerillion plc was established to purchase the CTL Group the fair value less costs to sell has been calculated based on the market capitalisation of Cerillion plc less the estimated costs to sell the CTL Group.

Using an average market share price of Cerillion plc for the year ended 30 September 2026, less an estimate of costs to sell, there is significant headroom above the carrying value of the cash-generating unit and therefore no impairment exists. The calculations show that a reasonably possible change, as assessed by the Directors, would not cause the carrying amount of the CGU to exceed its recoverable amount.

Leases

Group
This note provides information for leases where the Group is a lessee. The Group leases offices in London, Bulgaria and India, along with some IT equipment.

(i) Amounts recognised in the consolidated and company statements of financial position
The consolidated and company statements of financial position show the following amounts relating to leases:

	Group	
Right-of-use assets	**30 September 2026 £'000**	30 September 2025 £'000
Properties	**2,077**	2,797
IT Equipment	**6**	-
	2,083	2,797

	Group	
Lease liabilities	**30 September 2026 £'000**	30 September 2025 £'000
Current	**1,009**	942
Non-current	**1,470**	2,369
	2,479	3,311

Additions to the right-of-use assets during the 2026 financial year were £137,000 (2025: £1,461,000). There were no lease disposals during the year, with net book value totalling £nil (2025: £nil).

(ii) Amounts recognised in the consolidated statement of comprehensive income
The consolidated statement of comprehensive income shows the following amounts relating to leases:

Depreciation charge of right-of-use assets	**2026 £'000**	2025 £'000
Properties	**849**	845
IT Equipment	**2**	4
	851	849
Interest expense (included in finance cost)	**158**	177
Expense relating to short-term leases (included in operating expenses)	**380**	313

Expenses relating to low value assets that are not shown above as short-term leases (included in operating expenses)	**40**	38

The total cash outflow for leases in 2026 was £1,127,000 (2025: £1,126,000).

10 Trade and other receivables and other contract balances

Contract balances
The following table provides information about receivables, contract assets and contract liabilities from contracts with customers.

	Group	
	2026	2025
	£'000	£'000
Trade receivables	**2,683**	3,370
Contract assets	**33,698**	25,003
Contract liabilities	**(3,439)**	(2,995)

Contract assets are included in 'Accrued income' within trade and other receivables and are composed of the current and non-current balances. Contract liabilities are included in 'Deferred income' within trade and other payables.

Payment terms and conditions in customer contracts may vary. In some cases, customers pay in advance of the delivery of solutions or services; in other cases, payment is due as services are performed or in arrears following the delivery of the solutions or services. Differences in timing between revenue recognition and invoicing result in trade receivables, contract assets or contract liabilities in the statement of financial position.

Contract assets refer to accrued income and arise when revenue is recognised, but invoicing is contingent on other performance obligations or on completion of contractual milestones. Contract assets are transferred to receivables when the rights become unconditional, typically upon invoicing of the related performance obligations in the contract or upon achieving the requisite project milestone.

Contract liabilities refer to deferred income and result from customer payments in advance of the satisfaction of the associated performance obligations and relate primarily to prepaid support or other recurring services. Deferred income is released as revenue is recognised.

Significant changes in the contract assets and contract liabilities balances during the period are driven by the timing of income recognition and when associated invoices are raised. Specifically, revenue recognised in the year in relation to deferred income brought forward from prior years of £2,407,000 (2025: £3,210,000).

When certain costs to acquire a contract meet defined criteria, those costs are deferred as contract assets. The total amount of deferred contract assets (commission fees recognised in prepaid assets) is £129,000 (2025: £125,000). The total amount of accrued costs to acquire a contract is £781,000 (2025: £686,000).

The total amount of revenue allocated to unsatisfied performance obligations is £57,645,000 (2025: £47,446,000). This balance is made up of c. 50% managed service revenue and c. 50% services revenue. It is estimated that c. 25% of the total balance will be recognised over the next 12 months, with the remainder over the following years thereafter. The average length of customer contracts is 5 years (2025: 5 years) and the length of the longest contract remaining is 7 years (2025: 8 years).

There are no contract balances within the Parent Company (2025: £nil).

Current receivables

	Group	
	2026	2025
	£'000	£'000
Trade receivables	**2,683**	3,370
Accrued income	**13,705**	11,896
Amounts owed by Group undertakings	**-**	-
Other receivables	**669**	1,494
Prepayments	**1,751**	1,837
	18,808	18,597

Non-current receivables

	Group	
	2026	2025
	£'000	£'000
Accrued income	**19,993**	13,107
Other receivables	**222**	175
	20,215	13,282

The following is an ageing analysis of those trade receivables that were not past due and those that were past due but not impaired. These relate to a number of independent

customers for whom there is no recent history of default.

	2026	2025
	£'000	£'000
Group		
Not past due	**1,443**	2,420
Up to 3 months	**1,156**	950
3 to 6 months	**84**	-
Older than 6 months	**-**	-
	2,683	3,370

Of the trade debt older than 6 months as at 30 September 2026, being £nil (2025: £nil), cash of £nil (2025: £nil) has been received since the year end.

11 Trade and other payables

Current trade and other payables	**Group**	
	2026	2025
	£'000	£'000
Trade payables	**1,299**	964
Taxation	**179**	1,257
Other taxation and social security	**325**	395
Pension contributions	**158**	70
Other payables	**402**	347
Accruals	**4,289**	4,196
Deferred income	**3,343**	2,995
	9,995	10,224

Non-current trade and other payables	**Group**	
	2026	2025
	£'000	£'000
Other payables	**646**	629
Deferred income	**96**	-
	742	629

The Directors consider that the carrying amount of trade and other payables and provisions approximates to their fair values. The non-current other payable above relates to provisions for gratuity and long-term bonuses within the Indian subsidiary.

12 Borrowings and financial liabilities

	Group	
	2026	2025
	£'000	£'000
Current liabilities:		
Unsecured bank loan	**271**	-
Lease liabilities	**1,009**	942
Non-current liabilities:		
Unsecured bank loan	**930**	-
Lease liabilities	**1,470**	2,369
	3,680	3,311

Terms and repayment schedule
During the year the Group entered into an unsecured loan purchase agreement in order to purchase hardware required for a customer contract.

13 Ordinary Share capital

	2026	2025
	£'000	£'000
Issued, allotted, called up and fully paid:		
29,546,558 (2025: 29,546,558) Ordinary Shares of 0.5 pence	**147**	147

The Ordinary Shares have been classified as Equity. The Ordinary Shares have attached to them full voting and capital distribution rights. The Company does not have any authorised share capital. There were no new issues of Ordinary Shares during the year.

At the year-end there were 5,049 shares (2025: 45,584 shares) remaining in Treasury Stock at an average cost of £14.97 per share (2025: £15.09).

14 Annual General Meeting

The Annual General Meeting is to be held on 4 February 2027. Notice of the AGM will be despatched to shareholders with Cerillion's report and accounts.

15 Preliminary Announcement

The financial information set out in the announcement does not constitute the Company's full statutory accounts for the years ended 30 September 2026 or 2025, which have been delivered to the Registrar of Companies. The auditors reported on those accounts; their report was unqualified; it did not draw attention to any matters by way of emphasis without qualifying their report and it did not contain a statement under s498(2) or (3) Companies Act 2006. The audit of the statutory accounts for the year ended 30 September 2026 has been completed and the accounts will be delivered to the Registrar of Companies before the Company's Annual General Meeting and will be available on the Company's website at www.cerillion.com. This announcement is derived from the statutory accounts for that year.

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