

ENABLING TECHNOLOGY FOR CRITICAL APPLICATIONS



discoverIE 

discoverIE Group plc

Annual Report and Accounts
for the year ended 31 March 2026

Company number: 02008246

Enabling technology for critical applications – greener, more connected and secure.

Technology is reshaping how we generate power, move, communicate and protect critical infrastructure. As these systems become more electrified, intelligent and interconnected, the demand for highly specialised, performance-critical electronics continues to grow.

At the heart of this transformation are components that are small in scale but critical in function – engineered into systems at an early stage and relied upon for their full lifecycle.

This is where discoverIE operates

We design and manufacture highly customised, application-specific electronics for industrial markets. Our solutions are embedded within renewable energy systems, electrified transport, medical devices and secure communications infrastructure – applications where reliability, performance and long-term continuity are essential.



Our purpose:

To create innovative electronics that help improve the world and people's lives.



Our vision:

Our vision is to be a leading innovator in electronics, internationally.



Our mission:

To design and manufacture innovative electronics that help our customers create ever better technical solutions around the world. We aim to achieve this through a motivated, entrepreneurial and empowered workforce that adheres to the highest ethical and quality standards.



▶ Scan the QR code to read our 2025 **Impact Report**



▶ Scan the QR code to read our 2026 **Net-Zero Report**

We are the partner of choice for our markets, designing and building customised, niche solutions to empower global industry.

Our value proposition

▶ Read more on **page 6**

How we grow enduring value

▶ Read more on **page 10**

Aligned to structural growth markets

▶ Read more on **page 18**

Delivering a strong strategic performance

▶ Read more on **page 24**

Shaped through sustainability ambition

▶ Read more on **page 42**

Highlights Financials

Group revenue

FY26	£443.3m
FY25	£422.9m
FY24	£437.0m
FY23	£448.9m
FY22	£379.2m

Adjusted operating profit¹

FY26	£61.0m
FY25	£60.5m
FY24	£57.2m
FY23	£51.8m
FY22	£41.4m

Adjusted EPS¹

FY26	40.3p
FY25	38.7p
FY24	36.8p
FY23	35.2p
FY22	29.4p

Reported operating profit

FY26	£45.2m
FY25	£42.4m
FY24	£31.2m
FY23	£34.6m
FY22	£20.9m

Full year dividend per share

FY26	13.0p
FY25	12.5p
FY24	12.0p
FY23	11.45p
FY22	10.8p

Key strategic indicators

Adjusted operating margin¹

FY26	13.8%
FY25	14.3%
FY24	13.1%
FY23	11.5%
FY22	10.9%

Adjusted operating cash flow¹

FY26	£55.5m
FY25	£62.3m
FY24	£59.2m
FY23	£48.6m
FY22	£33.1m

Free cash flow¹

FY26	£36.6m
FY25	£40.4m
FY24	£37.0m
FY23	£33.0m
FY22	£21.8m

Return on capital employed¹

FY26	15.2%
FY25	15.8%
FY24	15.7%
FY23	15.9%
FY22	14.7%

Carbon emission reductions²

CY25	68%
CY24	59%
CY23	47%
CY22	35%

¹ "Adjusted operating profit", "Adjusted earnings per share ("EPS")", "Adjusted operating margin", "Adjusted operating cash flow", "Free cash flow" and "Return on capital employed" are non-IFRS financial measures defined in note 6 of the Group consolidated Financial Statements.

² Carbon emissions are measured on a calendar year basis, e.g. CY2022 shown under FY2022/23. Our target is for an absolute Scope 1 & 2 carbon emissions reduction of 65% by CY2025 from a CY2021 base, a 90% Scope 1 & 2 reduction by CY2030 and net-zero across the value chain by CY2040.

Strategic Report

Highlights	01
Chairman's Statement	02
Our Value Proposition	06
Our Investment Proposition	07
Group at a Glance	08
Our Strategy	10
Key Strategic Indicators	11
Our Strategy in Action	14
Our Business Model	16
Market Overview	18
Strategic and Operational Review	24
Financial Review	34
Our Engagement with Stakeholders	38
Section 172 Statement	40
Sustainability Report	42
Climate Analysis Report	57
Risk Management	74
Principal Risks and Uncertainties	79
Viability Statement	85
Non-financial and Sustainability Information Statement	87

Corporate Governance

Board of Directors	88
Corporate Governance Report	90
Audit and Risk Committee Report	104
Nomination Committee Report	110
Directors' Report	112
Directors' Remuneration Report	116
Statement of Directors' Responsibilities in Respect of the Financial Statements	138

Financial Statements

Independent Auditor's Report to the Members of discoverIE Group plc	140
Consolidated Statement of Profit or Loss	150
Supplementary Statement of Profit or Loss Information	150
Consolidated Statement of Comprehensive Income	151
Consolidated Statement of Financial Position	152
Consolidated Statement of Changes in Equity	153
Consolidated Statement of Cash Flows	154
Notes to the Group Consolidated Financial Statements	155
Company Statement of Financial Position	206
Company Statement of Changes in Equity	207
Notes to the Company Financial Statements	208

Additional Information

Five-Year Record	210
Principal Locations	211
Financial Calendar	212
Corporate Information	212

CHAIRMAN'S STATEMENT



The Group continues to demonstrate the resilience and quality of its business model, underpinned by a clear strategy, consistent capital allocation, and strong execution. This provides a strong foundation for delivering sustainable long-term value for shareholders.”

Bruce Thompson
Chairman

This year's results reflect a robust performance despite market challenges. A return to organic sales growth together with acquisition contributions have helped deliver further growth in operating profits and earnings per share. Once again, the high quality, resilient nature of the Group's earnings, along with its capital-light model, has delivered excellent cash flow.

Group revenue

£443.3m

(FY 2024/25: £422.9m)

Adjusted operating profit

£61.0m

(FY 2024/25: £60.5m)

Adjusted EPS

40.3p

(FY 2024/25: 38.7p)

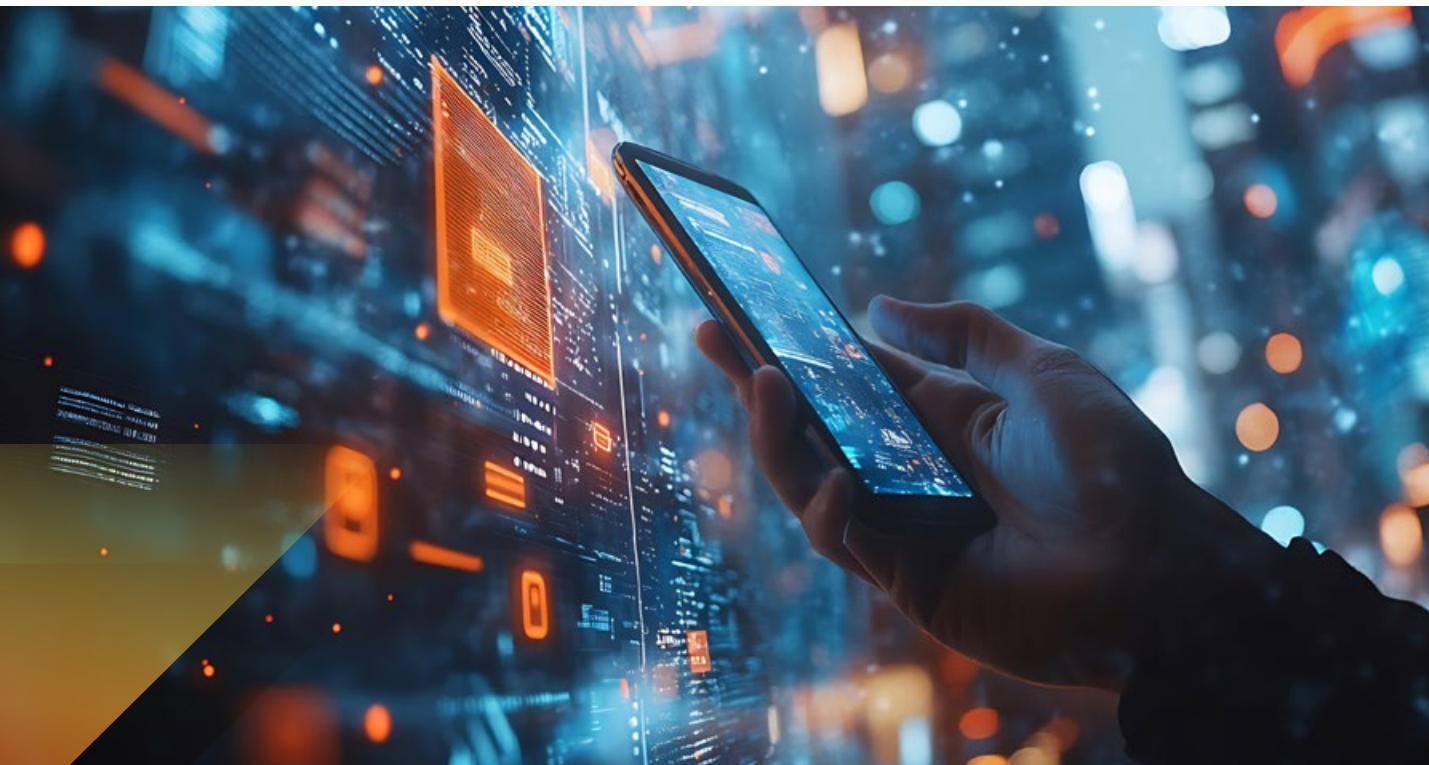
The Group has seen a return to organic sales and orders growth with an improving trend through the year. In response to this positive momentum, the Group has invested in additional operating, sales and engineering capacity, building additional agility and supporting future growth. The Group continued to make excellent progress operationally, generating efficiencies that partly come from organising the businesses into clusters, thereby sharing resources and know-how. These productivity gains have been supplemented with further good progress on the acquisition front.

Strategy

The Group's strategy remains consistent and underpins a track record of delivering compounding growth for more than fifteen years. The strategy delivers very resilient and growing profitability, avoiding sharp cyclical movements and maintaining earnings growth by virtue of its flexible production cost base.

The Group designs and manufactures high-quality components, created to meet customers' unique requirements, which generate secure, long-term revenues. Our international, decentralised business model retains an entrepreneurial mindset close to its customers, reacting quickly to their needs with an efficient supply chain. Manufacturing is localised in response to opportunities and trading conditions.

To deliver consistent, long-term growth, the Group focuses on structurally growing markets where there is an essential need for our products from major international original



equipment manufacturers ("OEMs"). Last year, security and defence markets, where demand is accelerating globally, were added to the Group's target markets. This has increased the Group's total addressable market to over \$30bn, providing significant opportunities for growth.

Acquisitions are a key element of the Group's compounding growth strategy. Since 2011, the Group has acquired 30 specialised electronic design and manufacturing businesses which have enhanced value and operating margins and have been integrated to achieve efficiencies and drive growth. discoverIE has a disciplined approach to acquisitions and has many opportunities to grow inorganically in a highly fragmented market.

The Group's capital-light model generates strong cash flows which management reinvests into accelerating the strategy and delivering further value creation for Shareholders.

Acquisitions

In the last six months, the Group completed two acquisitions and announced a third, for a total consideration of £95m, all of which are accretive to both adjusted earnings and operating margins.

Trival Antene d.o.o. ("Trival"), a Slovenian-based designer and manufacturer of communication antennae and masts for defence applications was acquired in April 2026 and Keymat Technology Ltd trading under the name Storm Interface ("Storm"), was acquired in December 2025. The businesses and ongoing management teams are settling into the Group operating clusters as integration takes place and we expect to generate new commercial opportunities for growth as part of the larger Group. We welcome the employees of these businesses into the Group and look forward to working with them.

Additionally, in May we announced the acquisition, subject to regulatory approval, of 3Gmetalworx ("3G"), a North American designer and manufacturer of electromagnetic shielding and thermal management products, further strengthening the Group's presence in the region and the aerospace & defence market.

Dividend and capital allocation

The Board is recommending a 4% (0.35 pence) increase in the final dividend to 8.95 pence per share, giving a 4% increase in the full year dividend per share to 13.0 pence (FY 2024/25: 12.5 pence) and an adjusted earnings cover of 3.1 times (FY 2024/25: 3.1 times). The final dividend is payable on 31 July 2026 to Shareholders registered on 26 June 2026 and the final date for Dividend Reinvestment Plan ("DRIP") elections will be 10 July 2026.

The Board believes in maintaining a progressive dividend policy along with a long-term dividend cover of over three times earnings on an adjusted basis. This approach, along with the continued development of the Group, will enable funding of both dividend growth and a higher level of investment in acquisitions from internally generated resources.

Share buybacks will be considered if the Group has surplus cash. Currently, the fragmented international market, in which we operate, provides ample opportunity for accretive acquisitions with excellent growth prospects and the potential for high returns, as our recent acquisitions illustrate. As such, our capital is currently deployed in this direction. It is reviewed periodically.

CHAIRMAN'S STATEMENT

CONTINUED

Full-year dividend per share

13.0p

(FY 2024/25: 12.5p)

Total shareholder return

267%

(FY 2015/16 - FY 2025/26)

Board effectiveness

A regular external review of effectiveness is helpful in maintaining a high-performing Board. This year, a review confirmed that the Board and its Committees operate effectively, with Directors demonstrating strong commitment and constructive challenge. Whilst all Directors viewed the Board as continuing to function well and to a high level, there are always opportunities for us to improve. The actions identified through this review inform the way we shape the Board agendas, ensuring it remains responsive to the needs of the Group and its stakeholders.

Employees and culture

On behalf of the Board, I would like to thank everybody at discoverIE for their sustained dedication, hard work, initiative and support.

The Group comprises approximately 4,600 employees in 21 countries delivering essential components around the world. By adopting an entrepreneurial and decentralised operating environment, together with rigorous planning, controls and investment, the Group has created an ambitious and successful culture.

We aim to maintain a culture across the Group that:

- is entrepreneurial
- is performance driven
- enables decision-making close to the customer through a decentralised structure
- enables open, constructive communication with a willingness to listen
- treats everybody equally and recognises the importance of diversity
- is honest, reliable, trusting and non-political

Sustainability and positive impact

In May 2025, the Group's greenhouse gas ("GHG") emissions reduction targets were validated and approved by the Science Based Targets initiative ("SBTi"). The Group is committed to achieving net-zero GHG emissions across its value chain by 2040, supported by a clear transition plan.

The Group continues to make good progress on implementing its net-zero plan. Over the past four years, it has reduced Scope 1 and 2 carbon emissions by 68% versus the CY2021 baseline, exceeding its CY2025 target of 65% and paving the way to achieve net-zero Scope 1 and 2 emissions by 2030. The Group also advanced towards its CY 2030 goal of 100% clean electricity, sourcing 85% of electricity from zero-emission sources in CY2025. A summary on our progress to date, and future carbon emission reduction plans, can be found in our updated 'Road to Net-Zero Emissions 2026' publication, which can be found on our website at www.discoverieplc.com/sustainability.

During the year, the Group reviewed its ESG strategy to ensure continued alignment with evolving regulatory requirements and the Group's strategic priorities. Following this review, the Group reaffirmed its focus on Planet, People, and Products. Please see this year's Sustainability Report on pages 42 to 73 for more details.

The Group remains committed to being a socially responsible employer, upholding the highest ethical standards, maintaining strong employee relations, and increasing diversity at all levels of the business. Building on the adoption of a revised Group Health and Safety Policy, and an increased focus on safety over the last two years, the reported number of lost time incidents fell by 35% year-on-year, and the lost time incident frequency rate reduced by one third compared to FY 2024/25.

Summary

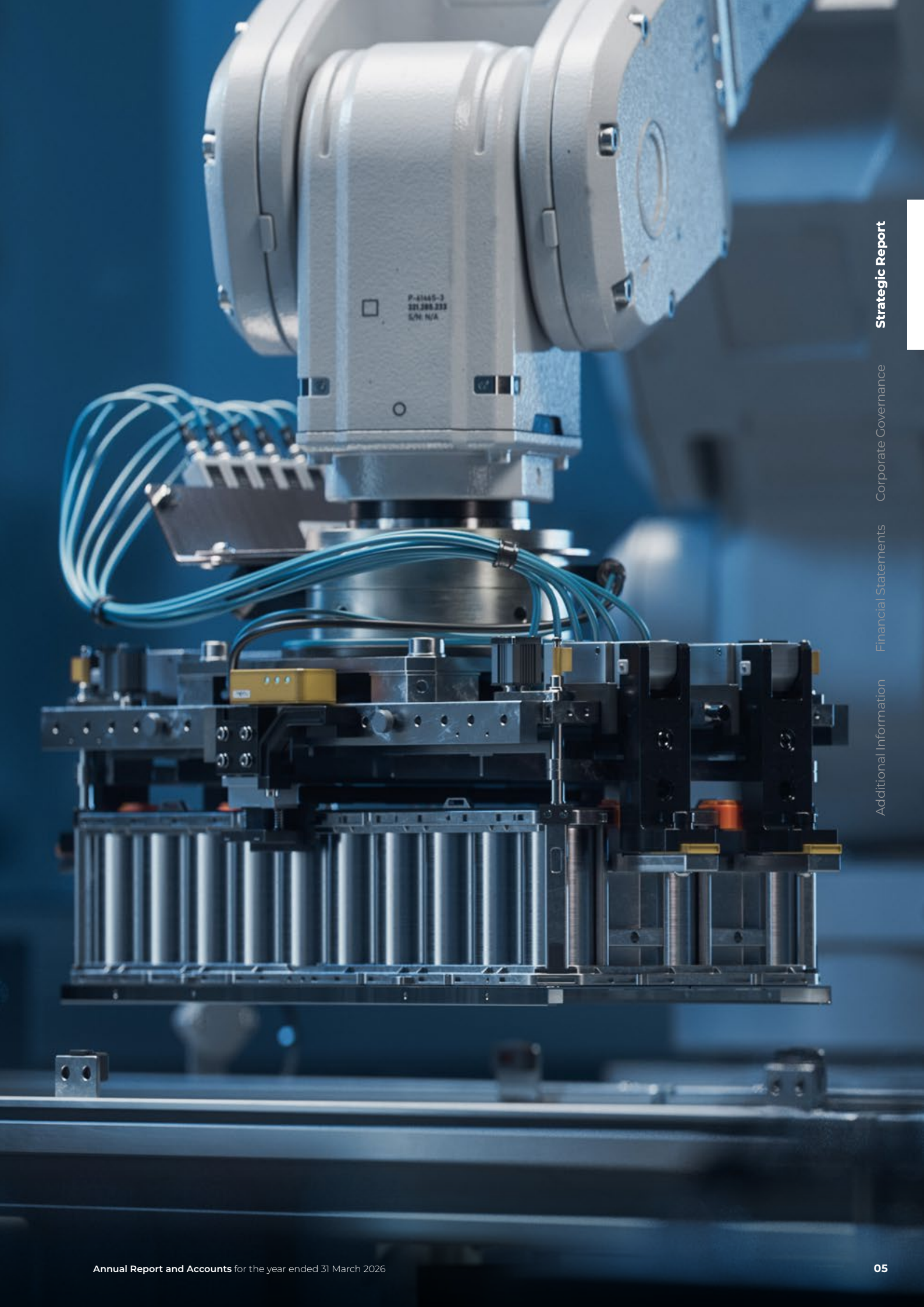
The Group is building a high quality electronics compounding business that continues to deliver good results through all stages of the economic cycle. Confidence in the Group's ability to sustain this is supported by a strong pipeline of organic and inorganic opportunities in attractive markets, further supporting our compounding growth profile.

The market remains highly fragmented, with significant scope to build further capability and extend geographic reach through disciplined, accretive acquisitions. The Board is excited by the opportunities and retains a high-quality workforce, delivering essential products for our customers, growing long-term profits and earnings for our Shareholders, and contributing to the creation of a sustainable environment.

The Group is well positioned for the future.

Bruce Thompson

Chairman



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OUR VALUE PROPOSITION

The trusted technical partner for our customers

discoverIE's competitive advantage is rooted in deep engineering expertise, application knowledge and the ability to co-develop specialised solutions for highly demanding environments.

We operate in the custom industrial electronics market, which is highly fragmented, with many small and subscale local operators focused on narrow technology niches. What differentiates discoverIE is our breadth and depth of engineering capability, which enables us to engage with customers at the earliest stages of their product development.

By working closely with customers during the design phase, we develop critical components optimised for performance, reliability, regulatory requirements and specific operating environments.

Once designed in, our products become an integral part of customers' systems. Replacing them would require redesign, re-testing and re-certification, introducing cost, delay and operational risk that customers seek to avoid.

Just as importantly, customers operating in regulated and mission-critical markets particularly value our technical capability, compliance expertise, and long-term supply commitment. Combined with consistent quality and long product lifecycles, this reinforces discoverIE's position as a trusted technical partner and supports high customer retention, repeat revenues and pricing resilience.

Our business model benefits from several structural barriers that limit substitution and support long-term customer relationships.



OUR INVESTMENT PROPOSITION

Quality compounding growth for our investors

An electronics compounder – why invest in discoverIE

discoverIE is an electronics compounder, creating long-term shareholder value by owning and developing highly differentiated, engineering-led businesses with strong market positions and repeat revenues. Our customised, application-specific components are designed into customers' systems, resulting in high barriers to entry, low substitution risk and strong customer retention. Strong cash generation, disciplined capital allocation, and reinvestment in organic growth and value-enhancing acquisitions enable the Group to compound earnings and returns over time.

- 1 Cognitive Market Research: Industrial Electronics Market Report 2025.
- 2 Continuing operations only, i.e. excluding the disposals of Acal BFI and Vertec SA in 2022 and the Santon solar business in 2024.
- 3 Compound Annual Growth Rate.
- 4 Free cash flow conversion is defined as net cash flow before dividend payments, net proceeds from equity fund raising, acquisition costs and business disposal proceeds divided by adjusted profit after tax.
- 5 Return on capital employed and return on tangible capital employed are defined in note 6 of the Group consolidated Financial Statements.

Structural growth markets

Increasing electronics content and the electrification of products and processes continue to drive long-term demand for electronic components. We focus on five structurally attractive end markets that are aligned to global megatrends and the UN Sustainable Development Goals. Further detail on these megatrends is set out on pages 18 to 23.

High barriers to entry and substitution

Our products are highly customised, application-specific and designed into customers' systems at an early stage. These mission-critical components are technically complex and regulated, and whilst a small part of total system cost, replacing them would require costly redesign, re-testing and re-certification, which introduce cost, risk and delay. This is why we are often the single source for the majority of the products we provide. Combined with long product lifecycles, deep engineering expertise and long-standing customer relationships, this results in very low substitution risk and strong customer retention.

Strong financials

discoverIE has a proven track record of delivering sustainable, profitable growth and continuous margin improvement. A robust balance sheet, with gearing broadly in line with the Group's stated range of 1.5x – 2.0x, together with excellent cash generation, underpins financial flexibility and supports further value-enhancing acquisitions. Learn more about our financial performance on pages 34 to 37.

Proven strategy for growth

Our strategy is to deliver organic growth well ahead of GDP through the economic cycle by focusing on structural growth markets and an expanding, differentiated product offering. This is complemented by earnings- and margin-enhancing acquisitions, underpinned by a disciplined capital allocation framework. We have a proven track record of delivering against our strategic and financial objectives. Learn more about our Strategy on pages 10 to 15.

Disciplined capital allocation

We apply a disciplined and consistent capital allocation framework focused on maximising long-term Shareholder value. Capital is allocated to support organic investment, complemented by value-enhancing acquisitions that strengthen our technical capabilities and market positions. A strong balance sheet underpins this approach, whilst progressive dividends reflect confidence in the Group's cash generation and long-term outlook.

Projected growth of industrial electronics market¹

5.6% p.a.

Target markets: Renewable energy, Transportation, Medical, Security and Industrial & Connectivity represent 79% of Group sales in FY 2025/26

Longest customer relationship

30+ years

Long-standing customer relationships and stable, repeat revenue

Adjusted operating profit growth² of

15% CAGR³

from FY2021–FY2026

Free cash flow conversion⁴ of

101%

on average from FY2021–FY2026

Revenue growth of

8% CAGR

from FY2021–FY2026

Return on capital employed⁵ of

15.3%

on average from FY2021–FY2026

Return on tangible capital employed⁵ of

50.6%

on average from FY2024–FY2026

GROUP AT A GLANCE

discoverIE is an international specialist electronics group, designing and manufacturing customised, application-specific components for industrial use.

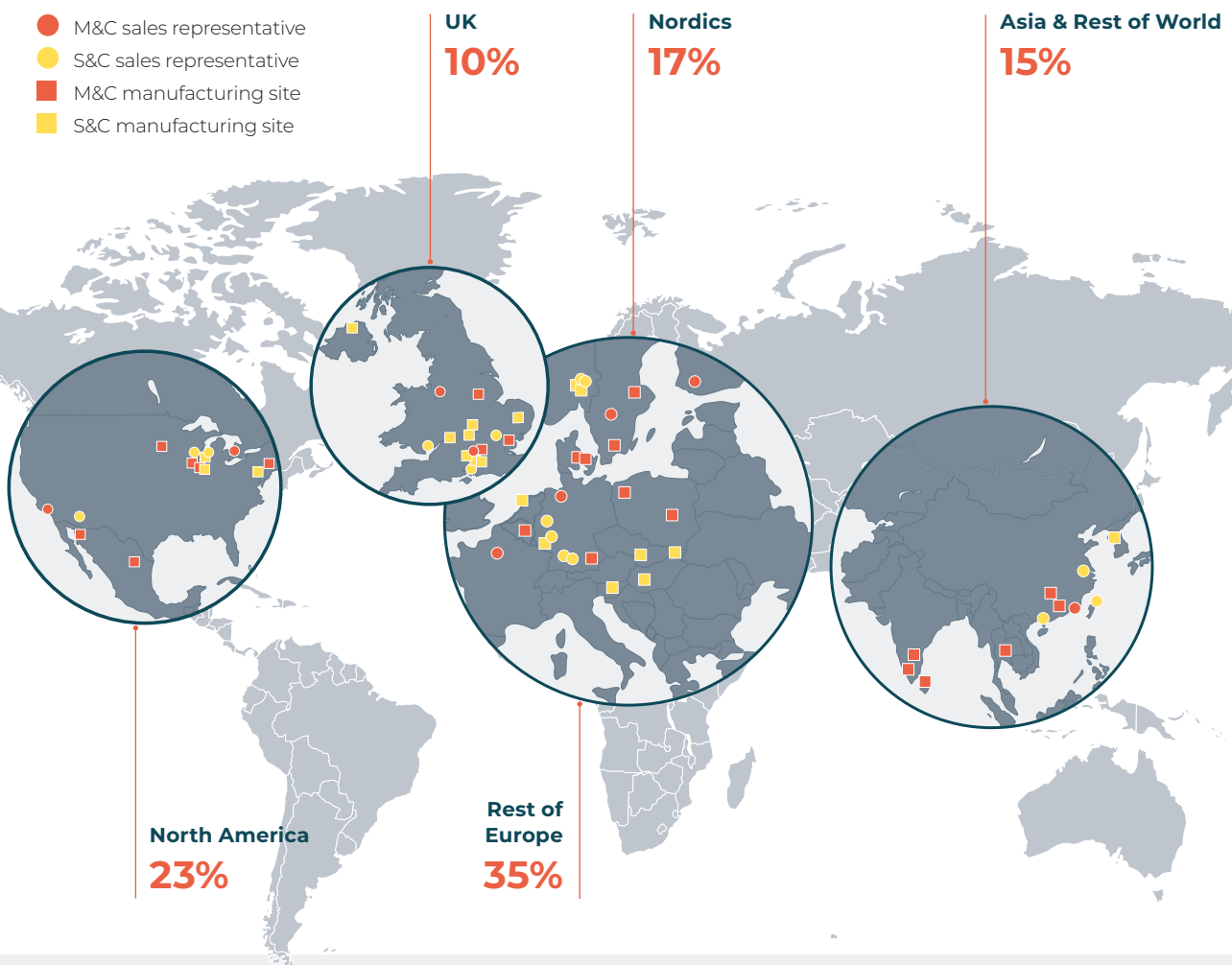
Through a global network of engineering-led businesses, we deliver differentiated, mission-critical solutions to original equipment manufacturer (“OEM”) customers worldwide.

Deep technical expertise, close customer collaboration and a global manufacturing footprint enable us to deliver ever better, reliable solutions that meet customers’ specific needs.



Revenue by geography (%)

- M&C sales representative
- S&C sales representative
- M&C manufacturing site
- S&C manufacturing site



1 Sensing and Connectivity (“S&C”)

- Electronics for wireless transmission, fibre optic and cable connection, electromagnetic shielding, and sensing components for measuring movement, temperature, pressure, position, force and load
- Consists of two operating units, which are divided into four technology clusters and four standalone businesses
- Operates across ten countries with 18 manufacturing sites

Sensing

- Variohm Eurosensor
- Burster
- CPI
- Limitor
- Magnasphere
- Phoenix America
- Positek

Optical filter & Connectors

- Foss
- IKN

Enclosures & Cabling

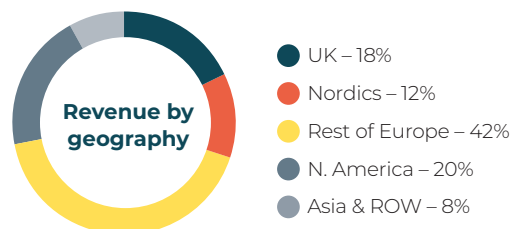
- CDT
- Contour Stortech

RF & Wireless

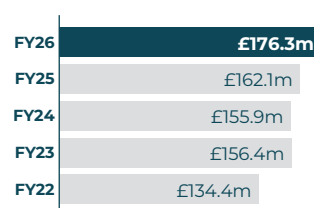
- 2J Antennas
- Antenova
- Trival Antene

Standalone

- Hivolt Capacitors
- MTC
- Santon
- Silvertel



Revenue growth¹



¹ Silvertel was transferred from M&C to S&C and Sens-Tech was transferred from S&C to M&C in FY26. Figures for all years have been restated.

2 Magnetics and Controls (“M&C”)

- Electronics for power conversion and switching, X-ray detection, signal conditioning, monitoring, human-machine interface (“HMI”) controls and embedded computing
- Consists of two operating units, which are divided into three technology clusters and two standalone businesses
- Operates across 16 countries with 23 manufacturing sites

Magnetics

- Noratel
- Shape
- Myrra
- Flux

Embedded computing

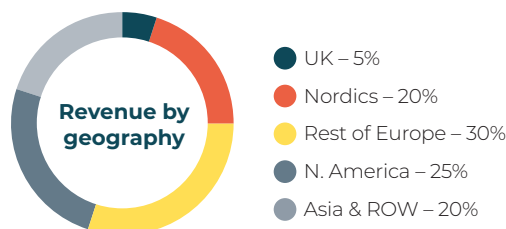
- Hectronic
- Beacon
- EmbeddedWorks
- Diamond Technology

HMI

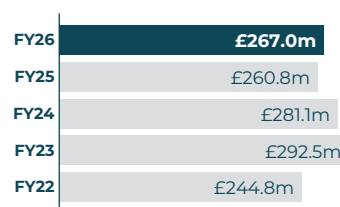
- Cursor Controls
- Storm Interface

Standalone

- Sens-Tech
- Vertec



Revenue growth¹



¹ Silvertel was transferred from M&C to S&C and Sens-Tech was transferred from S&C to M&C in FY26. Figures for all years have been restated.



▶ Scan the QR code to learn more about our businesses.

OUR STRATEGY



The strength of our decentralised, engineering-led model lies in its ability to combine local agility with Group scale, enabling our businesses to deliver differentiated solutions and respond to customers' needs quickly while driving operational efficiencies. It positions us well to deliver sustained organic and acquisition-led growth in structurally attractive markets."

Nick Jefferies
Group Chief Executive

Our strategic context

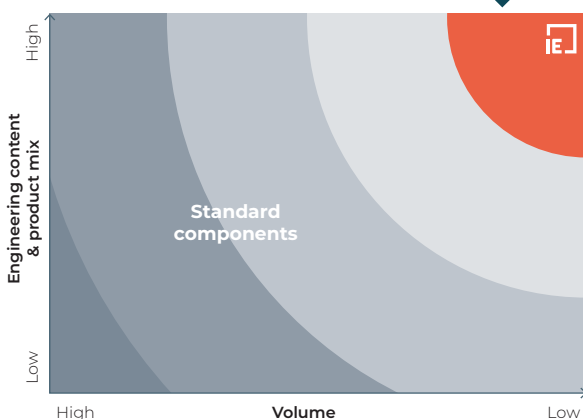
The global market for non-semiconductor-related electronic components is valued at approximately \$300 billion¹. Within this, we operate in a niche segment: custom-designed industrial electronics. The total serviceable available market of industrial electronic components is estimated at around \$30 billion¹ and is growing steadily at 5–6% per year¹.

This market is dominated by custom-made components. The low-volume, high-mix nature of these products offers limited advantage to companies focused on standard components. As a result, the market remains highly fragmented, with many small, subscale local operators and relatively few large-scale players. This fragmentation represents significant opportunities for discoverIE to grow, both organically and through acquisitions.

Non-semiconductor-related electronic components market estimated at \$300bn

Total serviceable available market for industrial electronic components: c.\$30bn p.a.

- Highly fragmented
- Many small, subscale operators
- Differentiated, application-specific products
- Typically custom-designed
- Quality and performance over price
- Typically ordered in small batches



Our strategic aim

Our goal is to grow our presence in custom electronics by focusing on markets with sustained, long-term growth. These markets are underpinned by megatrends, such as digitalisation, decarbonisation, heightened security requirements, and the increasing electronic content of industrial systems. These are the sectors where our products are essential and demand is rising.

Our strategy aligns our portfolio of businesses with these market dynamics. By leveraging efficiencies and synergies across our business clusters, we unlock greater value and accelerate growth.

We will deliver this strategy through a motivated, entrepreneurial and empowered workforce, operating to the highest ethical and quality standards.

Our strategic priorities

Our strategy centres on growing organically and through acquisitions, whilst generating efficiencies and reducing environmental impact. This approach has remained more or less the same and has proven to be effective over the years. We remain committed to it, with a clear focus on the four core strategic priorities:

¹ Company's estimates



Grow sales well ahead of GDP



Acquire highly differentiated businesses



Generate efficiencies



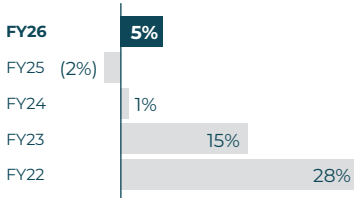
Reduce environmental impact

► Read more about our strategic pillars on **pages 12 to 13**

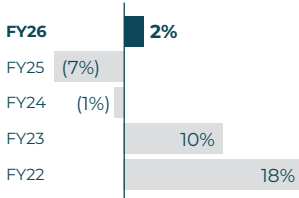
KEY STRATEGIC INDICATORS

A Sales growth

Target **Well ahead of GDP CER**



Organic



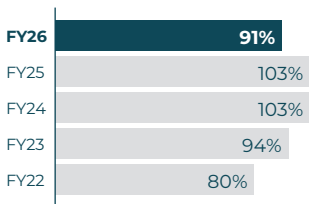
Commentary

Sales growth resumed as customers' order patterns and inventory levels normalised. Over the last decade, sales have grown by c.5% CAGR organically.

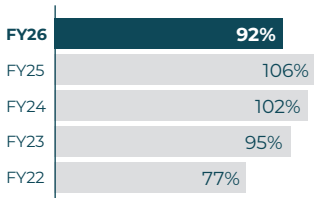
D Cash conversion

Target **>85%**

Adjusted operating cash flow conversion



Free cash flow conversion

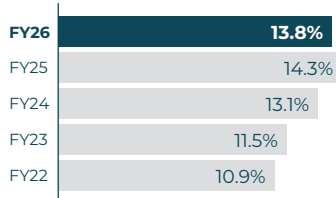


Commentary

In the past 10 years, both adjusted operating cash and free cash conversions have been consistently strong, averaging around 100% through-cycle, reflecting low capital expenditure requirements and efficient working capital.

B Adjusted operating margin

Target **17%**

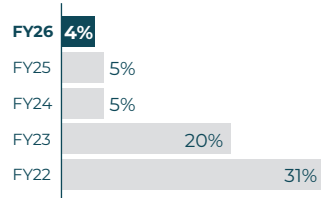


Commentary

Adjusted operating margin was 0.5 ppts lower than last year due to increased investment in engineering and sales capacity and additional manufacturing capacity to support future growth. Since FY14, adjusted operating margin has increased by 10 ppts with approximately half coming from organic improvement and half from higher margin acquisitions.

C Adjusted earnings per share growth

Target **>10%**

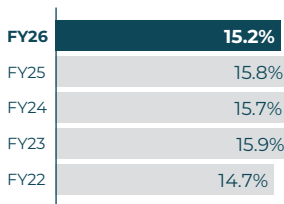


Commentary

Following a return to organic sales growth and with operational investment to support future growth, adjusted operating profit for the year increased by 1% at constant exchange rates ("CER"), with adjusted EPS increasing by 4%. In total, the Group has grown its adjusted EPS by 14% CAGR over the past 10 years.

E Return on capital employed

Target **>15%**

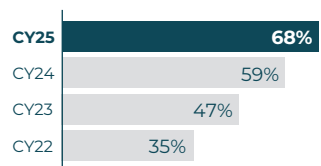


Commentary

ROCE for the year was slightly below last year but above our target. The rate of Group ROCE improvement is tempered by acquisitions in the short term, but is expected to benefit from their contribution over the longer term as their additional growth compounds. We acquire businesses with long-term growth prospects that are expected to generate high returns over time. For example, the businesses acquired up to FY 2017/18 generated 28% ROCE this year. We expect this to continue and for acquisitions made more recently to grow similarly.

F Carbon emissions reduction

Target **65%**



Commentary

Our medium-term target was a 65% absolute reduction in Scope 1 and 2 emissions in CY2025 versus the CY2021 baseline. In CY2025, we exceeded this target, reducing Scope 1 and 2 emissions by 68%, paving the way to net-zero Scope 1 and 2 emissions by CY2030. This reduction was achieved primarily by switching to clean or renewable electricity. 85% of our electricity consumption now comes from renewable or clean sources.

OUR STRATEGY CONTINUED

Key strategic indicators

- A Sales growth
- B Adjusted operating margin
- C Adjusted EPS growth
- D Cash conversion
- E Return on capital employed
- F Carbon emissions reduction

Grow sales well ahead of GDP

We aim to grow sales well ahead of GDP through the economic cycle by focusing on sustainable, structural growth markets, namely renewable energy, transportation, medical, security, and industrial & connectivity – each of which is projected to grow faster than global GDP. Learn more about the growth drivers for these markets on pages 22 to 23.

Being in the right markets is only part of the equation. We drive sales growth by focusing on two areas: product innovation and commercial discipline. On the innovation front, we direct our engineering time towards developing differentiated products built on commercially proven technologies to maximise return on investment. Our commercial discipline is reflected in how we manage our design pipeline. We are selective, focusing on design opportunities that demand unique, value-added solutions and that offer long-term profitable revenue potential. These quality design wins translate into consistent, high-margin growth over time.

Progress to date

The industrial sector experienced a prolonged and steep destocking period between 2023 and 2025 as the pandemic-induced inventory surpluses unwind. Although destocking in most of the end markets ended in the second half of 2025, demand recovery has been slow due to the uncertainty around the US tariffs introduced in April 2025. In FY 2025/26, Group sales increased by 5% CER and 2% organically. Despite the temporary headwinds, our through-cycle organic growth in the past ten years, averaging 4% per annum, remains well ahead of the GDP growth rate in our core markets of developed economies.

Organic sales growth



Link to KSI



Link to Risk



Acquire high-quality businesses

Acquisition is an essential part of our growth strategy. The niche, customised electronic components market is highly fragmented, offering opportunities for consolidation and value creation.

We target businesses that embody the core characteristics we define as the discoverIE DNA. These include:

- Design & manufacture of electronic components, modules or systems
- Differentiated, value-added products and solutions
- Supplying original equipment manufacturers
- Long-life products with repeat revenues
- Operating in markets with excellent growth prospects
- Strong cash generation and capital-light business models
- Ambitious, capable management with entrepreneurial spirit

We have a well-established approach to acquisitions and portfolio management. By taking a long-term approach to creating compounding organic growth in acquired businesses, as well as actively managing the overall portfolio, the Group consistently generates substantial value.

Progress to date

Since our first design and manufacture acquisition in 2011, we have invested over £550m in 30 acquisitions, over a quarter of which have taken place in the past three years alone. Group sales have grown from £10m in FY 2009/10 to £443m today. Our strong track record in acquisitions stems both from identifying the right businesses and our ability to enhance their performance over time. This is evident in the consistent return on capital employed. Between FY 2020/21 and FY 2025/26, the Group delivered on average 15.3% ROCE.

Acquisition geography



Link to KSI



Link to Risk



Risks

- 1 Market, geopolitical and trade environment
- 2 Business acquisition under-performance
- 3 Climate-related risks
- 4 Cyber security and digital resilience
- 5 Customer demand, key customer and end-market risk
- 6 Supply chain resilience
- 7 Technology, innovation and product relevance
- 8 Major business disruption
- 9 Loss of key personnel
- 10 Product quality and liability
- 11 Financial Controls and Reporting
- 12 Liquidity and financing
- 13 Foreign currency
- 14 Legal, regulatory, and compliance

Generate efficiencies

We achieve efficiencies in three areas: pricing, manufacturing and operating leverage.

Pricing for value – Our value-based pricing strategy is built on the product differentiation and substantial value we provide. Whether developing bespoke solutions for unique applications or improving existing ones for broader use, our technical expertise and know-how enable customers to achieve their desired outcomes. This value add is increasingly reflected in our rising contribution margins.

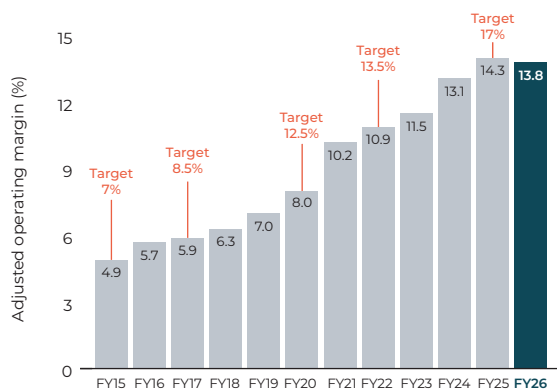
Manufacturing efficiencies – Many of our acquisitions bring manufacturing capabilities into the Group. With over 40 production facilities worldwide, we continuously optimise our manufacturing footprint. This includes consolidating sites and sharing capacity in similar locations, relocating production to achieve cost or volume efficiencies, or to position manufacturing closer to customers to improve responsiveness and cost-effectiveness.

Operating leverage – As the Group grows, we maintain a disciplined approach to cost management through phased investment and strategic resource allocation. Our clustering model also makes it easier to identify synergies. Learn more about clustering on pages 16 and 17. As scale increases, our drop-through rate will continue to rise, reflecting strong operating leverage.

Progress to date

In FY 2025/26, following two years of no growth amidst industrial destocking, we resumed investment to support anticipated growth following the end of destocking, leading to higher operational costs. Adjusted operating margin was 0.5ppts lower compared to the previous year. Prior to that, we delivered 15 years of consecutive growth in our operating margin, increasing from break-even in FY 2009/10 to 14.3% in FY 2024/25. These gains were driven primarily by organic improvement. In the past ten years, we have consistently met or exceeded our adjusted operating margin targets, which have been raised five times during the same period.

Adjusted operating margin



Link to KSI



Link to Risk



Reduce environmental impact

We received approval for our near and long-term science-based emissions reduction targets from the SBTi in May 2025:

- discoverIE Group plc commits to reduce absolute Scope 1 and 2 GHG emissions by 90% by 2030 from a 2021 base year.
- discoverIE Group plc commits to reach net-zero greenhouse gas emissions across the value chain by 2040.

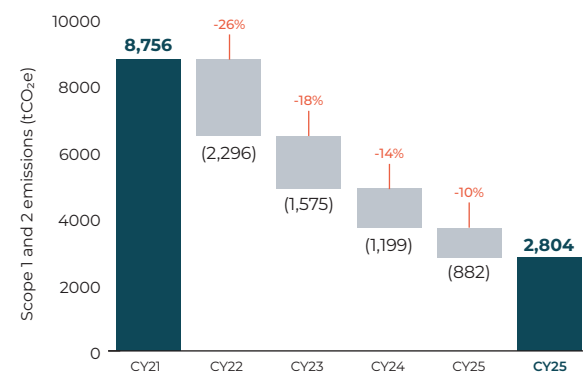
Our Scope 1 and 2 net-zero strategy focuses on four primary sources of emissions within the Group: electricity, natural gas, company vehicles, and refrigerants. We had a medium-term target to reduce absolute emissions by 65% by the end of CY2025 compared to the CY2021 baseline. An updated transition plan has been published for our emissions across the value chain for Scopes 1, 2 and 3.

Progress to date

Five years into our net-zero plan, we exceeded our medium-term target by reducing Scope 1 and 2 emissions by 68% in CY2025 versus the CY2021 baseline. This reduction was driven primarily by switching to clean or renewable electricity, including installing solar panels at sites where economically feasible, implementing energy-efficiency measures, and deploying heat pumps where appropriate. 85% of our electricity consumption now comes from renewable or clean sources.

We are also accelerating the transition of our vehicle fleet away from fossil fuels. Over half (58%) of our company cars are now electric or hybrid. Natural gas is now our largest emissions source, representing 35% of total CY2025 emissions. In March 2025, we approved a plan to replace gas heating in Poland, one of our largest natural gas-consuming sites. We are also evaluating further measures to reduce emissions from natural gas and refrigerants.

Scope 1 and 2 emissions reduction



Link to KSI



Link to Risk



Case Study

Driving organic growth through technology collaboration

A marine electronics customer was looking to upgrade its fish finder module. It required a compact, saltwater-proof and vibration-resistant design. Additionally, the new module needed to be software-compatible with the company's existing system.

The customer managed multiple vendors for each of the hardware and software separately because there was no supplier that had both the hardware and software capabilities to meet the requirements. This approach created development inefficiencies and integration risk.

By leveraging capabilities across the Group, Cursor Controls and Hectronic combined their expertise to deliver an integrated solution. Cursor Controls provided the rugged human-machine interface hardware, whilst Hectronic developed a customised embedded computing sub-system.

The result was a robust joystick controller module meeting global certification requirements, simplifying development and improving system reliability.

This project demonstrates our strategy of driving organic growth through cross-business collaboration, increasing customer value by combining specialist technologies and strengthening long-term customer relationships.

“

Our key competencies complement each other very well. We are also pleased that Hectronic and Cursor Controls operate similarly and share the same type of mindset. Communication between the two companies has been almost like between two departments.”

Jason Roberts
Head of Engineering
Cursor Controls



Case Study



Storm Interface

Strengthening specialist human-machine interface capability in regulated and industrial markets

Acquired in December 2025, Storm Interface ("Storm"), also known as "Keymat Technology", is a specialist designer and manufacturer of secure, rugged human-machine interface ("HMI") devices for use in demanding and often unattended environments. The acquisition is aligned with our strategy to grow our presence in regulated and industrial applications.

Storm's products are typically designed into long-life systems such as self-service kiosks, access control and industrial control panels, where reliability, durability and compliance are critical. A key differentiator of Storm is its portfolio of assistive technology products, designed to support inclusive access for users with visual or mobility impairments. Selected products are recognised under the Royal National Institute of Blind People's "RNIB Tried and Tested" programme.

Increasing regulatory requirements, including the European Accessibility Act ("EAA") and the Americans with Disabilities Act ("ADA"), are driving sustained demand for compliant input devices across public and commercial infrastructure, underpinning long-term growth.

Storm now forms part of the Human-Machine Interface ("HMI") cluster, alongside Cursor Controls, within the Controls operating unit. The acquisition demonstrates our disciplined approach to M&A, acquiring a niche, value-added business with strong differentiation, long product lifecycles and clear opportunities for organic growth.

Case Study



Trival Antene

Increasing exposure to the security and defence market

Trival Antene ("Trival") is the Group's first defence-related acquisition since announcing our entry into the security market in September 2024 and represents an initial step in increasing the Group's exposure to the security and defence markets against a backdrop of rising geopolitical tensions.

Founded in 1965 and headquartered in Mengeš, Slovenia, Trival designs and manufactures communications antennas and portable mast solutions for defence and professional communications applications. Its products are primarily used in land-based defence applications including handheld, manpack, mobile and fixed radio communication systems.

The acquisition aligns with our strategy as it:

- Supports the Group's expansion into the security and defence market
- Increases exposure to structural growth driven by defence modernisation and geopolitical uncertainty
- Builds on existing RF and wireless capabilities within the Group
- Supplies mission-critical components with high technical barriers to entry



Trival sells into over 70 countries, with an established international customer base and proven sales channels, from which other Group businesses can also benefit.

Completed on 1 April 2026, Trival is being integrated into the RF & Wireless cluster within the Connectivity operating unit, which enhances the Group's antenna and RF offering across industrial, security and defence applications.

OUR BUSINESS MODEL: HOW WE CREATE ENDURING VALUE

Our business model is simple. We design and manufacture niche, customised electronic components for industrial original equipment manufacturers (“OEMs”) operating in growth markets.

1 Our resources and key enablers	2 Our core activities	3 Sustainable approach
<p>Our people Many of our c.4,600 colleagues' worldwide are long-serving, providing continuity, deep technical expertise and trusted customer relationships. This stability underpins long-term relationships and repeat business. We encourage local employment and talent development so teams have a deep understanding of the markets and customers they serve.</p> <p>Our expertise For over three decades, we have built deep expertise and technical know-how in specialist electronics. Teams of electronic, mechanical and software engineers have strong knowledge of core technologies and experience across a wide range of applications and end markets. This breadth and depth enable close customer collaboration and the development of innovative, reliable solutions.</p> <p>Our intellectual property We retain intellectual property rights for products designed and developed for customers. In addition, we have proprietary technologies applied across many customised products, creating barriers to entry and enhancing customer value.</p> <p>Our manufacturing capability We operate 41 manufacturing facilities in 18 countries, including China, Hungary, India, Mexico, Poland, Slovakia, Slovenia, Sri Lanka, Thailand, the UK and the USA. This global footprint enables consistent, reliable production close to customers.</p> <p>Our financial strength Our robust balance sheet and strong cash generation provide financial flexibility and resilience. It enables us to continue investing in our people, technologies and operational capabilities, whilst supporting expansion into new geographies and markets.</p>	<p>Our core activity is the design and manufacture of specialist electronic components for industrial applications. Our strength lies in the deep understanding of our customers' design and system challenges, which enables us to engineer customised solutions tailored to specific requirements. We also provide a reliable and consistent supply of products throughout the lifecycle of the end system.</p> <p>Design and customise Our engineers work closely with our customers, primarily OEMs, to develop better solutions to solve complex technical challenges. This often requires adapting standard products or designing new, bespoke solutions that are optimised for the customer's application, performance requirements and operating environment.</p> <p>Manufacture and testing Manufacturing bespoke and low-volume, high-complexity products requires a flexible and technically capable production model. Our technical know-how and in-house manufacturing capabilities give us control over the production process, ensuring both quality and reliability. Products are subject to rigorous testing, often exceeding standard requirements, to meet demanding industrial and regulatory standards.</p> <p>Deliver globally With manufacturing facilities in the Americas, Europe and Asia, we are able to manufacture close to our customers, reducing logistics risk and shortening delivery lead times. This global footprint supports resilient supply chains and enables us to provide customers with a dependable supply of products throughout the lifetime of the end system design.</p>	<p>The demand for energy-efficient, sustainable technologies continues to rise, and we are well positioned to capitalise on the value creation opportunities this shift presents. However, growth is not our only goal. As a company, we recognise our broader responsibility to help shape not just a more connected and intelligent world, but a more sustainable one.</p> <p>Sustainability is embedded throughout discoverIE. We focus on markets that align with the UN Sustainable Development Goals, and we design durable, energy-efficient products that minimise servicing or replacement needs. We understand that sustainability is a collective effort. By collaborating with our customers on their sustainability journeys, we help them meet their sustainability goals, whilst working to achieve our own.</p> <div style="display: flex; flex-direction: column; gap: 10px;"> <div data-bbox="1034 1283 1350 1400">  <p>Our Planet Creating a positive impact on our environment</p> </div> <div data-bbox="1034 1435 1318 1552">  <p>Our People Keeping our people safe and happy</p> </div> <div data-bbox="1034 1588 1342 1704">  <p>Our Products Ensuring product reliability and sustainability</p> </div> </div> <p>► Read more about our Sustainability priorities and progress on pages 42 to 73</p> <p><small>¹ Including all full-time and part-time employees, contractors and agency labour.</small></p>

<p>Guided by our values</p> <p>These are the fundamental beliefs and principles that guide our decision making:</p>	 <p>Integrity</p> <p>We act with honesty and openness, treating our partners and stakeholders fairly</p>	 <p>Quality</p> <p>We strive for excellence and make continuous improvements that deliver superior value to our customers</p>
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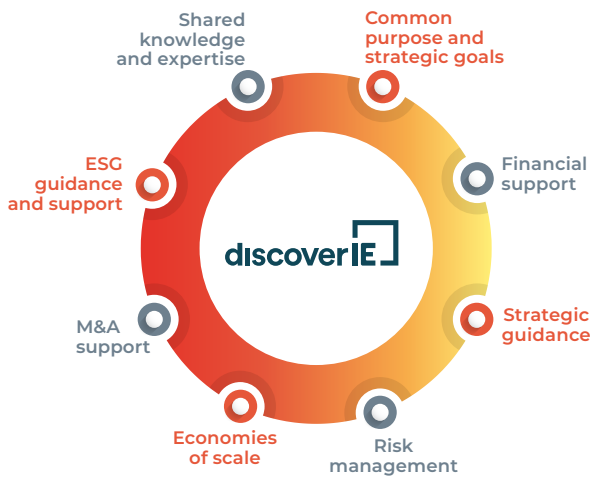
We add value by providing our customers with an end-to-end solution for critical components. By acting as an extension of our customers' engineering teams, we help them create ever-better solutions and guarantee a reliable, long-term supply of the components. This business model is resilient, proven by the Group's robust and consistent financial track record.

4 How we do it differently

A decentralised model

We operate a decentralised operating model. Our portfolio of over 30 operating businesses, each specialising in distinct technologies, is grouped into two divisions – Magnetics & Controls and Sensing & Connectivity – each with two operating units. Supported by Group central resources, each business operates independently under its own brand and management team within a clearly defined control framework aligned with discoverIE's shared vision and strategic goals. This decentralised approach empowers local leadership teams, fostering a strong sense of ownership, accountability and entrepreneurial decision-making close to customers and markets.

Collaboration through clustering



To encourage collaboration and knowledge-sharing, businesses with complementary or related technologies within each operating unit are grouped into clusters. These clusters are led by the leadership teams of the largest operating businesses, minimising layers of management and avoiding unnecessary bureaucracy. This flat structure supports faster decision-making and greater agility, enabling businesses to respond effectively to changing customer needs and market conditions.

Together, decentralisation and clustering allow our operating businesses to combine the benefits of autonomy and agility with the advantages of scale, collaboration and shared expertise across the Group.

Group support and governance

Group head office functions, including finance, legal, M&A, IT, HR, communications and sustainability, provide support to enable our businesses to grow and operate efficiently. The Group's Risk and Internal Audit function ensures compliance and effective controls, as well as robust risk management across the Group.

The value we create

Customers

Quality, reliability and efficiency. 100% on-time, in-full delivery target

Suppliers

Reliable partnerships and shared knowledge

Employees

Empowering and collaborative culture, and a healthy and safe environment

12%
Voluntary employee turnover

Shareholders

Attractive returns and growth opportunities

267%
Ten-year total shareholder return

Communities

Contribution to local employment, tax revenue, community engagement and decarbonisation

£25.8m
tax and social security contributions in FY 2025/26

68%
reduction in Scope 1 and 2 carbon emissions since CY2021



Empowerment

We inspire growth and innovation by providing an entrepreneurial environment



Collaboration

We work together, trust and respect each other



Positive impact

We care about the environment and societies we live in and commit to making a positive impact

MARKET OVERVIEW

Megatrends drive structural growth

Megatrends such as electrification, digitalisation and urbanisation have been major drivers of growth in electronic components, and will continue to create significant opportunities in the decades ahead.

Electrification

The global transition toward a low-carbon economy is accelerating demand for renewable energy, energy storage, and smart energy management systems. Governments and businesses around the world are setting ambitious targets and implementing comprehensive plans to reduce carbon emissions, including phasing out fossil fuels through the electrification of transport networks and industrial processes. Electrification is not only essential for achieving net-zero emissions, but also a major driver of efficiency and productivity. This megatrend is poised to reshape many industries, such as transportation, manufacturing and construction. For example, the electrification of transportation is creating entirely new markets, such as electric vehicles and the infrastructure that supports them, and existing modes of transport, such as railways and shipping, are being converted to allow them to run on electricity.

Digitalisation

Advances in AI, 5G and fibre connectivity, cloud computing and edge processing are accelerating digital transformation across industry, infrastructure and healthcare. As connected devices generate more

data, organisations are investing in networks, sensors and secure computing to enable real-time monitoring, automation, predictive maintenance and better decision-making. These trends are driving sustained demand for electronic components that deliver performance, reliability and connectivity at scale.

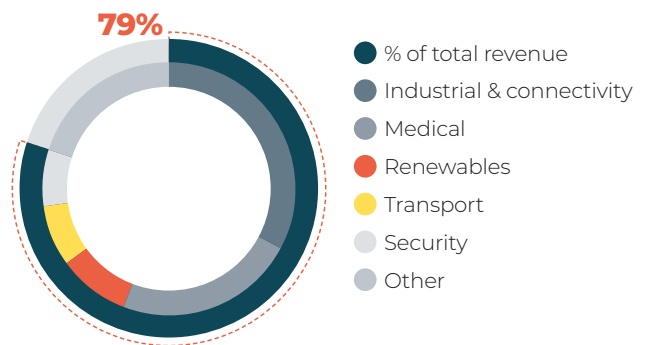
Urbanisation

Urbanisation is a major growth driver for security, transportation, and communication technologies. As cities grow denser, the need to protect people, infrastructure, and public spaces drives demand for advanced surveillance, access control and threat detection systems. Meanwhile, rising populations require more efficient and sustainable mobility solutions, accelerating investment in public transport, electric vehicles, and smart traffic systems. To support this urban complexity, high-speed communication networks – including 5G, fibre optics, and IoT infrastructure – are essential for real-time connectivity, automation, and the functioning of smart city ecosystems.



Revenue from target markets

(% of total revenue)



These megatrends present significant opportunities for discoverIE to deliver innovative solutions to meet the growing demand for a more sustainable, digitally connected, and secure future.

Our target markets

Our products are critical components in a wide range of industrial applications. We focus on markets that demonstrate sustainable, long-term growth, driven by global megatrends. For more than a decade, we have maintained a strategic focus on markets with sustainable, long-term growth prospects, specifically renewable energy, transportation, medical and industrial & connectivity. In September 2024, we added security, a market that has seen particularly strong demand in recent years, which is expected to continue as the world is becoming more volatile. All of our target markets are aligned with the UN Sustainable Development Goals (“SDGs”).

In FY 2025/26, 79% of Group revenue was generated from these target markets. The diversification across these markets, each with varying cycles and different economic drivers, helps to smooth out overall cyclicity and provides a more resilient growth profile for the Group. During the ten years up to FY 2025/26, the Group grew revenue by 9% CAGR at Constant Exchange Rates (“CER”) and 4% organically through the economic cycle, reflecting the resilience and strength of these structural growth markets.



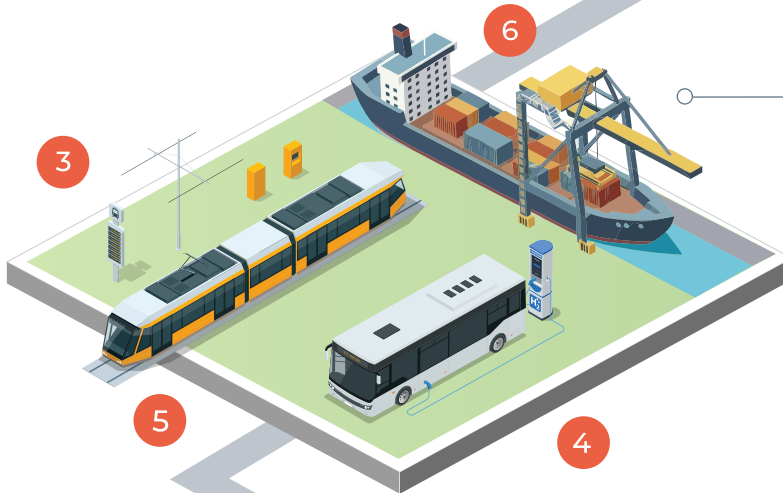
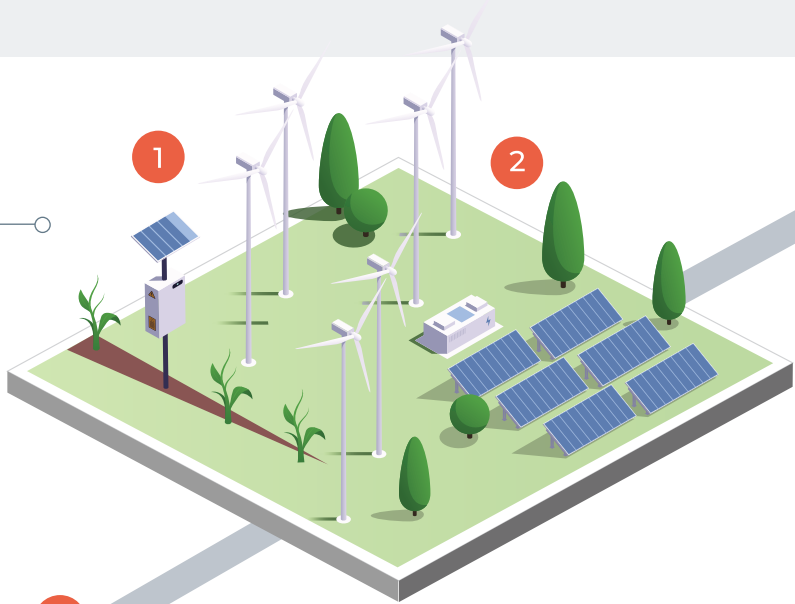
MARKET OVERVIEW CONTINUED



Renewable energy

Our solutions:

- ① **Liquid-cooled power reactors** for wind systems
- ② **LiDAR scanner** for analysing wind speed and direction for wind farm set-up



Transportation

Our solutions:

- ③ **DC line reactors, master controllers** and **battery isolation switches** for electric trains
- ④ **Pressure transmitter** for hydrogen-fuelled e-buses
- ⑤ **Force sensors** for metro train brake systems
- ⑥ **Three-phase isolation transformer** for voltage buck/boost for electric ships



Medical

Our solutions:

- ⑦ **Wireless system-on-module embedded computer** for a groundbreaking vision assistance device
- ⑧ **Data collection** and **automation system** for dental equipment company making personalised orthodontic solutions
- ⑨ **Anti-vibration, waterproof trackball module** for ultrasound scanners
- ⑩ **HMI modules** and **load and position sensors** for controlling robotic arms in immersive surgery





Security

Our solutions:

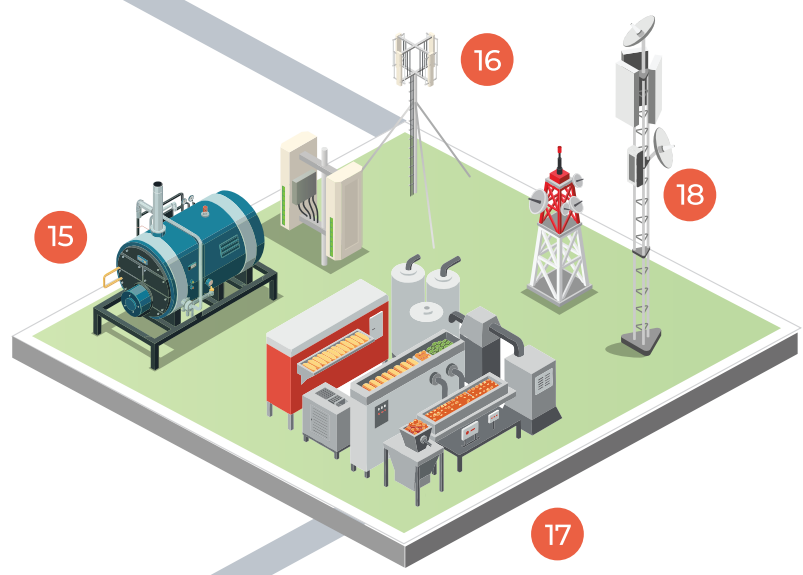
- 11 **Waterproof switches** for cabin tilt, door control, transmission and winch operations in defence vehicles
- 12 **Fibre optic deployable coils** for non-radio frequency guidance of drones
- 13 **Magnetic security switches** for controlling access to critical infrastructure, e.g. data centres
- 14 **X-ray detector and signal processor** for airport security scanner



Industrial

Our solutions:

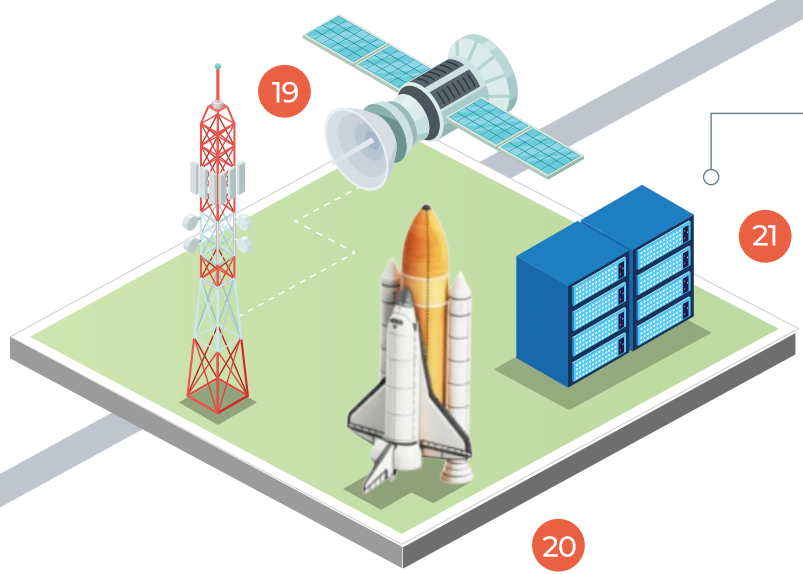
- 15 **Temperature sensors** for monitoring industrial heat processes and steam pipes and valves
- Power-over-Ethernet modules** for powering security, sensors, and communication infrastructure applications
- 16
- 17 **X-ray detectors and processors** for detecting contaminants in food processing
- Industrial antennas** for data transmission between machines and control station
- 18



Connectivity

Our solutions:

- 19 **Hi-reliability power transformer** in satellites for communication, geo-positioning and geospatial intelligence
- 20 **Fibre optic connector** for space rockets
- 21 **EMC shielding** for racks and enclosures to reduce electromagnetic interference in data centres



MARKET OVERVIEW CONTINUED



Renewable energy

Electrification is accelerating the build-out of wind, solar and other renewables, alongside grid-scale battery storage to balance intermittent generation; the IEA estimates half of the world's electricity will come from renewables and nuclear by 2030¹.

Meanwhile, utilities are upgrading transmission and distribution networks to connect new generation and growing electrified loads, improve resilience, and add digital monitoring and control. This increases demand for high-efficiency power electronics, sensing and protection across inverters, converters, substations and balance-of-plant equipment.

Key statistics:

- **Half of the world's electricity** expected to come from renewables and nuclear by 2030¹
- Renewable generation forecasted to rise at an annual rate of **8% per year through to 2030²**



Transportation

Electrification is accelerating across commercial mobility, from depot and on-site EV charging to e-buses and e-trucks, whilst electric ships and port shore-power infrastructure are scaling to reduce emissions in coastal and short-sea routes.

Urbanisation is reinforcing this shift by increasing demand for efficient mass transit and cleaner cities, accelerating investment in electrified public transport and supporting infrastructure. Established rail networks continue to electrify, and around three-quarters of passenger rail activity already takes place on electric trains. Together, these trends increase demand for rugged power conversion and distribution, traction and auxiliary power systems, high-current interconnect, and safety-critical sensing, and connectivity across vehicles, chargers and port/wayside infrastructure.

Key statistics:

- **7.6% CAGR growth** in public transportation market 2024–2030³
- **68% of the world's population** will live in urban areas by 2050⁴



Medical

Digitalisation is enabling more care outside hospitals via remote patient monitoring and remote diagnostics, whilst immersive and robotic-assisted surgery is improving precision and outcomes.

The smart medical devices market is projected to grow at 12.8% CAGR from 2025 to 2030 (Grand View Research), supported by ageing populations that are increasing overall healthcare demand and adding pressure on clinical capacity. These applications require medical-grade, miniaturised electronics, including precision sensors, low-noise analogue front ends, microcontrollers, wireless modules, isolation/protection and high-reliability power management.

Key statistics:

- **12.8% CAGR growth** in smart medical devices market 2025–2030⁵



Security

As cities grow, the risk and impact of disruption to people and critical infrastructure increases.

This is accelerating deployment of surveillance, access control and threat detection with more processing at the edge for faster response. Increasing geopolitical uncertainties also drives defence modernisation. All of these propel demand for imaging and environmental sensors, embedded computers, secure connectivity, rugged interconnect/enclosures, and robust power management and protection.

Key statistics:

- The global public safety and security market projected to grow at a **8.2% CAGR in 2025–2034⁶**
- EU spending on defence equipment rose by **39% in 2024** and projected to exceed €100 billion in 2025⁷



Industrial

Electrification and digitalisation are reshaping industries as businesses electrify equipment and deploy automation to improve efficiency, quality and uptime.

AI and the Industrial Internet of Things (“IIoT”) are digitising factories through connected machines, sensors and software-driven control. The Industry 4.0 market is forecast to grow at around 16.3% CAGR (2026–2034) (Fortune Business Insights), driven by automation, analytics and connected operations. This drives demand for industrial sensors (temperature/pressure/position), signal conditioning and high-resolution analogue-to-digital converters (“ADCs”), embedded controllers, industrial Ethernet/fieldbus transceivers, isolated power and gate drivers, and rugged power conversion.

Key statistics:

- Industry 4.0 market forecasted to grow at around **16.3% CAGR in 2026–2034⁸**
- Industrial electrification market expected to grow at a **7.9% CAGR in 2026–2030⁹**



Connectivity

Digitalisation depends on resilient, high-bandwidth networks (fibre, 5G and private wireless) and the cloud/data centre infrastructure that processes and stores data.

Advancement and commercialisation of space technologies drive growth in Low Earth Orbit (“LEO”) satellite constellations, which is extending high-speed, low-latency connectivity to harder-to-serve locations. This drives demand for RF and power components including antennas and RF front-end modules, high-reliability high-speed connectors/cable assemblies, magnetics, EMC/EMI filtering, thermal solutions, and high-efficiency power supplies and protection.

Key statistics:

- **Over \$45 billion** was invested in the space sector in 2025, up 80% year-on-year¹⁰
- **70,000 LEO satellites** expected to be launched in the next five years¹¹

¹ International Energy Agency: Electricity 2026 Report; February 2026 (<https://www.iea.org/reports/electricity-2026>)

² International Energy Agency: Electricity 2026 Report; February 2026 (<https://www.iea.org/reports/electricity-2026>)

³ Grand View Research: Global public transportation market (www.grandviewresearch.com/horizon/outlook/public-transportation-market-size/global)

⁴ The United Nations: <https://www.un.org/uk/desa/68-world-population-projected-live-urban-areas-2050-says-un>

⁵ Grand View Research: Smart medical devices market (www.grandviewresearch.com/industry-analysis/smart-medical-devices-market)

⁶ Fortune Business Insights: Public safety and security market (<https://www.fortunebusinessinsights.com/public-safety-and-security-market-106177>)

⁷ European Council (<https://www.consilium.europa.eu/en/policies/defence-numbers/>)

⁸ Fortune Business Insights: Industry 4.0 market (<https://www.fortunebusinessinsights.com/industry-4-0-market-102375>)

⁹ Research and Markets: Industrial electrification market report 2026 (https://www.researchandmarkets.com/reports/6231302/industrial-electrification-market-report?srsid=AfmBOoo-hliNoFeza9EtGRUCIqOBau2zr1NoF1psGIZPF609D3_nFmq_)

¹⁰ Space Capital: Space IQ space investment quarterly (<https://spacecapital.docsend.com/view/q77fv4weiw4qp4vu>)

¹¹ Goldman Sachs: The global satellite market is forecast to become seven times bigger, March 2025 (<https://www.goldmansachs.com/insights/articles/the-global-satellite-market-is-forecast-to-become-seven-times-bigger>)

STRATEGIC AND OPERATIONAL REVIEW



We have returned to organic growth and built momentum through the year, supported by a strong pipeline of design wins and disciplined acquisitions. With improving demand and continued investment in our capabilities, we are well positioned to accelerate growth in our chosen markets.”

Nick Jefferies
Group Chief Executive

Good performance in challenging conditions

The Group designs and manufactures essential, customised, high value-add, technically complex electronic products, enabling our customers to create better equipment. During the year, we made further progress towards our key strategic indicator targets, despite the disruption created by trade tariffs and destocking at certain customers in our Controls operating unit.

After 18 months of widespread industrial market destocking, the Group returned to organic sales growth across most market sectors, with Europe leading regional growth, increasing by 3% organically and including strong growth in Germany.

Overall, sales in the year increased by 5% CER and by 2% organically with improving organic trends through the year culminating in 5% organic growth in the final quarter.

Orders increased by 9% in the year and by 5% organically with North America up by 10% organically and Asia up 24% partially offset by Europe which was flat. Demand increased through the year with organic growth in the final quarter of 14%, with a book-to-bill ratio also improving through the year increasing from 0.99 in H1 to 1.03 in H2.

The Group's order book at 31 March 2026 was £165m, 5% higher than at 30 September 2025 and 2% higher than last year end. This represents c.4.5 months of annualised second half sales and provides good visibility of growth for the new financial year.

The Group has a strong bank of design wins, forming the basis of the Group's through-cycle organic growth. During the year, new opportunities and design wins were ahead of last year, building on the bank of previously registered wins that are commencing production.

Adjusted operating profit grew 1% and included additional investments in production capacity in Asia, and engineering and sales capacity in the US and Europe to support future growth. Interest and tax costs also reduced leading to adjusted EPS growth of 4%.

Our capital-light model once again led to strong free cash conversion for the year of 92%, driven by tight working capital control and low capital expenditure requirements of c.1.5% of sales.

Limited direct impact from US tariffs and Middle East conflict

Our flexible manufacturing model has limited the direct impact of US tariffs as we have been able to increase local market production at our US facilities and reduce imports from elsewhere around the Group. We expect this trend to continue and have the capacity to achieve this. Additionally, where tariffs are incurred on products made by the Group and shipped to the US, these are passed on.

During the year, 22% of Group sales were in the US of which just over half were manufactured locally in one of our seven US production sites. Imports of materials from China into the US for local manufacturing currently amount to c.£4m p.a, any tariffs on which we are mitigating through passing on cost increases or re-sourcing. The Group is well placed to optimise production location according to evolving supply chain and customer requirements.

The Group has no direct trading exposure to the Middle East conflict, with no operations in the region and negligible revenue derived from customers based there. We are mindful of the potential for wider cost inflation and operational disruption as a result of the conflict, but the Group has a strong record in managing pricing and supply chains dynamically and leaves us able to respond to any



challenges effectively. The Group's total oil and gas usage is less than 0.1% of Group sales and whilst we are seeing instances of increased freight costs, in such cases they are being passed on.

Our customer order patterns remained consistent through the year, with over 90% of orders scheduled for delivery within a twelve month period, similarly split between near term demand (c.4 months) and longer term (6-12 months). We suspect however, that tightening global supply chains may drive some customers to place firm orders to secure supply.

Earnings growth and strong cashflow

This year saw a return to organic sales growth, augmented by further contributions from acquisitions. Group sales for the year increased by 5% CER to £443.3m with continuing robust gross margins. Reflecting additional investment in our operations to support future growth, adjusted operating profits increased by 1% to £61.0m. Adjusted operating margin of 13.8% was 0.4ppts CER lower than last year with the additional growth investment partly funded by further cost efficiencies. With this investment and with the benefit from recent higher margin acquisitions, we remain well on track for our 17% margin target by FY2029/30. Reduced finance costs through lower average net debt balances and reducing interest rates resulted in adjusted profit before tax increasing by 4% to £51.9m, with adjusted earnings per share increasing by 4% to 40.3p (FY 2024/25: 38.7p).

After the inclusion of acquisition-related costs of £15.8m (mainly amortisation of intangibles), profit before tax for the year on a reported basis increased by 13% to £36.1m (FY 2024/25: £32.0m) with fully diluted earnings per share increasing by 18% to 29.4p (FY 2024/25: 25.0p).

Design wins

£385m

(FY 2024/25: £355m)

Order intake

£447.8m

(FY 2024/25: £411.9m)

Order book

£165m

(FY 2024/25: £161m)



STRATEGIC AND OPERATIONAL REVIEW CONTINUED



Strong free cash flow of £36.6m was generated in the year representing 92% of adjusted earnings, comfortably ahead of our 85% target; conversion rates have averaged around 100% for the last decade. Net debt (excluding IFRS16) at 31 March 2026 was £13.8m lower at £80.5m (31 March 2025: £94.3m), reducing gearing to 1.2x. With the recently completed acquisition of Trival and the announced acquisition of 3C, proforma gearing at 31 March 2026 was 2.2x which is forecast to reduce to 1.8x by the end of this new financial year, comfortably within our target range.

Dividend and capital allocation

The Board is recommending a 4% (0.35 pence) increase in the final dividend to 8.95 pence per share, giving a 4% increase in the full year dividend per share to 13.0 pence (FY 2024/25: 12.5 pence) and an adjusted earnings cover of 3.1 times (FY 2024/25: 3.1 times). The final dividend is payable on 31 July 2026 to Shareholders registered on 26 June 2026 and the final date for Dividend Reinvestment Plan ("DRIP") elections will be 10 July 2026.

The Board believes in maintaining a progressive dividend policy along with a long-term dividend cover of over three times earnings on an adjusted basis. This approach, along with the continued development of the Group, will enable funding of both dividend growth and a higher level of investment in acquisitions from internally generated resources.

Share buybacks will be considered if the Group has surplus cash. Currently, the fragmented international market in which we operate provides ample opportunities for accretive acquisitions with excellent growth prospects and the potential for high returns as our recent acquisitions illustrate. As such our capital is currently deployed in this direction, with this policy reviewed periodically.

Adjusted PBT

£51.9m

(FY 2024/25: £50.1m)

Free cash flow

£36.6m

(FY 2024/25: £40.4m)

Proven growth strategy

The Group of today has been built by acquiring and growing carefully selected specialist component design & manufacturing businesses over the past 15 years, organised into clusters to derive operational efficiencies. Through this combination of organic growth, operational efficiencies and acquisitions, the Group is building a growth compounding, international electronics specialist.

We have a disciplined approach to capital allocation and see significant scope for further expansion, with a pipeline of investment opportunities continually in development. The Group operates in a c.\$30bn fragmented market with many smaller players presenting numerous consolidation opportunities.

The Group's strategy comprises five elements:

1. **Structurally growing markets:** Grow well ahead of GDP over the economic cycle by focusing on specialist technologies in high quality markets with long-term growth. By targeting five growth markets, we aim to create consistent, compounding growth with low customer concentration and less cyclical variability.
2. **Acquire highly differentiated businesses:** Acquire businesses operating in electronic market niches with strongly differentiated products, attractive growth prospects and strong operating margins, either as new platforms or as bolt-ons to existing clusters.
3. **Operating margin enhancement:** Generate operational efficiencies and improve operating margins through clustering of businesses and increasing product differentiation.
4. **Strong cash generation driving disciplined capital allocation:** Generate strong cash flows and long-term sustainable returns from a capital-light business model, re-investing free cashflow after dividends into organic growth opportunities and further acquisitions.
5. **Minimising environmental impact:** Reduce our carbon emissions to achieve net-zero (Scope 1 & 2) by 2030.

The Group's competitive advantage is rooted in deep engineering expertise, application knowledge, and early design engagement, which enable us to co-develop specialised solutions that are embedded within customers' systems. This creates significant barriers to substitution as replacing components would require redesign, re-testing and re-certification, introducing cost, complexity, delay and operational risk that customers seek to avoid. Barriers to entry are reinforced by the Group's breadth of technical capability, niche high performance offerings, and strong application knowledge in demanding and regulated markets. Combined with long term supply assurance and strong engineering relationships, these factors support high customer retention, revenue recurrence and pricing resilience, which underpin the Group's durable and sustainable business model.

Five target markets to drive long-term growth

Our five target markets (industrial automation & connectivity, medical, renewable energy, security and the electrification of transportation), are attractive and technology-rich sectors underpinned by long term, structural growth drivers. In total, the five target markets account for around 80% of sales.

Our focus on these target markets over the last decade has driven the Group's through-cycle growth well ahead of GDP, attracting higher margins and greater resilience than other markets, and created numerous acquisition opportunities. We expect this to continue.

Compelling products for today's markets

The Group has a product and manufacturing footprint that is well suited to today's technology requirements.

- **Essential products:** the Group's specialist products are essential for customers' applications and amount to only a small proportion of their overall system cost. This leads to repeating revenues over a long period with robust gross margins.
- **Wide and flexible manufacturing:** a decentralised model with manufacturing sites and commercial operations around the world, able to support customers locally and internationally. For example, once our new facility in Bangalore is open, it will have the capacity for several of our Group companies to operate in India.
- **Low energy intensity operations:** the large majority of the Group's energy exposure is electricity and energy costs which represent less than 0.5% of Group revenues, limiting the Group's exposure to energy price rises and operational disruptions. The cost of oil and gas represents less than 0.1% of Group revenues. Through the installation of solar panels at several of our sites as part of our project to reduce carbon emissions, 85% of our electricity usage is now from renewable sources.

Continued progress on key strategic indicators

For more than 10 years, the Group's strategic and financial progress has been measured through key strategic indicators ("KSIs"). Targets are periodically reviewed and increased. For example, the adjusted operating margin target was most recently reviewed in June 2025 and a new five-year target of 17% was set.

STRATEGIC AND OPERATIONAL REVIEW CONTINUED

For tracking purposes, the KSI in the table below remain as reported at the time rather than adjusted for disposals. Targets are for the medium-term unless stated, defined as being around five years. This year's performance relative to last year is discussed below.

Key Strategic Indicators	FY18 ¹	FY19 ¹	FY20 ¹	FY21	FY22	FY23	FY24	FY25	FY26	Targets
1. Increased adjusted operating margin	6.3%	7.0%	8.0%	10.2%	10.9%	11.5%	13.1%	14.3%	13.8%	17% ²
2. Sales growth:										
CER	11%	14%	8%	-1%	28%	15%	1%	-2%	5%	Well ahead of GDP thru cycle
Organic	11%	10%	5%	-4%	18%	10%	-1%	-7%	2%	
3. Adjusted EPS growth	16%	22%	11%	-8%	31%	20%	5%	5%	4%	>10%
4. Adjusted operating cash conversion ³	85%	93%	106%	128%	80%	94%	103%	103%	91%	>85% of adjusted operating profit
5. Free cash conversion ³	78%	94%	104%	136%	77%	95%	102%	106%	92%	>85% of adjusted earnings
6. ROCE ³	13.7%	15.4%	16.0%	14.5%	14.7%	15.9%	15.7%	15.8%	15.2%	>15%
7. Carbon emissions reduction ⁴						35%	47%	59%	68%	Net-zero ⁵

¹ Results for FY 2017/18 to FY 2019/20 are for total operations before disposals as reported at the time.

² By FY 2029/30.

³ Defined in note 6 of the Group consolidated Financial Statements.

⁴ Carbon emissions are measured on a calendar year basis (e.g. CY2022 shown as FY 2022/23) with emission reduction shown since CY2021.

⁵ Net-zero Scope 1 and 2 by CY2030 and net-zero with Scope 3 by 2040.

The Group made further progress on its KSIs during the year:

- Adjusted operating margin was 13.8%, a reduction of 0.4ppts CER on last year. This reduction followed increased operational investment during the year in engineering and sales capacity in the US and Europe, and additional manufacturing capacity in Asia to support future growth. On an annualised basis and including recent high margin acquisitions, the adjusted operating margin is ahead of last year and accordingly, we remain on track for our 17% margin target by FY2029/30. Since FY14, adjusted operating margin has increased by 10ppts with approximately half coming from organic growth and efficiencies, and half from higher margin acquisitions. Going forward, acquisitions are expected to account for around two-thirds of margin improvement.
- Sales increased this year by 5% CER and by 2% organically as customers' inventories returned to appropriate levels and normal ordering patterns resumed. Sales improved through the year culminating in 5% organic growth in the final quarter. The average full year organic growth in three of our four operating units was 5%. This was partly offset by the Controls operating unit where certain customers had continued to destock during the year. The trend in Controls also improved through the year with final quarter organic sales back into growth. We remain focused on achieving strong through-cycle organic growth which is supported by our pipeline of design wins. Over the last decade, sales have grown by c.5% CAGR organically.

- Following a return to organic sales growth and with operational investment to support future growth, adjusted operating profit for the year increased by 1% CER, with adjusted EPS increasing by 4%. In total, the Group has grown its adjusted EPS by 14% CAGR over the last 10 years.
- Adjusted operating cash flow and free cash flow conversion rates of 91% and 92% continue to be comfortably ahead of our 85% targets. Over the last 10 years, both adjusted operating cash conversion and free cash conversion have been consistently strong, averaging around 100% through-cycle, reflecting low capital expenditure requirements and efficient working capital.
- ROCE for the year of 15.2% was above our target although slightly below last year (FY 2024/25: 15.8%). The rate of Group ROCE improvement is tempered by acquisitions in the short term, but is expected to benefit from their contribution over the longer term as their additional growth compounds. We acquire businesses with long-term growth prospects that we expect will generate high returns over time. For example, our acquisitions made up to FY 2017/18 generated a collective ROCE of 28% this year. We expect this to continue growing and for acquisitions made more recently to grow similarly.
- Scope 1 & 2 carbon emissions reduced further during the year and in CY 2025 were 68% lower on an absolute basis than in CY 2021, 3ppts better than the 65% reduction target for CY 2025 that we set 4 years ago. Our next target is to achieve net-zero (Scope 1 & 2) by CY 2030.



Divisional results

The divisional results for the Group for the year ended 31 March 2026 are set out and reviewed below.

During the first half this year, the Sens-Tech business was reclassified from S&C to M&C and our Silvertel business was reclassified from M&C to S&C, so as to better align operational similarities. Comparatives have been restated accordingly.

	FY 2025/26			FY 2024/25 ³			Reported revenue growth	CER revenue growth	Organic revenue growth
	Revenue £m	Adjusted operating profit ¹ £m	Margin ²	Revenue £m	Adjusted operating profit ¹ £m	Margin			
M&C ³ (CER)	267.0	41.7	15.6%	260.8	42.7	16.4%	+2%	+2%	+2%
S&C ³ (CER)	176.3	31.4	17.8%	162.5	29.4	18.1%	+9%	+8%	+2%
Unallocated		(12.1)			(11.8)				
Total (CER)	443.3	61.0	13.8%	423.3	60.3	14.2%		+5%	+2%
FX				(0.4)	0.2				
Total	443.3	61.0	13.8%	422.9	60.5	14.3%	+5%		

¹ Adjusted operating profit excludes acquisition and disposal-related costs

² Margin refers to adjusted operating margin

³ Two businesses were transferred between M&C and S&C so prior year divisional results have been restated (see note 5 of the Group consolidated Financial Statements). There was no impact to the Group results.

STRATEGIC AND OPERATIONAL REVIEW CONTINUED

Magnetics & Controls Division (“M&C”)

The M&C division designs, manufactures and supplies highly differentiated magnetic and power components, and embedded computing and interface controls for industrial applications. This division operates across 16 countries through two operating units, Magnetics and Controls. The Magnetics operating unit (“Magnetics”) comprises our magnetic cluster of Noratel, Shape, Myrra and Flux. The Controls operating unit (“Controls”) comprises our cluster of embedded computing and interface controls businesses (Beacon, Hectronic and DTI), our human-machine interface (“HMI”) cluster (Cursor Controls and Storm) and two business platforms (Sens-Tech & Vertec). Almost all products are manufactured in-house, with the division’s principal facilities being in China, India, Mexico, Poland, Sri Lanka, Thailand, the UK and the US. Geographically, 5% of sales by destination are in the UK, 50% in the rest of Europe, 25% in North America and 20% in Asia. During the year, Flux, our high-reliability magnetics business, expanded its manufacturing capacity in Thailand, while Noratel, our power magnetics business, commenced construction of a new, larger facility in Bangalore to replace its existing facility (due to complete in the first half of the new financial year).

In December 2025, the Group completed the acquisition of Keymat Technology Ltd, a UK-based designer and manufacturer of differentiated assistive HMI products, into the division, to sit alongside our existing Cursor Controls business. Keymat trades under the name Storm Interface (“Storm”).

Orders in the year increased by 12% CER and by 11% organically to £274.8m (FY 2024/25: £246.0m CER) with a book-to-bill ratio of 1.03 driven by strong order growth in both Magnetics and Controls.

Sales increased by 2% CER and organically, with good growth in Magnetics being partly offset by destocking in Controls which has now worked through with sales in Controls returning to growth in the final quarter. By territory, Europe (including the UK) and Asia grew by 3% offset by North America down 2%.

With little FX impact this year, reported divisional revenue also increased by 2% to £267.0m (FY 2024/25: £260.8m reported). Adjusted operating profit of £41.7m was £1.0m (-2%) lower than last year at CER and £1.3m (-3%) lower on a reported basis (FY 2024/25: £43.0m) reflecting good organic sales growth in the lower margin Magnetics unit offset by sales reductions in the higher margin Controls unit. This mix effect also impacted adjusted operating margin which at 15.6% was 0.8ppts lower at CER than last year and 0.9ppts lower on a reported basis (FY 2024/25: 16.5%).

Sensing & Connectivity Division (“S&C”)

The S&C division designs, manufactures and supplies highly differentiated sensing and connectivity components for industrial applications. This division operates across ten countries through two operating units, Sensing and Connectivity. The Sensing operating unit (“Sensing”) comprises our sensing cluster of Variohm, Burster,

CPI, Limitor, Magnasphere, Phoenix and Positek. The Connectivity operating unit (“Connectivity”) comprises the RF & Wireless cluster (2J, Antenova and Trival from April 2026), the Components cluster (Contour, Stortech and CDT), the Fibre Communications cluster (Foss and IKN) and four business platforms (MTC, Santon, Silvertel and Hivolt). Almost all products are manufactured in-house, with the division’s principal facilities being in Hungary, the Netherlands, Norway, Slovakia, the UK and the US. Geographically, 18% of sales by destination are in the UK, 54% in the rest of Europe, 20% in North America and 8% in Asia.

During the year, we completed the merger of two of our UK Components businesses, Contour and Stortech, into one site. Additionally, our MTC electromagnetic shielding business expanded its manufacturing capacity in South Korea. Since the year-end, the Group has completed the acquisition of Trival Antene d.o.o. (“Trival”), a Slovenian-based designer and manufacturer of communication antennas for defence applications, into the Connectivity operating unit, and announced the acquisition of 3C.

Divisional orders in the year reduced by 4% organically to £173.0m against a strong prior year comparator, with a return to growth in the second half (H1: -10%; H2: +2%). Including the Burster acquisition last year, orders were up 4% CER with a book-to-bill ratio for the year of 0.98 with good improvement in the second half (H1: 0.92; H2: 1.04). The reduction in orders came mainly in Transportation and Medical (following strong growth last year) partly offset by other markets which were broadly flat.

Divisional sales increased by 2% organically, with sales in North America increasing by 4%, Europe (including the UK) increasing by 2% and Asia broadly flat.

Combined with a 6% sales contribution from the Burster acquisition, overall divisional sales increased by 8% CER. With little Sterling translation impact this year, reported divisional revenue increased by 9% to £176.3m (FY 2024/25: £162.1m reported and £162.5m at CER).

Adjusted operating profit of £31.4m was £2.0m (+7%) higher than last year at CER and £2.1m (+7%) higher on a reported basis (FY 2024/25: £29.3m). The adjusted operating margin of 17.8% was 0.3ppts lower than last year (FY 2024/25: 18.1%).

Strong bank of design wins will drive future recurring revenues

The Group has a strong bank of design wins, forming the basis of the Group’s through-cycle organic growth. During the year, new opportunities and design wins were ahead of last year, building on the bank of previously registered wins that are commencing production. Over the last eighteen months, conversion of design wins into revenue was delayed in some areas due to customers’ inventory destocking activities. This has now generally completed and we are starting to see new revenue and growth.

New project design activity remains at a high level, being broad-based and across all our markets. The total pipeline of ongoing projects continues to be very strong.

Acquisitions

The market is highly fragmented with many opportunities to acquire. Currently, the Group's pipeline consists of around 250 potential targets, of which a number are in the active outreach phase and live deal negotiation at any time.

The businesses we acquire are typically led by entrepreneurs who wish to remain with the business for a period following acquisition. We encourage this as it enables integration and helps retain a dynamic, decentralised and entrepreneurial culture.

We acquire high-quality businesses with good growth prospects and attractive operating margins. We invest in these businesses for growth and operational performance development. According to the circumstances, we add value in some or all of the following areas:

Strategy and operations:

- Creating a long-term strategy for growth with operational leverage
- Grouping businesses into clusters
- Generating operational efficiencies
- Internationalising sales channels
- Accelerating organic growth by focusing sales development onto target market areas and expanding the customer base, including through cross-selling
- Developing the product range

People:

- Investing in management capability
- Enabling peer networking and collaboration
- Increasing diversity
- Succession planning

Investment:

- Capital investment in manufacturing and infrastructure
- Internationalising operations
- Expansion through further acquisitions
- Upgrading systems, including IT

Controls and support:

- Implementing robust financial measurement, KPIs and controls
- Finance and related support, such as treasury, banking, legal, tax and insurance
- Risk management and internal audit

Sustainability:

- Aligning sustainability strategies with those of the Group
- Creating carbon emission reduction plans
- Inclusion in the Group's SBTi-aligned net-zero carbon emission reduction programme
- Providing training and development

The Group has acquired 30 design and manufacturing businesses over the last 15 years, with the Group's continuing revenues increasing to £443m in FY 2025/26 from £10m in FY 2009/10. By taking a long-term approach to generating compounding growth, the Group has generated substantial value. The Group's consistent returns reflect an evolving balance between the strong and growing ROCE of those businesses acquired earlier supporting the lower initial ROCE of those acquired more recently as they grow into delivery of their targets. With plans in place in each business, as growth returns following the end of the extended industry destocking, we fully expect returns in all businesses to increase.

In December 2025, the Group acquired Keymat Technology Ltd trading under the name Storm Interface ("Storm"), a UK-based designer and manufacturer of differentiated assistive HMI electronic products, primarily tactile and audible content navigation devices for the visually impaired, for sale in the UK, EU and US. The need for such products is driven by the roll out of legislation in Europe, UK and North America that requires assistive interfaces in consumer facing electronic equipment. Storm was acquired into the Controls operating unit in our M&C division alongside our existing Cursor Controls business, for an initial cash consideration of £5.5m on a debt free, cash free basis together with an earn-out of up to £2.2m payable subject to Storm's performance up to 31 March 2026. A full pay out is expected to be made.

In April 2026, following receipt of regulatory approvals, the Group completed the acquisition of Trival Antene d.o.o. ("Trival"), a Slovenian-based designer and manufacturer of communication antennas and masts for defence applications, for an initial cash consideration of €45.5m (£39.9m) on a debt free, cash free basis, before expenses. In addition, deferred consideration of up to €1.65m (£1.45m) will be payable subject to certain conditions twelve months from completion and an earn-out of up to €5.5m (£4.8m) will be payable subject to Trival achieving certain growth and performance conditions in the period up to 31 March 2028.

Trival's antennas are used in land-based defence applications such as handheld, mobile and fixed radio communications systems and are sold internationally into c.70 countries. Trival has a strong track record of revenue growth and is accretive to both adjusted earnings and adjusted operating margin. Trival has become part of our Connectivity operating unit within the S&C division alongside our two RF businesses, 2J and Antenova.

Since the year end, we have announced the acquisition, subject to regulatory approval, of 90% of 3Cmetalworx ("3C"), a North American designer and manufacturer of electromagnetic shielding and thermal management products, for a cash consideration of \$67.5m (£49.6m) on a debt free, cash free basis. Ongoing management will continue to hold 10% of 3C. These management shares will be subject to a put / call option exercisable between the third and fifth anniversary of the date of completion. Once exercised, the Group will own 100% of the business.

STRATEGIC AND OPERATIONAL REVIEW CONTINUED

3G, under its ongoing management, will join our Connectivity operating unit within the S&C division and will work alongside MTC, our existing European shielding business. Other businesses in the Group will also benefit from access to 3G's extensive customer base and sales channels. 3G will be accretive to both adjusted earnings and adjusted operating margin from completion.

Sustainability and social responsibility

The Group creates innovative electronics for a variety of applications, with a strategic focus on end markets that are aligned to the UN Sustainable Development Goals ("UN SDGs"). More information on how we work with customers and suppliers to support the UN SDGs is available in the Group's latest Impact Report and on our website at www.discoverIEplc.com.

In May 2025, the Group's greenhouse gas ("GHG") emissions reductions targets were validated by the Science Based Targets initiative ("SBTi"). The Group is committed to achieving net-zero GHG emissions across Scope 1 and 2 by 2030, and throughout the value chain by 2040. We have updated our Road to Net-Zero strategy document this year to explain in more detail how we plan to achieve this. During FY 2025/26, the Group disclosed its environmental impact on water through the Carbon Disclosure Project ("CDP") for the first time, achieving a C score, while retaining its B score for climate disclosure.

During the year, the Group also reviewed its ESG strategy to ensure alignment with emerging regulatory requirements and its strategic priorities. Following this review, the Group reaffirmed its focus on Planet, People, and Products.

During the year, we made excellent progress in a number of key areas:

- **Scope 1 & 2 emissions:** Scope 1 & 2 carbon emissions for CY 2025 reduced by 68% against the externally verified CY 2021 baseline, exceeding its CY 2025 reduction target of 65% and paving the way for our goal of achieving net-zero Scope 1 & 2 emissions by 2030.
- **Environmental targets:** 74% of Group revenue is now generated from businesses certified to ISO 14001, and 58% of the Group's car fleet is now electric or hybrid. During the year, solar panels were installed at the Group's Hungary facility, further advancing the Group's self-generation capacity and enhancing energy security. The Group now sources 85% of its electricity from zero-emission sources and remains on track to achieve its 100% target by CY 2030. Natural gas is now the Group's largest remaining emissions source, representing 35% of CY 2025 emissions. Plans to replace gas heating at the Group's largest emitting site in Poland have been approved, with completion expected in the second half of the new financial year.

- **Health & Safety:** 72% of the Group's workforce is covered by ISO 45001 occupational health & safety standards similar to last year. The number of reported lost time incidents reduced by 35% to 15 (FY 2024/25: 23), with a lower lost time incident frequency rate of 0.16 (FY 2024/25: 0.25). This improvement reflects the impact of the Group's continuing focus on health & safety.
- **Cyber security and AI governance:** The Group has implemented an AI Governance Framework to ensure responsible and secure deployment of generative AI, with a strong emphasis on data privacy, ethical use, and regulatory compliance. Cyber security awareness training has been, and will continue to be, rolled out across the Group to strengthen defences against cyber threats.
- **Diversity & inclusion:** In May 2025, the Group hosted its inaugural Women in Engineering & Operations seminar, with over 30 female colleagues attending to share experiences and promote gender diversity.
- **Learning & development:** A group-wide Engineering & Technical Sales Forum was held in October 2025, bringing together over 70 engineers for a three-day event that included a visit to certain UK operations. The forum strengthened understanding of the Group's technologies, products and capabilities, and supported greater collaborations across the business. To support the development of future engineering talent, the Group is participating in the University of Surrey's iTEK programme, which allows a selected group of third-year and postgraduate students to solve real-world technical challenges presented by the businesses. Engagement with the Group's online learning & development platform launched in 2024 continued to increase, with participant numbers more than doubling and learning hours increasing by 125% year-on-year.

Emissions reduction

68%

(from CY 2021)

Zero emission energy

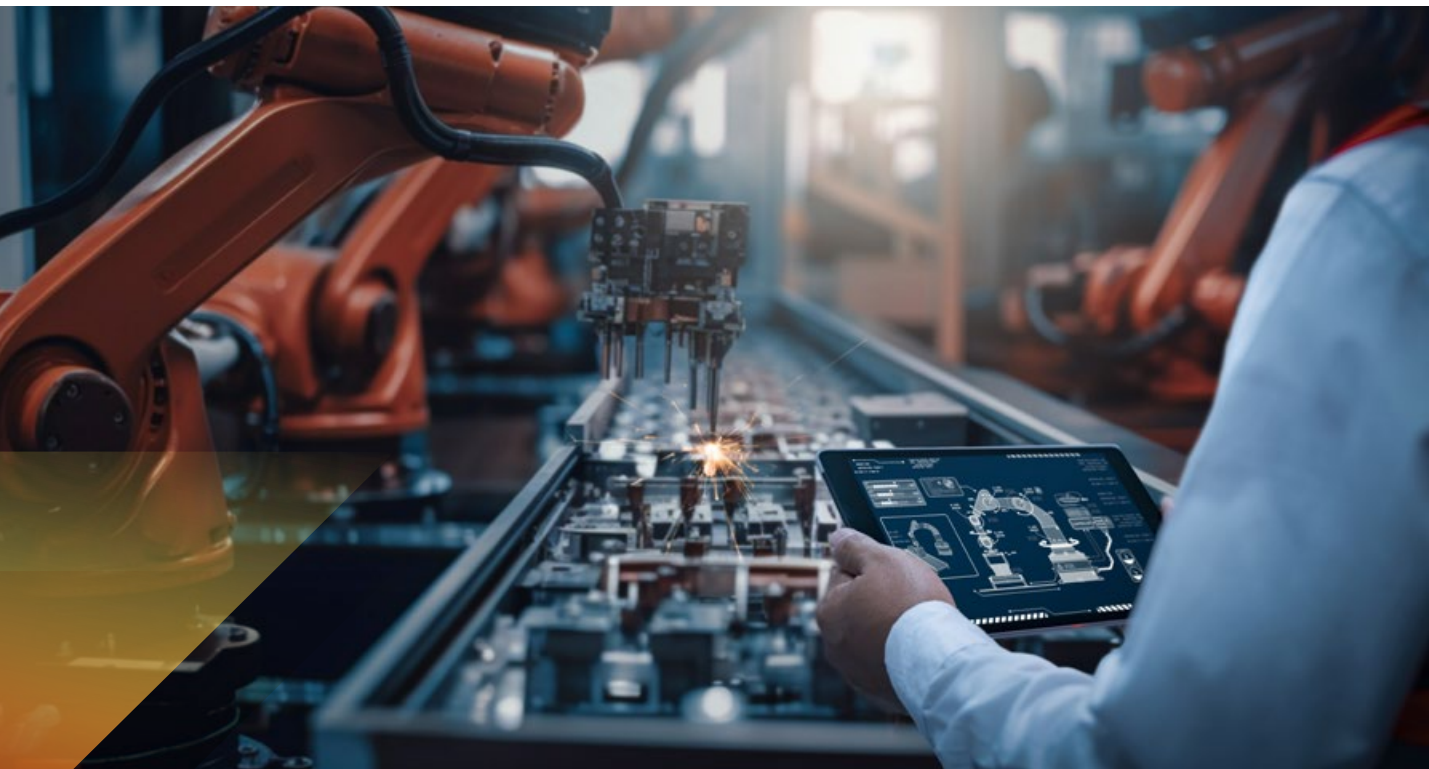
85%

of Group electricity

Lost time incidents

15

(FY 2024/25: 23)



In February 2026, the European Union adopted the 'Omnibus' proposal. As a result, the Group and its subsidiaries are now outside the scope of Corporate Sustainability Reporting Directive ("CSRD") reporting. Preparation for the implementation of the IFRS Sustainability Reporting Standards ("SRS"), which is expected to apply to the Group from April 2027, is now underway.

Summary and Outlook

The Group has delivered another set of robust results where profits and earnings reached new highs and the business saw a return to strong levels of organic orders and sales growth by the year end, which has continued into the new year.

Trading momentum improved through the year with final quarter orders increasing by 14% organically, sales increasing by 5% organically and with orders ahead of sales, giving us confidence as we start the new financial year. To support this strengthening growth outlook, additional investment in operating, sales and engineering capacity has been made to ensure we capitalise on the structural growth opportunities in our target markets.

We have announced three acquisitions in the last six months, 3G in North America, Trival in Slovenia and Storm in the UK, for a combined consideration of £95m. Trival and 3G increase our exposure in the defence market, while Storm adds to our Human-Machine Interface cluster. All three businesses have a strong record of growth, with margins well ahead of the Group's current margin target.

The outlook for the year ahead is positive with full year adjusted earnings in line with Board expectations. First quarter trading has started well with strong growth in orders and further good sales growth and orders running well ahead of sales. We remain focused on generating strong compounding growth through the cycle. The combination of organic growth, a strong order book providing good visibility, an accelerating pipeline of design wins converting into revenue, and a clear and consistently executed acquisition strategy gives us confidence in the outlook.

Nick Jefferies
Group Chief Executive

FINANCIAL REVIEW



The Group delivered robust financial performance against challenging market conditions. Together with strong cash generation and disciplined capital allocation, it supports continued investment in both organic and inorganic growth while maintaining a robust balance sheet.”

Simon Gibbins
Group Finance Director

Revenue and orders

Group sales of £443.3m were 5% higher than last year (both CER and reported) (FY 2024/25: £422.9m). Two acquisitions last financial year (Burstler and Hivolt) and one this year (Storm) added 4% to revenue while the disposal of the Santon solar business completed last year reduced sales by 1%. Organic sales increased by 2% following an 18-month period of widespread customer destocking.

Revenue (£m)	FY 2025/26	FY 2024/25	%
Organic sales	427.3	419.4	+2%
Acquisitions	16.0		+4%
Disposals		3.9	-1%
Sales at CER	443.3	423.3	+5%
FX translation		(0.4)	
Reported sales	443.3	422.9	+5%

Orders for the year were £447.8m, 9% higher at CER than last year and on a reported basis (FY 2024/25: £411.9m) giving a rising book-to-bill ratio of 1.01 (H2: 1.03; H1: 0.99 and 0.97 in the second half last year). Orders in the year increased by 5% organically (H2: +10%; H1: +0.5%).

The order book at the year-end of £165m was strong, 5% higher than at 30 September 2025 and 2% higher than last year. At c.4.5 months of annualised second half sales, the order book provides good visibility for the first half of the new financial year.

Group operating profit and margin

Group adjusted operating profit for the year was £61.0m, a 1% increase on last year both at CER and on a reported basis (FY 2024/25: £60.5m) with an adjusted operating margin of 13.8%. This was 0.4ppts lower at CER than last year following investment in operations to fund future growth. Together with high margin acquisitions in the last 6 months, the annualised adjusted operating margin is ahead of last year and we remain on track to reach our target for FY 2029/30 of 17%.

Group reported operating profit for the year (including acquisition and disposal-related expenses as discussed below within adjusting items) was £45.2m, 7% higher than last year (FY 2024/25: £42.4m).

£m	FY 2025/26			FY 2024/25		
	Operating profit	Finance Cost	Profit before tax	Operating profit	Finance Cost	Profit before tax
Adjusted	61.0	(9.1)	51.9	60.5	(10.4)	50.1
Adjusting items						
Amortisation of acquired intangibles	(16.3)	–	(16.3)	(16.2)	–	(16.2)
Acquisition & disposal credit/ (expenses)	0.5	–	0.5	(1.9)	–	(1.9)
Reported	45.2	(9.1)	36.1	42.4	(10.4)	32.0

As shown below, adjusted operating profit growth has mainly been achieved through organic growth in sales and accretive acquisitions made this year and last year, partially offset by operational investment in future growth.

£m	Adjusted Operating Profit
FY 2024/25	60.5
Gross profit on organic sales increase	3.4
Organic gross margin impact	0.9
Sales mix impact on gross margin	(1.4)
Organic operational investment	(4.4)
Organic profit reduction	(1.5)
Profit from acquired companies	2.2
CER growth in operating profits	0.7
Foreign exchange impact	(0.2)
Net growth in operating profits	0.5
FY 2025/26	61.0

Various manufacturing and operating initiatives continued this year helping lift individual business gross margins by 0.2ppts on average which was offset by the mix effect of stronger sales growth in our lower margin businesses (0.3ppts impact). We have invested in new sales and engineering resource and additional operating capacity (Thailand this year with India being completed during the first half next year, both on schedule and on budget) to aid future growth, with organic operating costs increasing by 3.5%. Operating profits of £2.2m were earned this year by last year's two acquisitions (Hivolt acquired in August 2024 and Burster acquired in January 2025) during their first year of ownership and by Storm (acquired in December 2025).

Adjusted tax rate

The adjusted effective tax rate ("ETR") for the year was 23.5%, 0.5ppts lower than last year (FY 2024/25: 24.0%) due to greater profits in lower tax territories.

The overall ETR of 19.7% was lower than last year's ETR (FY 2024/25: 23.1%) due to a low rate of tax on the net acquisition and disposal credit within adjusting items as shown in the table below.

£m	FY 2025/26		FY 2024/25	
	PBT	ETR	PBT	ETR
Adjusted	51.9	23.5%	50.1	24.0%
<u>Adjusted items</u>				
Amortisation of acquired intangibles	(16.3)		(16.2)	
Acquisition & disposal credits/(expenses)	0.5		(1.9)	
Reported	36.1	19.7%	32.0	23.1%

Sterling was 5% stronger this year versus 12 months ago, compared with the US Dollar but 3% weaker against the Euro and 5% weaker on average against Nordic currencies, giving rise to a net reduction in adjusted operating profits on translation of £0.2m for the year.

Adjusting items

Adjusting items for the year totalled £15.8m (FY 2024/25: £18.1m) comprising the amortisation of acquired intangibles of £16.3m (FY 2024/25: £16.2m), broadly in line with last year, less net acquisition and disposal credits of £0.5m (FY 2024/25: a net expense of £1.9m).

The net acquisition and disposal credits of £0.5m comprises a net reduction in the fair value of contingent consideration payable on past acquisitions of £5.8m less £1.3m fair value adjustments on acquired inventory, £3.2m of costs associated with acquisitions, £0.4m of acquisition integration costs and £0.4m of GMP equalisation payments in respect of the Group's legacy pension scheme.

Financing costs

Net finance costs for the year were £9.1m (FY 2024/25: £10.4m) and include a £1.3m charge for leased assets under IFRS 16 (FY 2024/25: £1.0m) and a £0.6m charge for amortised upfront facility costs (FY 2024/25: £0.6m). Excluding these, net finance costs related to our banking facilities were £7.2m (FY 2024/25: £8.8m), a reduction of 20%, due to lower average net debt balances during the year and lower base rates for our main borrowing currencies (Sterling, US Dollars and Euros), all of which reduced during the year. The Sterling base rate and US Dollar Federal rate both reduced by 0.75ppts to 3.75%, while the ECB lending rate reduced by 0.5ppts to 2.15%.

FINANCIAL REVIEW CONTINUED

Profit before tax and EPS

Following the reduction in net finance costs, adjusted profit before tax for the year of £51.9m was £1.8m higher (+4%) than last year (FY 2024/25: £50.1m) with adjusted EPS for the year increasing by 4% to 40.3p (FY 2024/25: 38.7p).

£m	FY 2025/26		FY 2024/25	
	PBT	EPS	PBT	EPS
Adjusted	51.9	40.3p	50.1	38.7p
<i>Adjusting items</i>				
Amortisation of acquired intangibles	(16.3)		(16.2)	
Acquisition & disposal credit/(expenses)	0.5		(1.9)	
Reported	36.1	29.4p	32.0	25.0p

After adjusting items, reported profit before tax was £36.1m, 13% higher than last year (FY 2024/25: £32.0m) with reported fully diluted earnings per share of 29.4p, 18% ahead of last year (FY 2024/25: 25.0p).

Working capital and asset returns ratios

Working capital at 31 March 2026 was £81.8m (FY 2024/25: £79.0m) with a £2.4m increase from acquisitions and £1.3m of working capital investment offset by a £0.9m reduction from foreign exchange translation. This is equivalent to 16.6% of final quarter annualised sales at CER, a 0.6ppts improvement on last year (FY 2024/25: 17.2%).

Working capital KPIs have remained robust during the year with debtor days of 47 (1 day higher than last year), creditor days of 74 (6 days lower than last year) and stock turns of 3.2 (0.1 turns higher than last year).

ROCE for the year of 15.2% was above our 15.0% target although slightly below last year (FY 2024/25: 15.8%) due to the impact of acquisitions and operational investment this year.

Return on Tangible Capital Employed ("ROTCE") for the year, which excludes goodwill, intangible assets and non-operational assets, was 45.1%. This illustrates both the strong returns being generated by the Group's operational assets, and our capital-light requirements with capital expenditure of only 1.5% of sales (FY 2024/25: 1.4%). ROTCE was 7.0ppts lower than last year (FY 2024/25: 52.1%) due to £13m of additional right-of-use assets, capitalised under IFRS16.

Cash flow

Net debt at 31 March 2026, excluding IFRS16 leases, was £80.5m, compared with £94.3m at 31 March 2025 with the reduction in the year of £13.8m driven by strong free cash generation partly offset by the acquisition of Storm, payment of earn-outs and last year's final dividend.

£m	FY 2025/26	FY 2024/25
Opening net debt	(94.3)	(104.0)
Free cash flow (see table below)	36.6	40.4
Dividends	(12.2)	(11.7)
Acquisitions & disposals	(9.5)	(19.8)
Equity issuance	0.1	-
Amortisation of debt fees	(0.6)	(0.6)
Foreign exchange impact	(0.6)	1.4
Net debt at 31 March	(80.5)	(94.3)

Acquisitions and disposals cash outflow of £9.5m in the year comprised £4.3m for the acquisition of Storm, £2.8m payment of earnouts related to Hivolt and CPI, £1.1m of acquisition expenses, £0.7m of integration expenses and £0.6m of acquisition & disposal completion payments.

Dividends of £12.2m were paid during the year, an increase of 4% over the prior year.

The impact of movements in Sterling in the year led to an FX loss of £0.6m compared with an FX gain last year of £1.4m. The Group's policy is to hold net debt in currencies aligned to the currency of its cash flows in order to protect the gearing of the Group.

Adjusted operating cash flow and free cash flow for the year (see definitions in note 6 to the Group consolidated Financial Statements) compared with last year are shown below:

£m	FY 2025/26	FY 2024/25
Adjusted profit before tax	51.9	50.1
Net finance costs	9.1	10.4
Non-cash items	14.5	15.1
IFRS 16 - lease payments	(7.9)	(7.5)
Adjusted EBITDA	67.6	68.1
Changes in working capital	(5.5)	0.3
Capital expenditure	(6.6)	(6.1)
Adjusted operating cash flow	55.5	62.3
Finance costs	(7.2)	(9.0)
Taxation	(10.7)	(10.6)
Legacy pension	(1.0)	(2.3)
Free cash flow	36.6	40.4

Adjusted EBITDA of £67.6m was £0.5m lower than last year (FY 2024/25: £68.1m) due to lower non-cash items, principally being a lower share-based payment charge.

During the year, the Group invested £5.5m in working capital supporting strong sales and orders in the final quarter. This compares with a small inflow last year of £0.3m.

Capital expenditure of £6.6m was invested during the year, being 1.5% of sales, similar to last year (FY 2024/25: £6.1m at 1.4% of sales). This included investment in our expanded Thailand facility and our new Indian facility (due to complete in August 2026) together with various new production line extensions.

Capital expenditure levels are expected to increase to c.£9m for next year with the completion of the Indian facility and a new facility in Norway.

£55.5m of adjusted operating cash flow was generated in the year (FY 2024/25: £62.3m) being 91% of adjusted operating profit, comfortably ahead of our 85% target (FY 2024/25: 103%). This conversion rate is lower than last year due to investments in working capital to support growth.

Finance cash costs of £7.2m were £1.8m below last year due to lower net debt balances during the year and lower base rates for our main borrowing currencies (Sterling, US Dollars and Euros), all of which reduced during the year. Corporate income tax payments of £10.7m were broadly in line with last year (FY 2024/25: £10.6m).

Free cash flow (being cash flow before dividends and acquisitions) of £36.6m was generated in the year (FY 2024/25: £40.4m) at a free cash conversion rate of 92% of adjusted earnings, again ahead of our 85% target (FY 2024/25: 106%). Over the past decade, the Group has consistently achieved high levels of adjusted operating cash and free cash conversion, both averaging around 100%.

Banking facilities

The Group has a £240m syndicated banking facility which, in November 2025, was extended to May 2030 with extension options to May 2032. In addition, the Group has an £80m accordion facility which it can use to extend the total facility up to £320m, subject to bank approval. The syndicated facility is available both for acquisitions and for working capital purposes and comprises seven lending banks. As part of the renewal, our gearing covenant was increased from 3.0x to 3.5x which provides us with additional flexibility to operate temporarily above the upper end of our target gearing range of 2.0x to optimise execution of our acquisition pipeline.

With net debt (excluding IFRS 16 leases in accordance with our banking covenants) at 31 March 2026 of £80.5m, the Group's gearing ratio at the end of the year (being net debt excluding IFRS 16 leases divided by Adjusted EBITDA as annualised for acquisitions) was 1.2x.

With the acquisition of Trival completed in April 2026 and the recently announced acquisition of 3C, proforma gearing at 31 March 2026 was 2.2x which is forecast to reduce to 1.8x by the end of this new financial year, comfortably within our target range.

Defined benefit pension scheme

In January 2025, the Group completed the buy-in of its legacy UK defined benefit pension scheme with Just Retirement Limited for a premium of £29.1m, funded primarily from existing scheme assets. The buy-in delivers greater security for scheme members, whilst substantially removing the Group's exposure to defined benefit liabilities and investment, longevity, interest rate and inflation risks in respect of the scheme.

Balance sheet

Net assets of £328.6m at 31 March 2026 were £20.6m higher than at the end of the last financial year (31 March 2025: £308.0m). The increase primarily relates to net profit after tax for the year of £29.0m being partly offset by dividends paid during the year of £12.2m. The movement in net assets is summarised below.

£m	FY 2025/26
Net assets at 31 March 2025	308.0
Net profit after tax	29.0
Dividend paid	(12.2)
Currency net assets – translation impact	2.1
Gain on defined benefit scheme	0.2
Issue of shares	0.2
Share based payments (inc tax)	1.3
Net assets at 31 March 2026	328.6

Risks and uncertainties

The principal risks faced by the Group, which are set out in further detail on pages 79 to 84, comprise: the economic environment, particularly linked to the geopolitical issues arising from the ongoing conflicts in the Middle East and Ukraine; the imposition of US trade tariffs and counter tariffs; the performance of acquired companies; climate-related risks; loss of major customers or suppliers; technological changes; major business disruption; cyber security; loss of key personnel; control risk; product liability; liquidity and debt covenants; exposure to adverse foreign currency movements; and non-compliance with legal and regulatory requirements.

The Board reviewed the Group's principal risks and the mitigating actions and processes in place during the financial year. The Board's view is that risks associated with the macroeconomic environment, including the impact from US tariffs and cyber attacks have increased during the financial year with no material change to the relative importance or quantum of the Group's other principal risks.

The risk assessment and review are an ongoing process, and the Board will continue to monitor risks and the mitigating actions in place. The Group's risk management processes cover identification, impact assessment, likely occurrence and mitigation actions where practicable. Some level of risk, however, will always be present. The Group is well positioned to manage such risks and uncertainties, if they arise, given its strong balance sheet, committed banking facility of £240m and the adaptability we have as an organisation.

Simon Gibbins

Group Finance Director

OUR ENGAGEMENT WITH STAKEHOLDERS

Stakeholder engagement remains vital to building a sustainable business and we interact with many stakeholders at different levels of the Group. Engagement is carried out by those most relevant to the stakeholder group or issue. The table below identifies some of our stakeholders and how we engage with them.

Our people	Customers	Shareholders
<p>Why it is important to engage</p> <p>Employee engagement is critical to our success. We work to create a diverse and inclusive workplace where employees can reach their full potential. Engaging with our employees ensures we can retain and develop the best talent. Please see pages 92 to 95 for more information on employee engagement.</p>	<p>Why it is important to engage</p> <p>Understanding the needs of our customers allows us to provide application-specific products, which both add value and differentiate our customers from their competitors. We engage with our customers to build trusting relationships from which we can mutually benefit.</p>	<p>Why it is important to engage</p> <p>We engage with Shareholders to understand their requirements and generate returns and value. We ensure that we provide timely disclosures and fair, balanced and understandable information to Shareholders and investment analysts and work to ensure that they have a strong understanding of our strategy, performance, culture and ambition.</p>
<p>Stakeholder key interests</p> <ul style="list-style-type: none"> ■ Health and safety ■ Remuneration and benefits ■ Career opportunities ■ Employee engagement ■ Training and development ■ Well-being ■ Reputation 	<p>Stakeholder key interests</p> <ul style="list-style-type: none"> ■ Safety, quality, efficiency and reliability ■ Engineering capabilities ■ Technical know-how ■ Competitiveness ■ Our availability and responsiveness ■ Relationship ■ Compliance ■ Convenience ■ Range of products 	<p>Stakeholder key interests</p> <ul style="list-style-type: none"> ■ Growth ■ Financial performance and economic impact ■ Governance and transparency ■ Operating and financial information ■ Confidence in the Group's leadership ■ Dividend growth ■ Resilience and sustainability
<p>Ways we engage</p> <ul style="list-style-type: none"> ■ Employee surveys ■ Regular town hall meetings ■ Board and Group management visits to operating companies ■ Annual performance evaluations ■ Newsletters ■ Employee events ■ Social media ■ Apprenticeship and placement programmes ■ Online learning and development portal ■ Fair pay ■ Recognition and reward ■ Whistleblowing reports ■ Internal audits 	<p>Ways we engage</p> <ul style="list-style-type: none"> ■ Customer visits, telephone calls, engineering visits ■ Participation in industry forums and events ■ Social media and commercial websites ■ Contract negotiation, implementation and management of ongoing relationships ■ Customer audits of our manufacturing facilities ■ Trade shows and exhibitions ■ Distributor conferences ■ Geographical footprint allows us to meet customers in their locations ■ Satisfaction surveys 	<p>Ways we engage</p> <ul style="list-style-type: none"> ■ Regular market updates ■ Investor presentations ■ 1:1 and group meetings ■ Site visits ■ Corporate website, including dedicated investor section ■ Shareholder consultations ■ Annual reports ■ Annual General Meetings ■ Capital Markets Days ■ Investor conferences and roadshows

<p>Suppliers</p> <p>Why it is important to engage</p> <p>Our external supply chain and our suppliers are critical to our performance. We engage with our suppliers to build trusting relationships from which we can mutually benefit and to ensure that they are performing to our standards and conducting business to our expectations.</p> <p>Stakeholder key interests</p> <ul style="list-style-type: none"> Quality management Cost-efficiency Long-term relationships Responsible procurement, trust and ethics Technological advances, including digital solutions Knowledge sharing <p>Ways we engage</p> <ul style="list-style-type: none"> Joint customer visits Supplier audits Employee training Regular business reviews Geographical footprint allows smaller suppliers to operate globally Logistics efficiencies Supplier conferences
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<p>Our operating businesses</p> <p>Why it is important to engage</p> <p>We operate a decentralised model where our operating businesses are empowered to innovate and grow, and decision-making takes place on the front line and close to customers. Our businesses are key stakeholders of the Group and are vital for our growth strategy.</p> <p>Stakeholder key interests</p> <ul style="list-style-type: none"> Operational and financial performance International expansion Capital investment Collaboration Strategic guidance Resources and support <p>Ways we engage</p> <ul style="list-style-type: none"> Quarterly business reviews Regular site visits and management meetings Operating business management forums Support in specialist areas, such as tax, legal and commercial, M&A, and ESG Knowledge-sharing webinars Internal audit and compliance Internal conferences
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<p>Global communities</p> <p>Why it is important to engage</p> <p>We support communities and groups local and relevant to our operations and consider the environmental and social impacts of our operations.</p> <p>Stakeholder key interests</p> <ul style="list-style-type: none"> Local operational impact Health and safety Environmental performance Employment <p>Ways we engage</p> <ul style="list-style-type: none"> Charitable donations and volunteering Corporate and operating company websites Local environmental initiatives Prioritising local employment

The Group promotes policies and procedures that consider the interests of the Group’s employees, the need to foster reasonable business relationships with suppliers, customers and others, the impact of the Group’s operations on its workforce, the community and the environment, and the maintenance of high standards of business conduct. Our policies and procedures, including our Stakeholder Engagement Policy, can be found on our Group website <https://www.discoverIEplc.com/sustainability/company-policies> and are referred to on page 45 of this Annual Report and Accounts.

Day-to-day responsibility for the implementation of policies (other than the Board Diversity Policy) is delegated to the management of discoverIE’s operating businesses, under the supervision of the Group Management Committee.

Where appropriate, the Group policies and procedures are supported by the local operating businesses’ policies, all within a framework established by the Board and Group Management Committee, intended to ensure that we operate as a Group to the highest standards.

The Group also has due diligence processes in place to support the ongoing assessment and management of risks associated

with both existing and newly acquired companies and the development of relationships with new suppliers.

These include site visits by both Executive and Non-Executive management, meetings with customers and suppliers and, where relevant, asking our suppliers to confirm compliance with Group policies.

As an international organisation, discoverIE takes account of cultural differences between the various territories in which it operates. discoverIE’s values are essential to how it operates and to the long-term success and growth of the Group.

Management considers environmental, social and governance matters in its actions and endeavours to show due respect for human rights and works to high standards of integrity and ethical propriety.

discoverIE believes that who we are and how we behave matters not only to our employees but also to the many other stakeholders who have an interest in our business. In the last five years, no disciplinary action has been taken against any person for reporting any whistleblowing issue.

SECTION 172 STATEMENT

The Board of discoverIE Group plc takes seriously its duties to act in accordance with legal requirements and appropriate business and ethical standards. This includes fulfilling the duties described in Section 172 of the Companies Act 2006 (the “Act”).

Section 172

A director of a company must act in the way they consider, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole, and, in doing so, have regard (among other matters) to:

- The likely consequences of any decision in the long-term;
- The interests of the company’s employees;
- The need to foster the company’s business relationships with suppliers, customers and others;

- The impact of the company’s operations on the community and environment;
- The desirability of the company maintaining a reputation for high standards of business conduct; and
- The need to act fairly as between members of the company.

The information below describes how the Directors have had regard to the matters referred to in Section 172 of the Act in performing their duties and constitutes the Board’s Section 172 Statement for the year ended 31 March 2026.

Section 172 of the Companies Act 2006	The discoverIE Board’s response
<p>Long-term decision-making (s.172(a))</p> <p>The Board delegates day-to-day management and decision-making to its senior management team, but it maintains oversight of the Group’s performance, and reserves to itself specific matters for approval, including the strategic direction of the Group, acquisitions and disposals, and entering into material contracts above set thresholds.</p> <p>The Board monitors performance against strategy and that decision-making is appropriate by receiving regular updates, in Board and Committee meetings and at other intervals, as appropriate. Members of the Board also hold individual meetings with members of the wider management team on a regular basis.</p> <p>Processes are in place to ensure that the Board receives all relevant information to enable it to make well-judged decisions for the long-term success of the Group and its various stakeholders.</p>	<p>In FY2026, the Board:</p> <ul style="list-style-type: none"> ■ Considered long-term sustainability-related issues and their potential impact on the Group’s strategy and ongoing performance, including ongoing monitoring of climate-related risks and opportunities and the Group’s net-zero targets and related plans. For further details on our strategy and business model, please see pages 10 to 17 and for details of progress relating to sustainability, please see pages 42 to 73. ■ Considered a number of acquisition proposals. The Board only approves an acquisition if it is satisfied, after full consideration, that it meets the Section 172(1) requirement that it is most likely to promote the success of the Group for the benefit of its members as a whole, and it considers the value projected to be added to the Group, over a defined future period. This judgement is recorded. During the year, the Board approved the acquisitions of Storm Interface (completed December 2025) and Trival Antene (completed April 2026). ■ Received presentations on specific business areas and, through ongoing discussion with business leaders, determined strategic priorities for a three-year period, and the development of robust supporting operating plans. ■ Agreed the Group’s principal risks, considered emerging risks and received regular risk management and internal control reviews throughout the year. The Group’s principal risks can be found on pages 79 to 84, our approach to emerging risks can be found on page 77 and the work of the Audit and Risk Committee can be found in the Audit and Risk Committee Report on pages 104 to 109. ■ Set annual budgets and capital allocation, and oversaw business performance against targets, enabling the Board to confirm the Group’s outlook for the year ahead, the going concern statement and its longer-term viability.
<p>Employee interests (s. 172(b))</p> <p>The success of the Group depends upon a highly skilled and motivated workforce, an entrepreneurial and innovative culture, set within structures that provide fairness for all.</p>	<p>In FY2026, the Board:</p> <ul style="list-style-type: none"> ■ Received updates on the impact on staff of global and local inflation rates. ■ Continued to ensure that the communications between the Board, Group Management Committee, individual operating companies and Group employees were optimised. Board members also joined an internal conference in Poland, which was attended by over 100 colleagues globally, to celebrate the 100th anniversary of Noratel. ■ Reviewed Board and senior management remuneration and employment relations and arrangements across the Group. <p>For a summary of our employee engagement activities, please see page 38 and pages 92 to 95.</p>

Section 172 of the Companies Act 2006	The discoverIE Board's response
<p>Relations with external parties (s. 172(c))</p> <p>The Group works with a large number and variety of customers, suppliers and other third parties. It is of great importance that relations with those parties are appropriate.</p>	<p>In FY2026, the Board:</p> <ul style="list-style-type: none"> ■ Regularly considered the marketplaces within which the Group's customers operate and the challenges they face, and opportunities available. This helped shape the way in which resources were allocated in order to ensure that the Group was well positioned to meet customer needs. ■ Considered the impacts on customers and suppliers of global economic uncertainties, enabling resources to be allocated to the most appropriate territories. <p>Please see pages 38 to 39 for more details on our approach to stakeholder engagement.</p>
<p>Community and environment (s. 172(d))</p> <p>Wherever the Group operates, it forms a part of its local community and, more broadly, seeks to ensure that it provides a positive contribution to the environment.</p>	<p>In FY2026, the Board:</p> <ul style="list-style-type: none"> ■ Continued its focus on environmental, social and governance matters, as demonstrated by the focus of the Sustainability Committee, which met three times over the course of the year. Further details can be found in this report on pages 42 to 73. ■ Oversaw completion of the Group's net-zero emissions submission to the Science Based Targets initiative (SBTi) and subsequent approval. ■ Continued its support for the Community Foundation for Surrey.
<p>Reputation for high standards of business conduct (s.172(e))</p> <p>The Board is responsible for developing a corporate culture across the Group that promotes integrity and transparency. It has established comprehensive systems of corporate governance, which promote corporate responsibility and ethical behaviour.</p>	<p>In FY2026, the Board:</p> <ul style="list-style-type: none"> ■ Received regular reports from the Head of Risk focused on strengthening governance and compliance frameworks, enhancing the integration of acquisitions into the Group, and supporting the identification and management of existing and emerging risks. ■ Reviewed and approved the Group's material controls, approved the scope of the Group's material controls work, and oversaw the completion of a dry run exercise in preparation for a formal declaration under Provision 29 of the UK Corporate Governance Code in FY2027. ■ Approved the Group's Modern Slavery Act Statement. <p>Please see page 45 for further details on our Group Policies.</p>
<p>Acting fairly as between members of the Company (s.172(f))</p> <p>The Board aims to understand the views of Shareholders and always act in their best interests.</p>	<p>In FY2026, the Board:</p> <ul style="list-style-type: none"> ■ Maintained close relations with its main Shareholders through regular dialogue, both after the publication of full-year and half-year results, and on an ad hoc basis. ■ Approved value-enhancing acquisitions, Storm Interface (completed December 2025) and Trival Antene (completed April 2026). ■ Received investor relations updates at every Board meeting and direct feedback from investors on publication of trading results and updates. ■ Communicated with Shareholders ahead of the Annual General Meeting on 24 July 2025 and then met with Shareholders at that meeting.

Other key activities

The Board met regularly throughout the year and, in the year ended 31 March 2026, held six meetings. The Board's agenda considers all relevant matters at scheduled meetings.

As part of its regular programme of Board activities, the Board also receives reports from the Group Chief Executive, the Group Finance Director and the Group General Counsel & Company Secretary, keeping the Board informed as to financial and commercial performance and regulatory and legal affairs.

SUSTAINABILITY REPORT



“

We end the year with renewed confidence that our sustainability strategy is fit for purpose, and will support the growth of our businesses as we look towards our 2030 targets and beyond.”

Rosalind Kainyah
Chair of the Sustainability Committee

Dear Shareholder,

Sustainability at discoverIE is central to both our purpose and our business model. Our strategy focuses on technologies that are crucial to solving some of the world’s most pressing social and environmental problems, and we partner with customers who share our goal of enabling technology for a sustainable world. In our own operations, we regard sustainability as a core business management tool. Throughout the past year, and despite the challenges in both geopolitical and regulatory landscapes, we have maintained our sustainability focus.

Our target markets are aligned to the following UN Sustainable Development Goals (“SDGs”):

- SDG 3 Good Health and Well-being;
- SDG 7 Affordable and Clean Energy;
- SDG 9 Industry, Innovation and Infrastructure;
- SDG 11 Sustainable Cities and Communities; and
- SDG 13 Climate Action.

We deliver sustainable growth for our business through the design and manufacture of innovative electronic components that support the transition to a low-carbon economy, promote better healthcare technologies, and bring people and communities together through connectivity solutions. Our over 30 operating businesses have a presence in 21 countries around the globe, providing employment to c.4,600 people. Most of our businesses are small or medium-sized, and our challenge is to balance relevant and actionable local programmes (such as carbon reduction, energy efficiency, or training and development) with the regulatory demands of a large multi-national group. We know that fostering a safe, inclusive and supportive environment for our employees, focused on their personal development and growth, not only reflects our values but is essential to our success. We also recognise

that the responsible use of resources such as energy, rare minerals, plastics and water, and active management of climate risks, are critical to our long-term resilience.

We are delighted to be able to report that we not only met but exceeded our short-term greenhouse gas emissions reduction target of a 65% reduction from our calendar year (“CY”) 2021 base year emissions in Scope 1 and 2, achieving a reduction of 68%. We also took a significant step forward in our ambition to reduce emissions from the use of natural gas in future by approving the replacement of our gas heating system at Noratel’s site in Poland with a fully electric system, capable of both heating and cooling. Not only will this allow our site to adapt more swiftly to a warming climate, and improve the working environment for colleagues, it also supports energy security and will remove over 100 tCO₂e from our annual greenhouse gas emissions.

It is a credit to the leaders and employees of our operating companies that even with a more stringent definition of a lost time incident introduced last year, the number of serious safety incidents declined during the year. However, we are not resting on our laurels. Every health and safety incident means there is room for improvement, and we continue to enhance our safety reporting, culture and knowledge-sharing across our businesses.

Although the uncertainty surrounding the future requirements of sustainability reporting (particularly the European Corporate Sustainability Reporting Directive) could have made it easy to lose focus on our sustainability pathway, we took the opportunity to review our Sustainability Strategy, and to carry out a materiality assessment of our sustainability risks and opportunities. This exercise deepened the interaction with operating businesses, and gave the Board, the Executives and the Group Sustainability Team renewed confidence that our strategy is fit for purpose, and will support the growth of our businesses as we look towards our 2030 business and sustainability targets.

Rosalind Kainyah
Chair of the Sustainability Committee
2 June 2026

Tonnes CO₂e abated

5,952

Scope 1 and 2 vs 2021

Employees protected

3,297

**under an ISO 45001
management system**

**Products manufactured
under ISO 9001**

96%

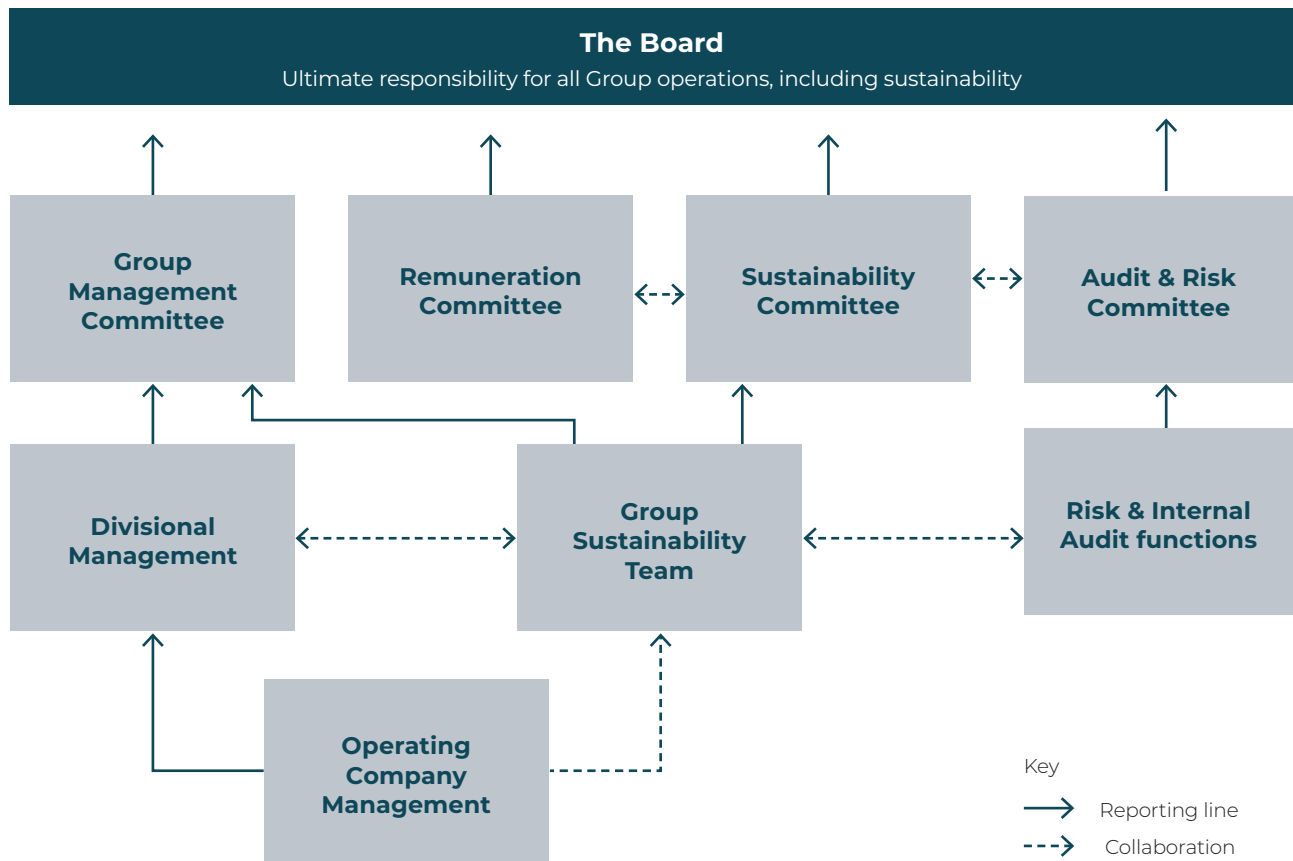
of annual revenue



SUSTAINABILITY REPORT CONTINUED

Sustainability governance

The Board has overall responsibility for overseeing our approach to sustainability and has delegated detailed consideration of sustainability strategy, policies and performance to the Sustainability Committee. The Committee monitors practices and performance throughout the organisation. This is supported by our wider governance structure, as outlined in the diagram below.



The Sustainability Committee is supported by the Group Sustainability Team (“GST”), which reports to both the Committee and Group Management Committee (“GMC”). The GST consolidates sustainability data across the Group, reports performance and supports operating businesses in managing their key sustainability risks and priorities.

The responsibilities of the Committee are supported by our policies that define the standards expected across the Group and underpin the culture we expect in managing sustainability matters. These can be found on our website at www.discoverieplc.com/sustainability/company-policies.



Our policies

Policy	Comment
Anti-Bribery & Corruption Policy	<ul style="list-style-type: none"> The Group has a zero tolerance approach to bribery and corruption matters. This is supported by our policy, translated into all of the Group's predominant languages, and our mandatory global training programme for employees.
Board Diversity Policy	<ul style="list-style-type: none"> The Board adopted its first Diversity Policy in May 2021 and updated it in March 2025, revising its targets to align with the current size and composition of the Board whilst maintaining its commitment to diverse representation.
Business Ethics Policy	<ul style="list-style-type: none"> discoverIE is committed to strong ethical values and good corporate practice, and aims to conduct its operations on sound business principles with trust, honesty and integrity. This Policy defines the standards we expect from employees and business partners.
Conflict Minerals Policy	<ul style="list-style-type: none"> This Policy seeks to ensure that none of the Group's operations are exposed to sourcing conflict minerals anywhere in its operations.
Environmental Policy	<ul style="list-style-type: none"> This Policy defines the Group's environmental objectives and standards.
Human Rights Policy	<ul style="list-style-type: none"> Respect for the well-being of all people, staff, customers, suppliers and other stakeholders alike is at the core of who we are and how we work. Treating people fairly, with dignity and respect is essential to our long-term success. This Policy sets out the Group's expectations on the fair and respectful treatment of people.
Modern Slavery Statement	<ul style="list-style-type: none"> discoverIE is committed to ensuring that no forms of modern slavery exist in its business operations or supply chains. This statement sets out the steps taken to prevent modern slavery within the Group's operations and supply chain.
Supplier Code of Conduct	<ul style="list-style-type: none"> This Code defines the Group's basic requirements of suppliers, including their responsibilities to their stakeholders and the environment.
Sustainability Policy	<ul style="list-style-type: none"> This Policy sets out the Group's commitment and priorities on environmental and social matters considered important for the Group's long-term sustainability.
Group Tax Strategy	<ul style="list-style-type: none"> This Policy sets out the Group's approach to minimising our exposure to material tax risk, ensuring that tax affairs are managed efficiently, complying with tax laws in all jurisdictions and avoiding aggressive tax planning.
Whistleblowing Policy	<ul style="list-style-type: none"> The Group encourages a "speak up" culture at all levels, if any kind of risk exists or wrongdoing has occurred. This Policy supports this culture and provides a secure and confidential reporting mechanism, including a hotline to an independent third-party that has been made available and advertised to staff at all Group locations.
Stakeholder Engagement Policy	<ul style="list-style-type: none"> This Policy defines the Group's approach to engaging with all stakeholders appropriately and equitably.

The Board's knowledge, expertise and skills in sustainability matters are assessed regularly as part of a broader external Board evaluation process.

The Board is supported by the GST, which comprises members with sustainability, finance, legal and operations expertise. The GST works closely with the Group's auditors and other specialist sustainability advisors to ensure that the GST has the necessary skills to drive sustainability across the Group and support the operating businesses in the identification of sustainability-related risks and opportunities and the implementation of the Group's sustainability strategy.

The GST works closely with the Group Risk and Internal Audit and Group Finance teams to identify, assess and address sustainability-related risks and opportunities, including climate and social issues. These risks are incorporated into our Group-wide risk management processes along with all other organisational risks and opportunities. The Board oversees sustainability-related risks and opportunities that are financially material to the Group as part of this process.

In line with the Group's decentralised structure, sustainability topics are managed at the operating business level. Local management teams report to their respective business unit directors, who report to the GMC. Sustainability-related decisions are also taken at the operating company level, by managers best placed to understand their business. Financial resources to meet any requirements arising from these decisions are made available to the businesses through the Group's standard financial forecasting and budget cycles, and capital expenditure released through the normal approval channels.

The GST maintains day-to-day oversight of sustainability-related risks and opportunities through regular reports received from the operating businesses, and management updates received from business unit directors. These reports are used to drive consistency, coherence and best practice across the Group, and to consolidate Group performance, which is then reported to the GMC and the Sustainability Committee. The Sustainability Committee met in May and November 2025, and in March 2026, and received detailed updates from the GST at each meeting.

SUSTAINABILITY REPORT CONTINUED

Our sustainability strategy:

Our sustainability strategy has three pillars: Our Planet, Our People and Our Products, connected to the three aspects of sustainability: environmental, social and economic.

Our purpose is to create innovative electronics that help to improve the world and people's lives, now and in the future. Achieving this over the long term requires managing sustainability-related risks and opportunities across the Group.



Voluntary staff turnover

12%

(FY2025: 18%)

Lost Time Incident Frequency Rate

0.16

(FY2025: 0.25)



Our Planet



We understand the urgent need to preserve our planet for future generations and to mitigate the impact of climate change. At discoverIE, we contribute to the transition to a low-carbon economy through our products, which help others reduce their emissions, and through our operations by committing to become a net-zero emissions business.

Our focus areas

Reducing greenhouse gas emissions and energy intensity. We are targeting SBTi-aligned net-zero emissions for Scope 1 and 2 by 2030 and for Scope 3 by 2040.



Our People



Our employees are our most valuable asset. They are responsible for developing innovative solutions, creating high-quality products and services, and building lasting relationships with customers. Their contribution is critical to achieving our long-term success.

Our focus areas

Maintaining a positive and diverse work environment that fosters creativity, collaboration and teamwork.

Ensuring healthy and safe working conditions.

Investing in our people through learning and development to ensure employees can grow and thrive.



Our Products



We produce high-quality, reliable products that play a critical role in the functioning of our customers' products, which have zero tolerance to failure, and bring considerable benefits to customers and the environment alike.

Our focus areas

Product quality and reliability, which are paramount to our customers.

Products with long lifecycles, and which are integral to our customers' systems.

Products that support the transition to a low-carbon economy.

The Board has set targets for each pillar in our sustainability strategy. These are described in more detail in the Sustainability in Action section on pages 49 to 55.

The operating businesses' performances against the targets are incorporated into the annual bonus process, with a proportion of annual bonus contingent on achieving those targets.

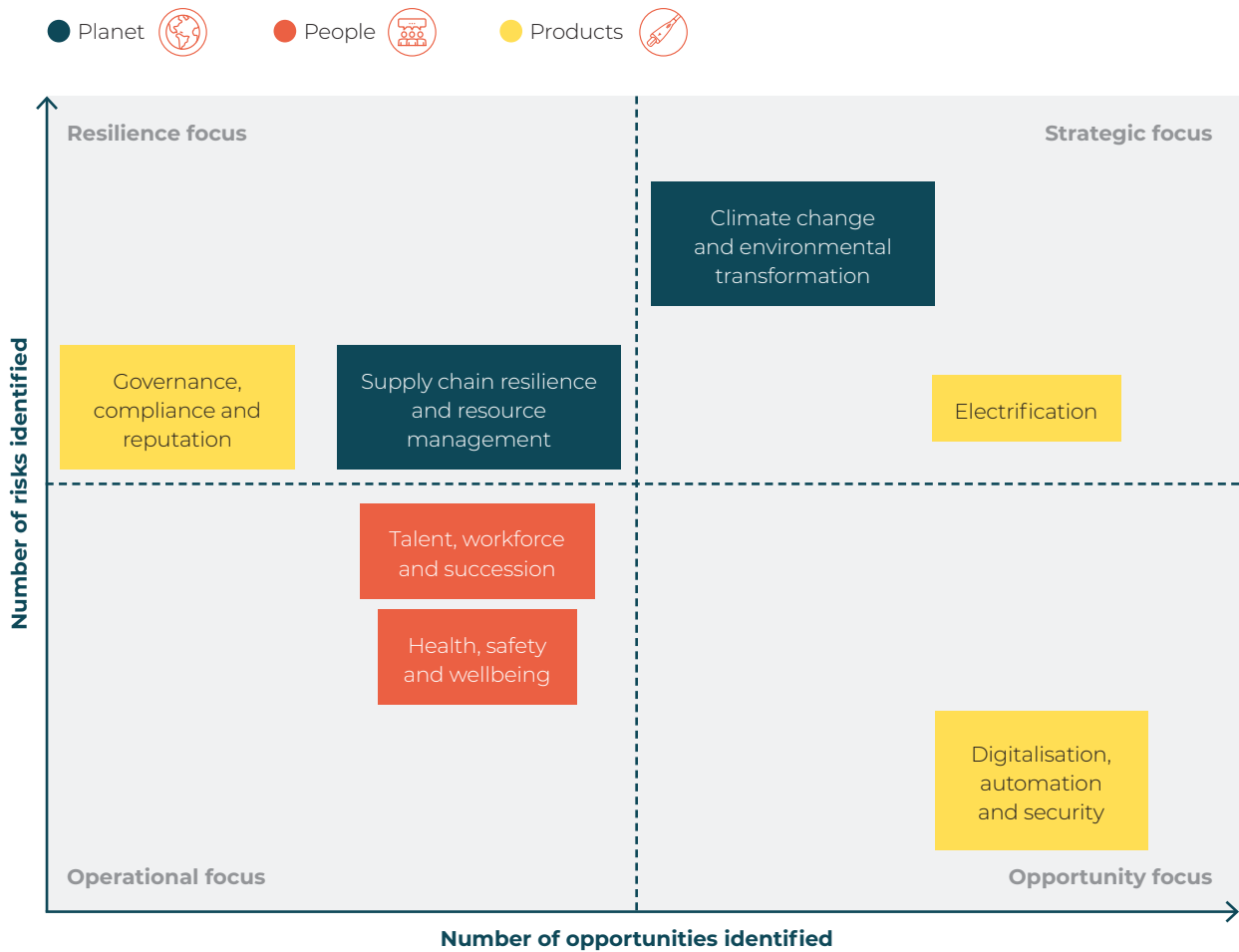
SUSTAINABILITY IN ACTION

Materiality Assessment

During the year, the GST carried out an internal review of sustainability-related risks and opportunities to assess whether our current Sustainability Strategy was still effective in its approach, and appropriate to our business operations.

This review drew on our Group Risk Register, business risk registers, 2025 TCFD Report, our business model and target markets. A long list of risks and opportunities was generated, which was then shared at sub-divisional level for review and validation.

The risks and opportunities identified as high priority were grouped by theme and mapped on to a matrix based on the number of risks and opportunities appearing in each theme. The assessment confirmed to the GST and the Board that the three pillars of our sustainability strategy remain appropriate to support our business.



The internal review revealed the topics above as important to the sustainable management of our businesses and resilience of the Group. All the topics identified are of high importance at the operating company level. However, due to the decentralised structure of the Group, not all topics are assessed as financially material at Group level, that is, likely to have a material impact on the Group's financial position or prospects.

We define "material" as any risk with a reasonable probability of impacting the financial position of the Group by £2.3m or more, in accordance with the materiality threshold set for the financial statements and agreed with the Group's auditors. Those that are believed to have a financially material impact are managed centrally by the GMC and Board. Those that are not financially material at the Group level are managed locally at the operating business level, in line with our decentralised approach.

SUSTAINABILITY IN ACTION

CONTINUED

The Climate Change risks and opportunities identified as material are described in detail in the Climate Analysis Report on pages 57 to 73. The opportunities identified under the Electrification and Security topics are explored in more detail in the Market Overview section on pages 18 to 23.

The Group's business model is aligned to the risks and opportunities identified during the materiality exercise. As a specialist supplier of bespoke products, we have close design relationships with our customers, and are well positioned to understand the impact of megatrends within our markets (such as electrification, digitalisation and urbanisation) on customers' portfolios.

The Group's decentralised model allows our businesses to retain an entrepreneurial culture, which enables them to react quickly to emerging risks and opportunities. The divisional organisation of our businesses also helps to concentrate market expertise close to our customers. For example, our Magnetics subdivision serves our renewable energy customers, whilst Controls operates across the breadth and depth of Medical and Security markets.

Our strategy is designed to deliver sustainable returns to our shareholders. Investment decisions, including those relating to sustainability, are assessed on a case-by-case basis using the Group's standard capital allocation processes. These assessments consider expected financial returns and opportunity costs alongside relevant non-financial factors including carbon reduction and energy security.

Acquisitions are evaluated in line with the Group's strategy of sustainable growth. Where businesses we acquire have a significant pre-existing greenhouse gas emissions profile, we work to abate their emissions through similar actions to those which have already proved successful in reducing the emissions of our legacy businesses.

Our products are high-quality and designed for long, safe and efficient operation. In parallel, our focus on our sustainable growth markets ensures we prioritise relationships with customers who share our vision of enabling technology for a sustainable world. In focusing on planet and people, in addition to product, we have constructed a sustainability framework that supports growth whilst reinforcing processes to minimise the negative impact to employees and the environment.

Risk management

The Group assesses, prioritises and monitors sustainability-related risks as an integral part of our Enterprise Risk Management ("ERM") process. No separate sustainability risk process exists; sustainability risks are embedded within our ERM. As described in the Risk Management section on pages 74 to 78, two risk management processes are conducted in parallel. A central review of the Group Risk Register is conducted, whilst a bottom-up review is simultaneously undertaken by the management teams at each operating company. From a sustainability management perspective, this method works well in identifying systemic macro risks, such as climate change,

at the Group level, whilst specific operational factors, such as situational health and safety risks, are managed by knowledgeable teams at the local level.

During the year, the GST worked with the Group Risk and Internal Audit team to gather non-financial and non-carbon sustainability information in conjunction with the bottom-up risk management review completed by the leadership of each business. This was to enhance consideration of sustainability-related risks and opportunities more closely at operational level, and to encourage businesses to capture such risks and opportunities in their value chains. The process improved visibility of sustainability-related risks at operating business level and did not identify any material gaps.

A local review of businesses' Risk Registers was combined with a sustainability risk screening questionnaire, which encouraged local teams to think more broadly about non-financial risks in their operations. Output from the questionnaire was consolidated and reviewed centrally to identify common themes across businesses which might develop into a Group-wide or financially material risk.

The Group's corporate structure provides resilience against sustainability risks. Under the decentralised structure, operating companies are responsible for managing and monitoring their business risks, supported by central functions that provide guidance.

Whilst the Group's structure limits the extent to which an unforeseen or unmanageable risk at the local business level affects the wider Group, risks are actively managed through targeted reporting, central oversight, the sharing of best practices, and risk management processes across the businesses. Where risks emerge, we make financial resources available to support appropriate management and mitigation.

Material sustainability topics

Our risk management process has assured us that only the risks and opportunities relating to climate adaptation, electrification and security have the potential to be of material financial impact to the Group. Of these, only climate adaptation is believed to pose a material risk. However, our materiality analysis also demonstrated that there are common sustainability themes across the Group with the potential to impact key stakeholders, including employees, suppliers and customers. The Board, therefore, continues to oversee these themes and track operational progress.



Our Planet

The risks and opportunities presented by climate change represent financially material challenges to the Group. Our focus on clean technologies drives our growth strategies, whilst the evolving threat of climate change presents challenges to our supply chains and operations that demand our attention. These risks and opportunities are analysed further in our Climate Analysis Report on pages 57 to 73.

Greenhouse gas emissions

We also recognise the importance of all companies acting to mitigate their impact on the planet through careful stewardship of their own emissions. In November 2022, we announced our commitment to achieve net-zero emissions and set science-based targets for the medium and long term and, in May 2025, we received validation of our targets from the Science Based Targets initiative (“SBTi”). We report progress on our net-zero short-term targets for Scopes 1 and 2 against the 2021 baseline, restated to exclude divestments and include acquisitions, in accordance with the Greenhouse Gas (“GHG”) Protocol.

We aim to achieve net-zero emissions for Scope 1 and 2 by 2030 and for Scope 3 by 2040 and have published an updated transition plan for net-zero Scope 1 and 2 emissions by 2030. Further details of our net-zero plan can be found at: www.discoverieplc.com/sustainability/our-net-zero-commitment/default.aspx

Our net-zero plan for Scope 1 and 2 focuses primarily on addressing four of the Group’s largest emission sources: electricity, natural gas, company cars and refrigerants. We are pleased to report that our efforts have been successful, and we have achieved an absolute reduction of 68% of Scope 1 and 2 emissions in CY2025 against the CY2021 baseline, in excess of our 65% reduction target.

Since CY2021, Scope 1 and 2 emissions reduction

68%

(CY2024: 59%)

Electricity from renewable or clean sources

85%

(CY2024: 83%)

Sites with ISO 14001 accreditation

33

(2025: 32)

SUSTAINABILITY IN ACTION

CONTINUED

Our targets

- Reduce Scope 1 and 2 emissions by 65% by 2025 against CY2021 baseline and to net-zero by 2030
- Source 80% of energy from zero-emission sources by 2025, and 100% by 2030
- 50% electric vehicles or hybrid in the company car fleet by 2025 and 100% by 2030
- Replace at least 50% of gas heating with lower-emission alternatives by 2030
- Reduce energy intensity by 10% by 2030
- 80% of revenue covered by ISO 14001 certification

Our progress

- In CY2025, we reduced Scope 1 and 2 emissions by 68% compared to the CY2021 baseline
- 85% of the Group's electricity is now sourced from renewable or clean sources
- 58% of the vehicles in our car fleet are now electric or hybrid
- In CY2025, natural gas emissions were 14% lower than the CY2021 baseline
- In CY2025, energy intensity was 27% lower than CY2021
- 74% of revenue is generated by operations with ISO 14001 certification

Further details of how we performed during CY2025 can be found in the Climate Analysis Report on pages 69 to 71.

We continue to make good progress in reducing our Scope 1 and 2 emissions across the Group. Key elements in achieving reductions to date include investing in solar panels at our Limitor manufacturing plant in Hungary, installing heat pumps for space heating at our Variohm Eurosensor site in the UK and exploring funding for dual fuel heat pumps at Beacon in the USA. We are considering future investments in solar panels and electric heating at other sites, where economically appropriate. Where available, we have also switched our sites' electricity supplies to renewable energy sources.

In CY2025, natural gas became our single biggest source of Scope 1 and 2 emissions, overtaking electricity. Our gas emissions from companies that have been members of the Group since CY2021 were 11% lower than in CY2021. Gas emissions from companies excluding Burster (acquired during CY2025) were equal to CY2024, as reduction opportunities identified over the last year will take time to generate reported GHG emission savings. As we understand our emissions profile more clearly, and as we investigate gas alternatives, we have increasingly come to understand that there is often not a cost-effective alternative technology available, even when factoring in the benefit of the GHG emissions saved. We have therefore updated our original target of a 90% reduction in natural gas emissions from

CY2021 to CY2029 to the more realistic 50% reduction from CY2021 by CY2030. We are confident that this will not prevent us from reaching our overall net-zero in Scope 1 and 2 by 2030 target, as we intend to achieve a 100% reduction in electricity emissions, offsetting the smaller planned gas reduction. We continue to balance increased activity with the identification of viable and cost-effective technologies to replace gas at our remaining sites.

In addition, the prevalence of natural gas as a fuel for heating in industrial applications means we often acquire new natural gas emissions with new businesses. 32% of our emissions from natural gas in CY2025 were generated by companies acquired since CY2021.

In March 2025, the GMC approved plans to replace all gas heating at the Noratel operating facility in Poland with an electric alternative, which is expected to reduce our GHG emissions from natural gas by over 100 tCO₂e p.a. from installation (expected in the second half of CY2026).

To ensure accuracy and fair representation of our greenhouse gas emissions and their reduction, we have engaged Carbon Footprint Ltd to provide independent assurance of our reported Scope 1 and 2 emissions for the second year running. Carbon Footprint have verified emissions reported for CY2021 (our base year), CY2024 and CY2025 in accordance with ISO 14064 Part 3, to a limited level of assurance.

During the year, we continued our efforts to identify and calculate Scope 3 emissions. The exercise covered the upstream emissions of the entire Group (100% of all Group companies) and included enhanced data for downstream transport emissions. Given the high-level calculation necessary to estimate our other downstream Scope 3 emissions (chiefly our emissions in use calculation) we are still reliant on general assumptions and approximations to gauge their impact. We will continue to refine our processes and methodology to incorporate all relevant reporting, whilst maintaining a practical balance between the effort required and the accuracy achievable. In parallel, we will use the enhanced understanding of the sources of our emissions to develop our future reduction plans and enhance our products' GHG performance, to effect real reductions. More information on our Scope 3 emissions can be found on pages 72 to 73.

Use of resources

Energy usage

Energy consumption during CY2025 was 2% higher, due to the acquisition of Burster. Like-for-like energy intensity increased by 2% in CY2025 compared to CY2024, and decreased by 27% compared to CY2021. This exceeds our target to reduce consumption by 10% by 2030. Almost all our operating company sites have implemented simple energy-saving measures, such as replacing lighting with energy-efficient LED alternatives. We must now start to explore more complex processes and operational improvements.



Water usage

Our production processes typically require no or very little water, with less than 10% of our water consumption used in production processes. Where water is used in production, it is mainly for cooling purposes, where recycled water is used. The main source of our water consumption is for drinking and sanitation purposes, and therefore the risk of water scarcity is not a material concern for the Group. However, we also recognise that water is a finite resource, particularly for our businesses in areas of high water stress, such as Thailand and India, and reducing water consumption is an essential step in preserving the environment. About half of our water is consumed in countries rated as 'High' or 'Very High' risk by the WRI Water Risk Atlas. We will continue work to understand risk, increase awareness and promote water-saving practices throughout the Group.

Waste management

We take measures to minimise waste in the manufacture of products, use recycling options where available and reduce packaging.

The majority of our products are non-hazardous. Where hazardous items are involved, environmental risks are minimised by use of appropriate labelling and technical information, in conjunction with training and procedures for handling, storage and disposal.

As an electronics and electrical manufacturer, we follow all relevant laws and regulations, including those governing electronic waste handling, storage and disposal.

By managing components and packaging to reduce our use of non-recyclable materials, we are helping to reduce our environmental footprint and promote more sustainable business practices. In addition, we are in the early stages of exploring the opportunities offered by circular economy principles. Our products are integrated into our customers' technologies, and they are built to last for as long as the systems will be in operation. Nevertheless, we also encourage our engineers to consider circularity principles

CASE STUDY

Limator Hungary save carbon and costs

In January 2026 our factory in Pécs, Hungary, became the latest addition to our solar panel fleet. In its first four months of operation, the system has already saved almost £7,000 of electricity cost and reduced the GHG emissions of the site by over 26 tCO₂e. With an annual estimated output of 65 MWh, the solar power installation is expected to generate approximately 30% of the site's current electricity usage, and to pay for itself within two years.

(such as ease of reuse, replacement and recyclability) when designing new solutions for our customers. We recognise that this expertise is in its infancy, and we will need to continue to work closely with our customers to understand more fully the benefits circular design can bring in future.

ISO 14001 accreditation

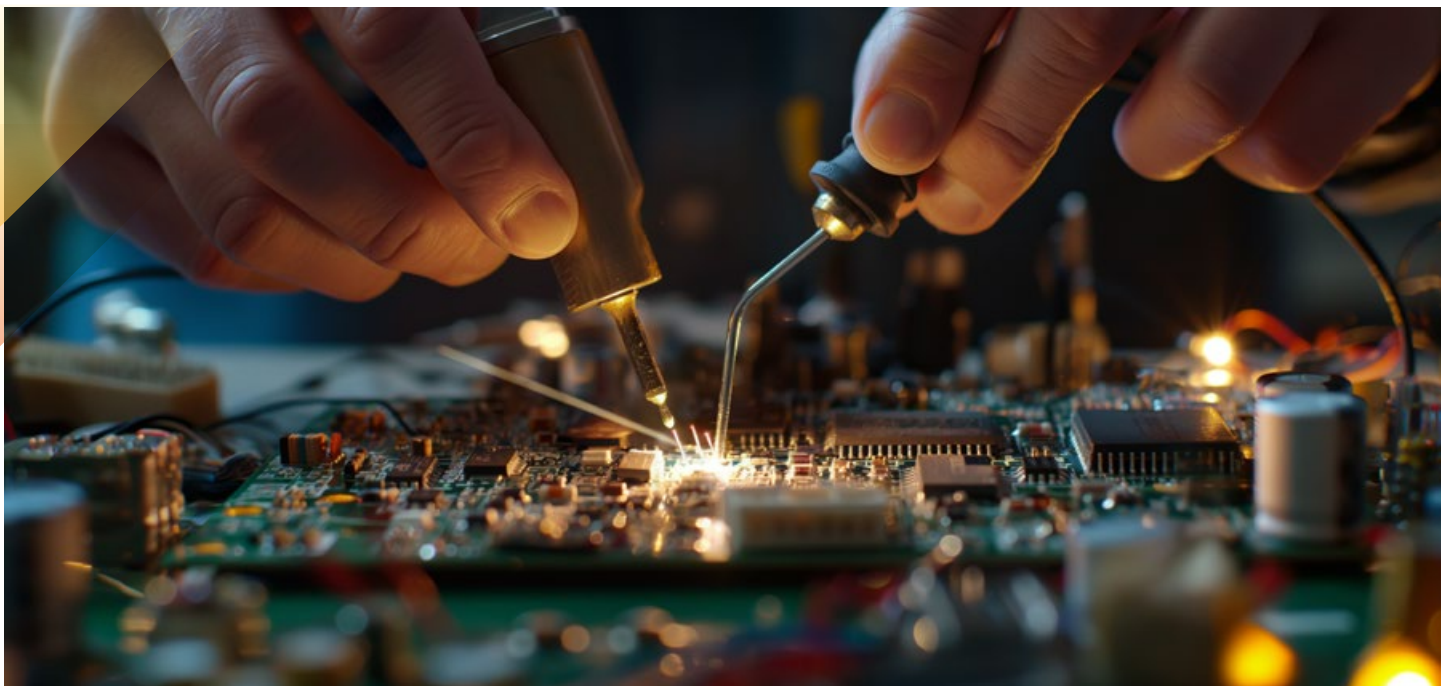
The ISO 14001 (Environmental Management System) accreditation is an internationally recognised standard that sets out certain requirements for environmental management. It helps organisations improve environmental performance through more efficient use of resources and reduction of waste, and provides an objective, independent view of an organisation's environmental credentials.

One further site achieved ISO 14001 accreditation in FY 2025/26. 33 of our 69 sites are now covered by this accreditation, generating 74% of Group revenue (FY 2024/25: 74%). This certification is becoming more important as customers place increasing focus on the environmental credentials of their value chain.

There were no fines relating to environmental non-compliance during the year or the previous three years.

SUSTAINABILITY IN ACTION

CONTINUED



Our People

Our employees are the engine of our business. Although we do not believe that there are any over-arching social risks or opportunities with the ability to have a material financial impact on the Group as a whole, we recognise the fundamental importance of a healthy and fairly paid workforce. The people pillar of our sustainability strategy seeks to support the key social aspects of our business.

Our culture

At discoverIE, we believe that a strong culture is key to achieving our mission and supporting our values. Our culture is built on a foundation of respect, fairness, and equality. We are committed to creating an inclusive workplace where everyone feels valued and empowered to contribute their best work.

Our targets

- Maintain the proportion of our global workforce working in operations with ISO 45001 accreditation

Our progress

- 72% of employees covered by an ISO 45001 certification (FY 2024/25: 73%)

Our culture is characterised by:

Diligence and determination:

We are dedicated to our work and take pride in delivering high-quality products and services to our customers.

Customer-centricity:

We prioritise our customers' needs and work closely with them to develop innovative solutions that meet their requirements.

Respect, fairness and courtesy:

We treat our colleagues with respect, fairness and courtesy, recognising that everyone's contributions are important to our success.

Open and constructive communication:

We believe in open and honest communication, with a willingness to listen and consider different perspectives.

Diversity and inclusion:

We value diversity and strive to create an open and inclusive environment where everyone has an equal opportunity to succeed.

High performance and target driven:

We are go-getters, driven by a desire to achieve excellence in everything we do.

Diversity and inclusion

We are committed to creating an inclusive and welcoming environment for all our employees. We believe that diversity is a strength and that everyone should be treated with respect, dignity and fairness. We are dedicated to providing equal opportunities for all individuals, regardless of their gender, race, ethnicity, social background, religion, sexual orientation, family responsibilities, disabilities, political opinion, age, sensitive medical condition or trade union membership. We foster a culture that values diversity and inclusion, where everyone feels respected, empowered and appropriately rewarded.

Our employment policies are fair, equitable and consistent with the skills and abilities of our employees and the needs of our businesses. Our policies aim to ensure that everyone is accorded equal opportunity for recruitment, training and promotion. We do not tolerate any form of discrimination, harassment or bias in the workplace, whether it be sexual, physical or psychological.

We recognise that diverse perspectives and backgrounds are essential to driving innovation, creativity and growth in our business. Therefore, we are committed to improving the diversity of our workforce and management team by promoting from within and proactively managing our recruitment process.

Our Board Diversity Policy sets out our aim to achieve a Board that is diverse, not only in gender and race, but also in cultural background, experience and expertise. Our Board Diversity Policy can be found on our website: www.discoverIEplc.com. See page 56 for further details of our diversity.

With two female Non-Executive Directors (one of whom is the Senior Independent Director) and one Non-Executive Director from a non-white ethnic minority background, we have met our target of 33% female representation at Board level and our target of having at least one person from a non-white ethnic minority background on the Board.

Gender diversity in the senior management team overall increased from 23% to 32% female. This increase was the result of a change in the management structure, under which operational Managing Directors now report to business unit directors, rather than directly to the GMC, reducing the number of roles held by men classified as senior management at Group level.

We recognise that this does not represent a substantive improvement in gender diversity and remain focused on initiatives to encourage more female colleagues to develop into positions at more senior levels.

Health and safety

We are committed to providing healthy and safe working conditions across our operations. In addition to compliance with local regulations, discoverIE promotes working practices that protect the health, safety and well-being of its employees and other persons who enter its premises.

During FY 2025/26, we were delighted to achieve a lower LTIFR than in recent years, dropping to 0.16 incidents per 100,000 hours worked, despite the stricter definition of a lost time incident introduced in FY 2024/25. Our employees suffered 15 incidents that resulted in the loss of one working day or more. Although we are pleased by the reduction, we recognise the severity of the impact an accident at work can have on anyone who suffers from such incidents. We therefore continue in our ambition to reduce this rate to as close to zero as possible.

In order to deepen our understanding of working patterns across the Group, and to support our engagement with employees, this year we have strengthened our reporting of working practices across our operating businesses. In addition to enhanced employee turnover information, we have also collected more detailed information on both employees' working patterns and their pay relative to living wage standards. We hope in future to build upon these developments to further strengthen our due diligence around modern slavery risks, and to enable sharing of best practices between our different operations.

We use the framework provided by ISO 45001 (Occupational Health and Safety Management System) to support our health and safety management processes locally. 72% of the Group's workforce work in operations with the accreditation (FY 2024/25: 73%), covering 21 of our 69 sites. The percentage of employees covered dropped 1% from last year due to the inclusion of new employees following our acquisition of Storm during the year. All sites with the accreditation retained their certifications, with 3,297 employees covered (FY 2024/25: 3,291).

There have been no work-related fatalities in the last five years.

Learning and development

Our operating companies plan for short- and long-term employment needs and skills requirements. All employees are encouraged to actively engage in career development and training opportunities that are available across the Group. Employees are also supported in developing their skills through role-specific training, which is scheduled and tracked.

The Group supports the learning and development of our employees through two digital channels. The first one is a series of webinars, covering a variety of topics, such as a technology deep dive, greenhouse gas emissions management, marketing and finance. The aim is to encourage knowledge and best practice sharing across the Group. The second is an online learning and development platform, which enables our operating businesses to manage their talent development and skill gaps, and our employees to take control of their learning experience. To date, ten operating businesses have adopted the platform. Time spent on learning per active user increased by 25% compared to the prior year.

SUSTAINABILITY IN ACTION

CONTINUED

Over 80% of employees receive annual performance appraisals, which include identifying their development needs.

Recruitment and retention

Clear, fair and competitive terms of employment are in place. It is Group policy to communicate with employees on major matters to encourage them to take an interest in the affairs of their employing company and the Group. Each operating business is encouraged to maintain effective employee engagement arrangements, including keeping employees aware of the financial and economic factors affecting their employing company's performance. Please see pages 38 and 39 for further details of our engagement.

We support the employment and advancement of disabled persons. Full consideration is given to applications for employment from disabled persons, where the candidate's particular aptitudes and abilities are consistent with adequately meeting the requirements of the job. Opportunities are available to disabled employees for training, career development and promotion. Where existing employees become disabled, it is the Group's policy to provide continuing employment in the same or an alternative position wherever practicable, and to provide appropriate training and support to achieve this aim.

We are committed to retaining our talented and skilled workforce. We achieve this by offering clear and fair terms of employment, competitive remuneration packages and regular communication with our employees on major matters. Consequently, we were pleased to see our voluntary staff turnover rate decrease from 18% in FY 2024/25 to 12% in FY 2025/26.

We balance offering employees secure employment with the demands of maintaining a flexible cost base. Whilst 90% of staff are employed by the Group, the remaining 10% are engaged as contractors or through carefully selected third-party agencies. Where employees are engaged through agencies, we ensure that the pay and conditions offered to them are commensurate with that of our own employees.

Community engagement

We value community engagement and strive to be an active participant in the local communities where we operate. We support local good causes by offering opportunities for employees to volunteer and through charitable donations.

Our commitment to community engagement is highlighted by the Group's support of the Community Foundation for Surrey and other employee volunteering opportunities.

As well as supporting the causes themselves, initiatives such as these motivate employees and increase their sense of purpose in working for an organisation that is keen to play a positive role in society.

No donations are made to political causes.

CASE STUDY

Noratel put their values into action supporting their local community

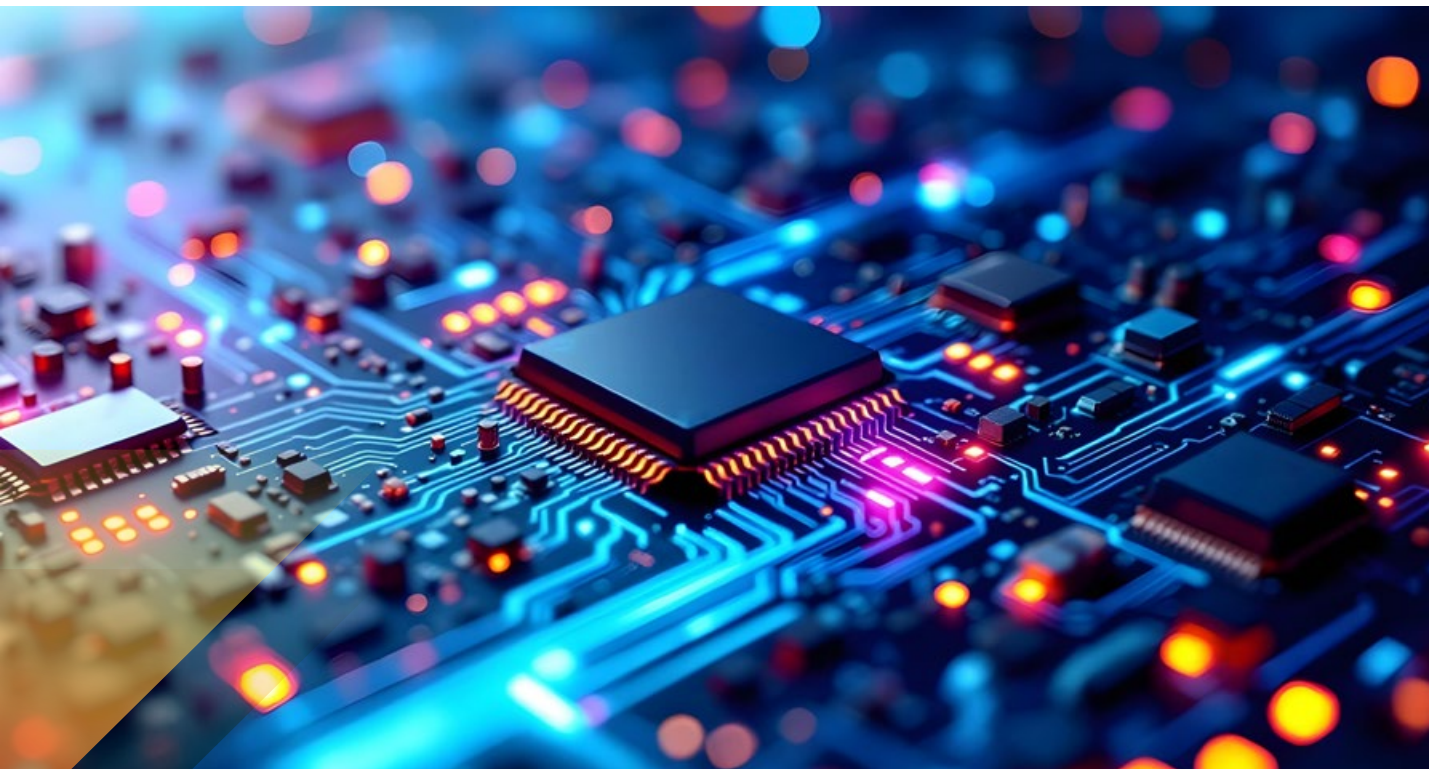
Early in the year, the Noratel team put three of their core values of care, teamwork and excellence into action. The team in Sri Lanka supported the development of the local community by completing a targeted infrastructure upgrade project at Sri Sarananda Vidyalaya, a school in the village of Manankattiya with more than 125 years of history, serving generations of students despite limited resources.

The project focused on practical improvements with immediate and lasting impact:

- Installed a 5kW solar hybrid power system providing reliable, renewable energy
- Installed a purification system providing access to clean drinking water
- Renovated school facilities and electrical infrastructure
- Improved sanitation and hygiene conditions

During their visit to the Sri Lanka facilities, the Noratel Group Leadership Team also joined the volunteer effort and worked alongside the local team. After the project was completed, the team's pride and satisfaction were reflected in the pupils' smiles and excitement.





Our Products

Our products are our business, and consequently we place great importance on their stewardship and development. Whilst our broad portfolio of products reduces the risk of a failure of any one product or class of products causing a material adverse impact on the financial performance of the Group, we nevertheless seek to maintain the high quality on which our customers rely.

Product responsibility

Our products are essential components of electrical systems and electronic devices and play a critical role in the functioning of larger systems, which tend to have long lifespans. Quality and reliability are paramount to our customers. In addition to designing for durability, the high quality and standards of our products are ensured and monitored through rigorous testing (which is often above the requirements of our customers) and the adoption of ISO 9001 Quality Management Systems. As a result, the overall rejection rates for our products due to quality issues are negligible.

Product sustainability

The sustainability of our products is a priority. We ensure raw materials used are from responsible sources, which are procured in accordance with the principles of our Supplier Code of Conduct, Modern Slavery Statement and Conflict Minerals Policy (all are available at www.discoverIEpic.com). These are verified and monitored through regular local checks and supplier audits. In the event of non-compliance, we would engage with the supplier to seek measures to rectify the non-compliance, or seek alternative suppliers if appropriate. During the year, we completed the fifth phase of our Group-wide supplier audit programme.

Our targets

- 80% of Group products manufactured under ISO 9001

Our progress

- 96% of the Group's products, measured by revenue, were manufactured under ISO 9001 Quality Management Systems (FY 2024/25: 94%)

Having audited over half of Group Suppliers (measured by spend) over the last four years, this year we refreshed our sampling process to revisit those suppliers with the highest Group spend (>£0.25m p.a.) and those with material risk associated with them (e.g. single-sources of critical components), representing almost £80m annual spend in total.

Our magnetic components use raw materials, such as copper and aluminium, which are essential to electrical equipment. Where it is possible, and with customer permission, recycled raw materials are used in production processes. We also proactively reduce and recycle packaging and replace plastics with recyclable materials such as paper and cardboard.

Our products are components that are often embedded in larger systems, which means that the likelihood of replacements being required must be minimised. As such, our products are designed for long lifespans and are intended to be energy efficient in order to reduce downtime.

SUSTAINABILITY IN ACTION CONTINUED

Key metrics

Details of our greenhouse gas emissions from CY2021 to CY2025, energy intensity and net-zero KPIs can be found in the Climate Analysis Report on page 71.

Health and safety

Lost time incident frequency rate ("LTIFR") information.

	FY22	FY23	FY24	FY25	FY26
Lost time incidents ("LTIs") ¹	26	24	19	23	15
Average headcount ²	4,522	4,863	4,441	4,492	4,557
LTIFR ³	0.31	0.27	0.20	0.25	0.16

¹ LTI is defined as a work-related incident resulting in employees being unable to attend work the following day. Prior to FY25, our definition was any incident which resulted in five or more days lost. Prior year figures have been restated for this change in policy.

² Reported headcount includes all full-time and part-time employees, contractors and agency labour.

³ LTIFR is the number of LTIs divided by the total working hours in the period, multiplied by 100,000 (representing the approximate number of working hours in an employee's lifetime).

There were no fatalities among the Group's employees or contractors during any of the five years stated above.

Gender diversity¹

	Group Management Committee			Senior Management ²			Operational Management ³			All Employees ⁴		
	FY26 (No.)	FY26 (%)	FY25 (%)	FY26 (No.)	FY26 (%)	FY25 (%)	FY26 (No.)	FY26 (%)	FY25 (%)	FY26 (No.)	FY26 (%)	FY25 (%)
Total	11	–	–	34	–	–	89	–	–	4,200	–	–
Male	8	73%	75%	23	68%	77%	58	65%	62%	2,070	49%	50%
Female	3	27%	25%	11	32%	23%	31	35%	38%	2,130	51%	50%

¹ As at 31 March 2026 and 2025.

² Senior Management is the Group Management Committee and direct reports.

³ Operational Management is the most senior managers in the Group's operating businesses.

⁴ All Employees comprises all full-time and part-time employees and contractors, but excludes agency labour.

Other ESG KPIs

	FY25	FY26	Target
Our Planet			
ISO 14001 accreditation ¹	74%	74%	80%
Company cars (EV/hybrid) ²	50%	58%	50%
Our People			
ISO 45001 accreditation ³	73%	72%	80%
Voluntary staff turnover ⁴	18%	12%	<15%
Our Products			
ISO 9001 accreditation ⁵	94%	96%	80%

¹ Measured as a percentage of Group revenue generated by operations with ISO 14001 accreditation.

² Measured as the percentage of Group company cars that are electric or hybrid.

³ Measured as the percentage of Group employees who work in operations covered by an ISO 45001 accreditation.

⁴ FY25 was adjusted in the previous Annual Report to exclude seasonal labour fluctuations linked to the lunar new year in China. Ongoing analysis of employee turn in China suggests that, whilst the FY25 number was higher than usual, it is a characteristic of the labour market in the region that turn is always higher than the rest of the Group. Nevertheless, we are pleased to report that voluntary leavers amongst our Chinese employees was lower in FY26 than in FY25, driving the overall year-on-year reduction in employee turn. Both years are reported above including all voluntary leavers across the Group.

⁵ Measured as a percentage of Group revenue generated by operations with ISO 9001 accreditation.

CLIMATE ANALYSIS REPORT



At discoverIE, we understand the urgent need to preserve our planet for future generations and to mitigate the impact of climate change. We contribute to the transition to a low-carbon economy through our products that help others reduce their emissions, and through our own operations by committing to become a net-zero emissions business.

This report is prepared in accordance with UK Listing Rules 6.6.6 (8) and the UK Climate-Related Financial Disclosure Requirements ("CFD") and is consistent with the recommended disclosures of the Task Force for Climate-Related Financial Disclosures ("TCFD"). Being in the electrical and electronic components sector, the Group follows the TCFD's All Sectors Guidance in the preparation of this report.

Climate-related risks and opportunities are routinely considered in our strategic and financial planning, operational management, mergers and acquisitions, and capital allocation decisions. In this report, we outline how we identify, assess, and manage these risks and opportunities, as well as our plan for transitioning to a low-carbon economy.

In accordance with previous years' reports, our assessment of the risks and opportunities posed by a changing climate is that they do not have a net material effect on the Group's future financial performance. However, this year, we have taken the opportunity to describe the offsetting risks and opportunities separately, to enhance readers' understanding of our strategy and management.

What's in this report

- 1 Governance → **Page 58**
- 2 Strategy → **Page 60**
- 3 Risk Management → **Page 67**
- 4 Metrics and Targets → **Page 69**

1 Governance

Whilst the Board has responsibility for overseeing our approach to sustainability, the Sustainability Committee (the “Committee”), on behalf of the Board, reviews the Group’s sustainability strategies and policies, and oversees and monitors practices and performance against commitments and targets.

The oversight and management of climate-related risk and opportunities are accomplished through the same governance processes as other sustainability-related issues, as described in the Governance section of our Sustainability Report on pages 44 to 45.

Our sustainability governance framework describes our approach to managing sustainability, including climate-related issues.

This year, mindful of the reporting changes anticipated when the UK introduces Sustainability Reporting Standards (“SRS”) governing the disclosure of climate-related risks and opportunities (expected for the Group’s FY2028 reporting cycle), we have chosen not to publish detailed financial quantification of the risks and opportunities likely to impact our business. Instead, we have taken the decision to assess the potential impacts in broad terms, and analyse the additional information we will need to gather in future to fulfil the requirements of UK SRS. The process followed and the impacts identified are outlined on pages 60 to 62.

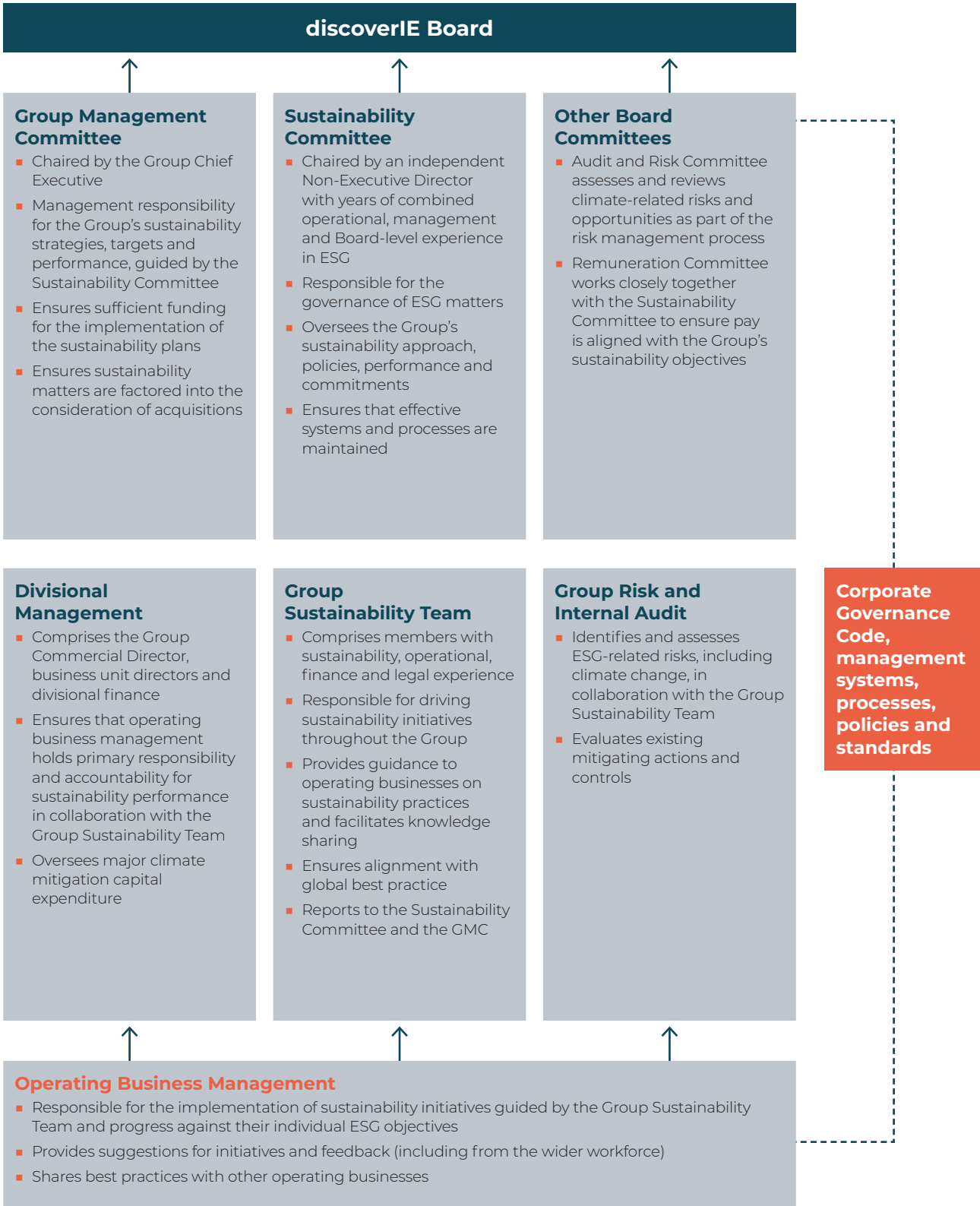
TCFD recommended disclosures

- describe the Board’s oversight of climate-related risks and opportunities
- describe management’s role in assessing and managing climate-related risks and opportunities

Further information

- ▶ Corporate Governance Report **on pages 90 to 102**
- ▶ Sustainability Governance **on pages 44 to 45**
- ▶ Risk Management **on pages 74 to 78**





2 Strategy

In 2026 we reviewed the qualitative and quantitative analysis of the resilience of our business model and strategy under two Representative Concentration Pathway (“RCP”) scenarios – RCP2.6 and RCP8.5 – representing the best- and worst-case scenarios projected by the Intergovernmental Panel on Climate Change (“IPCC”).

As part of this review, we updated the assessment of the physical risks of climate change posed to our sites. Using CLIMADA climate data we created a bespoke program, which enabled us to overlay established climate science on the precise locations of our sites.

The analysis showed that, on balance, the Group’s business model and strategy are not expected to be materially affected by climate-related risks and opportunities, and that the net financial impact of climate change was considered to be immaterial. We review this analysis annually, to monitor potential changes to our risk profile, and to ensure the data on which we report remains current.

In order to better understand the potential financial impact of climate-related risks on the Group’s Statement of Financial Position and future cash flows, during the year we conducted a high-level review of the potential financial impact of the identified risks and opportunities. The financial impact is considered in the estimates of future cash flows used in the Group’s goodwill impairment and viability assessment, as detailed on pages 85 to 86 of this Annual Report.

We assess and report the climate change-related transition risks and opportunities on short (up to 4 years), medium (5-10 years) and long (more than 10 years) term bases. For physical risks, we define short term as the period up to 2030, medium term up to 2050 and long term up to 2100. Given the fast-changing and unpredictable nature of economic and environmental conditions, the potential financial impact was modelled up to 2030 only.

During the process, we identified and assessed 12 climate change-related risks, of which eight were transition risks and four physical. Following this, we then prioritised four transition risks and two physical risks, being those with the highest risk scores, based on a combination of impact magnitude and likelihood.

We also identified three climate-related opportunities. We modelled the financial impact of these six risks and three opportunities. Assessment of all 12 climate-related risks identified can be found on page 63.

The highest ranked risk was the risk of capital markets shifting investment to low-carbon activities, which may impede the Group’s acquisition-fuelled growth strategy.

The other key risks include customers shifting to low-carbon substitutes, and raw material price increases. The financial impact of these risks was modelled by applying estimates of

TCFD recommended disclosures

- Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long term
- Describe the impact of climate-related risks and opportunities on the organisation’s businesses, strategy, and financial planning
- Describe the resilience of the organisation’s strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario

Further information

- ▶ Sustainability Materiality Assessment **on pages 47 to 48**
- ▶ Our Sustainability Strategy **on page 46**
- ▶ Principal Risks and Uncertainties **on pages 79 to 84**
- ▶ Our Strategy **on pages 10 to 13**

attrition rate to affected revenues for the RCP2.6 and RCP8.5 scenarios, respectively.

For the physical risks, we considered likely mitigation costs. In the case of possible site relocations due to changes in climate patterns, we factored in relocation costs such as fit-out, staff relocation, recruitment and training, and certification, as well as insurance coverage. Because the risk profiles were similar for both scenarios, the same mitigation approach was applied in both cases.

For the climate-related opportunities, we applied an estimated excess growth rate to each of the opportunities in the RCP2.6 scenario and halved the rate in the RCP8.5 scenario, on the assumption that growth in renewable energy, electrification of transportation, and automation would accelerate under the more aggressive reduction scenario.

We considered materiality both in terms of potential financial impact on the Group and the importance of climate change to our internal and external stakeholders.



RCP2.6

The outcome of the assessment showed that, under the RCP2.6 scenario, the net financial impact over the five-year period to 2030 is immaterial and represents less than 2% of the Group's operating cash flows. The net financial impact considered both the increased operational costs of quantifiable climate-related risks and mitigation costs, offset by the benefits arising from the climate-related opportunities.

Assessed in isolation, the total risks estimated to our business under RCP2.6 are unlikely to have a material financial impact on the Group's performance. This factors in the costs of the six climate-related risks identified, with the main financial impacts a result of an assumed decline in higher-carbon markets (such as oil and gas, consumer electronics and sales through wholesalers) and an increase in the cost of our commoditised raw materials (assuming that this cost cannot be passed on to customers).

We remain confident of our strategy under an RCP2.6 scenario, as we believe that the assumed accelerated growth in low-carbon markets (such as renewable energy, electric vehicles and the electrification of rail) offers increased margin growth which more than offsets the negative effects, above. We believe growth in these markets could offer increased operating profit which comfortably offsets the negative impacts of the risks described above in the years to 2030. The Group's resilience to the modelled risks is also mitigated by our broad customer portfolio beyond the market segments assumed to be at risk, and by our pricing structure, which enables us to pass a proportion of cost increases on to our customers.

RCP8.5

Under the RCP8.5 scenario, we assumed that the decline in high-carbon markets such as oil and gas would be less pronounced, as demand would continue longer if society makes less attempt to abate these sectors. However, the increased cost of commoditised raw materials was assumed to be higher, with an assumed inability to pass these costs to customers. In addition, we assumed that greater competition for coverage under an RCP8.5 scenario would add additional freight and insurance costs. If all potential unmitigated negative impacts identified should come to pass, our operating profit could be reduced by a material amount.

Compounding the effects of assumed higher costs is our assumption that growth in low-carbon markets (such as renewable electricity) would be slower in an RCP8.5 scenario. Although the Group would still benefit from some growth in these markets, the opportunity would clearly not be as beneficial as on a lower-carbon pathway.

Taken together, our assumptions of increased costs and decreased sales growth under RCP8.5 results in a decrease of operating profit, estimated to be no greater than 1% to 2% of operating cash flows.

As the division with the highest proportion of raw material costs, Magnetics and Controls is more at risk from increased commodity costs, particularly under the RCP8.5 assumptions. However, it also has the greatest potential opportunities in low-carbon growth markets, having already developed expertise and close customer relationships in these markets. The division has expertise in sourcing materials at competitive cost, and currently has pricing contracts which permit cost increases to be passed on to customers.

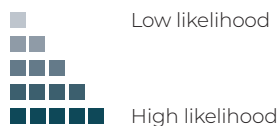
CLIMATE ANALYSIS REPORT CONTINUED

Climate-related risks	Estimated financial impact ¹	Timeframe			Scenario sensitivity	
		Short	Medium	Long	RCP2.6	RCP8.5
Transition risks	1 Capital markets shifting investment to low-carbon activities	Unquantifiable				
	2 Changing customer preferences					
	3 Substitution of existing customer products and services	Medium				
	4 Commodity and raw material price increases	High				
Physical risks	5 Acute risks, e.g. extreme weather events	Low				
	6 Chronic risks, e.g. rising sea levels and temperature					
Climate-related opportunities	7 Acceleration of renewable energy market	High				
	8 Electrification of transportation					
	9 Electrification and automation of plant and machinery					

Anticipated onset of risks and opportunities

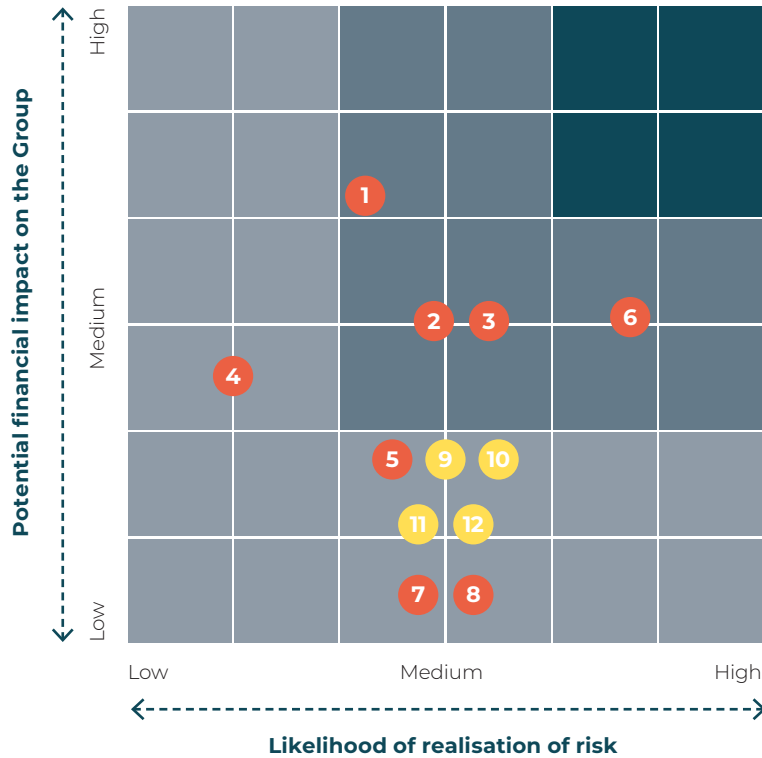
Estimated full impact of risks and opportunities:

¹ Estimated financial impacts rated as 'High' are those with the potential to have a material impact on the Group.



Aided by CLIMADA, we also assessed the emerging trends affecting the exposure of our physical assets to climate-related risks in the medium (up to 2050) and long term (up to 2100) under two scenarios: RCP4.5 and RCP8.5. We chose RCP4.5 instead of RCP2.6 for assessing physical risks because it is assumed that our assets would not be at risk if the long-term temperature rise stabilises at 2°C or below. RCP4.5 is the current climate development trajectory, which we have chosen for physical risk assessment for prudence. It is estimated that 32% of the Group's 69 facilities would be exposed to some sorts of physical risks, such as heat stress, precipitation and river flooding. Fifteen sites (22%) across ten different countries were more vulnerable, the costs of which were also factored into the financial impact model.

Climate-related risk matrix



KEY

- Priority C (low/medium)
- Priority B (medium/high)
- Priority A (high/very high)
- Transition risk
- Physical risk

- 1 Capital markets shift investment to low-carbon activities
- 2 Changing customers' preference to low-emissions alternatives
- 3 New and emerging technologies substitute our customers' existing products and services
- 4 Increased stakeholder concern or negative stakeholder feedback from lack of climate action plan
- 5 Increased energy costs due to increasing carbon taxes and alternative low emission energy sources
- 6 Increasing costs of commodity and raw materials
- 7 Increased borrowing costs
- 8 Mandatory environmental standards or requirements for existing products and services
- 9 Extreme weather events such as cyclones or floods
- 10 Changes in precipitation patterns and extreme variability in weather patterns
- 11 Gradual changes in key climate variables such as temperature, humidity and precipitation
- 12 Rising sea levels

In summary, the estimated net financial impact of climate-related risks and opportunities is considered immaterial to the Group in the short term (up to 2030) under the RCP2.6 scenario. However, the potential impact under the worst-case scenario (RCP8.5) means that it is appropriate for us to provide commentary on the individual risks and opportunities identified. We also acknowledge that climate change remains a threat to the Group's assets in the long term and that there are growing expectations amongst our stakeholders that we, as a responsible corporate citizen, address climate risks in our business operations. As such, we have incorporated climate-related risks into our principal risks and uncertainties and manage them as such.

CLIMATE ANALYSIS REPORT CONTINUED

Risk description	Our response	FY 2025/26 progress
Climate-related risks: transition risks		
1 Capital markets shifting investment to low-carbon activities		
<p>Our growth strategy relies on both organic sales generation and acquisitions. Both require capital investment. We may need to raise additional funding in the capital markets. The shifting of investment to low-carbon or green activities may impact our ability to raise capital or increase our cost of capital, in turn reducing our ability to invest in the existing business or acquire new businesses.</p> <p>Timeframe Medium – long term</p>	<p>Our strategy focuses on markets with structural, sustainable growth, such as renewable energy, electrification of transportation, industrial automation and connectivity, all of which support the transition to a low-carbon economy. We constantly work to target 'green' markets and reduce our greenhouse gas emissions, and improve capital market perceptions of our performance in these areas by providing timely and transparent disclosures.</p>	<ul style="list-style-type: none"> ■ 79% of revenue from target markets (FY2025: 79%). ■ Publicly demonstrated our continuing commitment to environmental governance by maintaining our Carbon Disclosure Project ("CDP") rating at B.
2 Changing customers' preference to low-emissions alternatives		
<p>The majority of our customers are industrial OEMs. They may adopt an aggressive approach to reducing emissions in their value chain. This could mean developing low-emission versions of their products to reduce their downstream emissions, or engaging suppliers with lower-emission products and processes to reduce their upstream emissions.</p> <p>Timeframe Medium – long term</p>	<p>We have long-lasting relationships with our customers. Our business model of designing and manufacturing customised electronics means that we work closely and collaboratively with our customers, which allows us to support them in the development of new low-carbon products and ensures environmental compliance.</p> <p>We have set emission reduction targets and made good progress against these. This helps our customers reduce their Scope 3 emissions.</p> <p>We also work closely with our customers and suppliers to find better solutions to reduce carbon emissions where possible, such as replacing plastic packaging with sustainable options.</p>	<ul style="list-style-type: none"> ■ Reduced Group Scope 1 and 2 emissions for continuing operations by 68% against the CY2021 baseline, including acquisitions.
3 New and emerging technologies substitute our customers' existing products and services		
<p>We supply to industrial OEMs. If our customers' existing products and services become obsolete, our ability to achieve growth well above GDP may be impacted.</p> <p>Timeframe Short – long term</p>	<p>The impact of this risk is minimised, as our product and technologies portfolio and customer base are broad. We do not rely heavily on single customers or end markets. Our customer concentration is considered low, with the top ten customers representing around a quarter of Group revenue. We continue to focus our attention on supporting customers in markets which are essential for the transition to a low-carbon economy, such as renewable energy.</p>	<ul style="list-style-type: none"> ■ Completed one acquisition during the year, Storm Interface, and the acquisition of Trival Antene was completed on 1 April 2026. The acquisitions give the Group exposure to new verticals, such as the defence sector.

Risk description	Our response	FY 2025/26 progress
4 Increasing costs of commodity and raw materials		
<p>Some of our products use raw materials, such as copper and aluminium, which are also used in electric vehicles and electrification projects. Prices of such materials are expected to continue to rise as supply cannot meet rapid increases in demand. Significant price rises may cause customers to switch to low-cost suppliers. The raw material shortage may impact our ability to continue to supply certain products.</p> <p>Timeframe Short – long term</p>	<p>Our products are designed and customised for specific applications and are priced according to project specifications and material costs at the point in time, which to some extent protects the Group from price fluctuation. Furthermore, our products are designed in applications and are often protected by our design IP, preventing customers switching to low-cost suppliers.</p> <p>Our supply chain is resilient, as tested and proven during the pandemic and, more recently, during the disruption caused by conflict in the Middle East. We source materials and components from multiple suppliers where possible, except for those specified by customers. Copper and aluminium have similar conductivity and can be interchangeable in some cases.</p>	<ul style="list-style-type: none"> ■ A Group-led initiative was set up during the year to enable our operating businesses to share materials and components sourcing information and seek help if needed. ■ Several operating businesses have introduced dual-sourcing for critical components.
Climate-related risks: Physical risks		
5 Acute risks – Extreme weather events such as cyclones or floods		
<p>Increased severity of extreme weather events, such as cyclones and floods, may disrupt production activities and incur higher operating costs.</p> <p>Timeframe Short – long term</p>	<p>The Group has 69 sites globally, including 41 manufacturing facilities across Asia, Europe and North America. Some production activities can be transferred to other locations to ensure business continuity, if necessary. We have experience in moving manufacturing between sites where circumstances require us to do so.</p>	<ul style="list-style-type: none"> ■ Developed an in-house bespoke climate analysis tool to enable ongoing monitoring of specific risks to our sites. ■ The resilience of our operations was demonstrated when our operating sites in Thailand and Sri Lanka were hit by flooding during the year, yet were able to continue their operations with only minimum impact on short-term productivity.
6 Chronic risks – Gradual changes in key climate variables such as temperature, humidity and precipitation		
<p>Rising average temperature causes heat stress, drought, wildfires and changes in rainfall patterns. Some of the Group's manufacturing sites are in areas exposed to heat stress and precipitation, and some are at risk of rising sea levels. Our workforce may be affected if the average temperature continues to rise. Our supply chain may also be disrupted, causing delays and cancellations.</p> <p>Timeframe Medium – long term</p>	<p>Using our new in-house Climate Analysis Tool, we have identified a number of sites that may be affected by changing climate patterns in the next 30 and 80 years. The analysis showed rising temperatures and precipitation were likely to impact a number of our businesses. Based on the insured asset value of each site and the predicted future impact, we have prioritised fifteen sites for further analysis and investigation. We are now working on plans that aim to mitigate the key risks within the next ten years. For leased properties at high-risk sites, relocation may also be considered when the lease is up for renewal.</p>	<ul style="list-style-type: none"> ■ We continue to monitor the ongoing risk at our most vulnerable sites. ■ Approved capital expenditure for electric air-source heat pumps at our site in Noratel Poland will also protect our employees from increasingly high summer temperatures.

Opportunity description	Our response
Climate-related opportunities	
7 Acceleration of renewable energy	
<p>Driven by decarbonisation and increasing regulations, the renewable energy market will continue to grow in the RCP8.5 scenario and accelerate in the RCP2.6 scenario. The International Energy Agency has estimated that renewable energy production will be 2.6 times higher than 2022 in 2030, generating almost 45% of global electricity requirements.</p> <p>Timeframe Short – long term</p>	<p>Renewable energy is one of our target markets, and we are leading in the fields we serve, such as transformers for wind turbines and DC isolator switches for solar systems. Our products can also be applied to other types of renewable energy, such as hydro, which will be an addition to our existing renewable energy exposure.</p> <p>Our broad range of technologies is applicable to many parts of the renewable energy value chain. From generation to transportation and distribution, we will be able to take advantage of these opportunities.</p>
8 Acceleration of electrification of transportation	
<p>Decarbonisation and the recent energy crisis have driven the acceleration of the electrification of transportation. This is reflected both in personal vehicles and mass transportation infrastructure. The power supplied to the global transport system by renewable energy is expected to increase seven-fold between 2024 and 2030.</p> <p>Timeframe Short – long term</p>	<p>Transportation is one of the major sources of carbon emissions globally. Switching to cleaner methods of transportation is crucial for meeting the net-zero goals of many governments.</p> <p>Being one of the Group's target markets, we focus on mass transportation, such as rail, buses and ships, and specialist vehicles, such as delivery trucks. We are targeting retrofitting ageing systems as well as developing new applications. In addition, our knowledge and know-how of magnetic components will enable us to take advantage of growth in the electric vehicle infrastructure market, such as charging stations.</p>
9 Acceleration of plant and machinery automation	
<p>Climate change could reduce productivity as the workforce is impacted and production disrupted. An increasing number of companies will look to automate processes to improve efficiency and productivity.</p> <p>Timeframe Medium – long term</p>	<p>Industrial & connectivity is our largest target market. Our fibre optic and wireless connections and a broad range of sensing capabilities, essential for automation, will enable us to continue growing in this market.</p>

3 Risk management

Climate-related risks are considered one of our principal risks and this is reflected in our financial reporting. The process for identifying climate-related risks is integrated into our risk management framework.

As part of the climate change scenario analysis exercise, a multi-function working group was established in 2022. This comprises members from finance, divisional management, risk and internal audit, and the GST. This working group is a subset of the GMC.

In identifying and assessing climate-related risks to the Group's operations, assets, and reputation, we used primarily a top-down approach. Given the Group's decentralised structure, we consider this approach more appropriate for assessing climate-related risks, particularly physical ones. However, we have also taken a bottom-up approach by factoring in the feedback from our operating businesses where appropriate.

The scenario analysis working group conducted a top-down review of the Group's climate-related risks and opportunities in order to identify new or emerging risks and opportunities. The assessment considers two categories of climate-related risks: the transition to a low-carbon economy (transition risks) and risks associated with the physical impacts of climate change (physical risks). The risks assessed for both the RCP2.6 and RCP8.5 scenarios were drought, heat stress, wild fires, precipitation, river and coastal flooding, and tropical cyclone.

How we identify and prioritise climate-related risks

To assess transition risks, we engaged with each operating business to better understand the preferences of our customers, suppliers and employees and the challenges they face in tackling climate change. The outcome was factored in during the risk identification process. Each risk was discussed and scored based on the probability and magnitude of potential financial impact, and the multiplication of the two scores determined the materiality of the risk. Through this process, the most material risks were identified. Those risks that were deemed to be quantifiable were included in the financial modelling. Existing mitigations and progress made were also factored in during the quantification process. Cost and benefit analysis for the mitigations of each quantifiable risk was carried out. A five-year cashflow forecast was modelled for both RCP2.6 and RCP8.5 scenarios.

TCFD recommended disclosures

- Describe the organisation's process for identifying and assessing climate-related risks
- Describe the organisation's process for managing climate-related risks
- Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management

Further information

▶ Risk management
on pages 74 to 78

▶ Sustainability risk
management
on page 48

For physical risks, we interrogated open-source data available on the CLIMADA platform to help us with scenario analysis. We assessed our resilience in a time horizon between 10-80 years for relatability with asset lifespan, as recommended by TCFD. The CLIMADA data was combined with the precise locations of our sites to consider combined exposure to extreme weather events (acute risks) and to gradual changes in weather patterns (chronic risks) for each of our 69 facilities globally, including warehouses and offices. Based on the insured asset value and risk exposure, each site scored between 1 and 5 (5 being the highest risk). For those with the highest scores, mitigation plans were drawn up, and associated costs were assessed and factored into the scenario financial models.

Once the climate-related risks were identified and prioritised, the financial impact of the key risks up to 2030 was estimated for both RCP2.6 and RCP8.5 scenarios. The key climate risks, mitigation plans, and the net financial impact in both scenarios were presented and discussed at the GMC before being reviewed by the Sustainability Committee, which also included the Chairs of the Audit and Risk Committee and Remuneration Committee.

CLIMATE ANALYSIS REPORT CONTINUED



How we manage climate-related risks

We use the scenario analysis to inform our decision-making in the following areas:

- Strategic and financial planning
- Capital investment
- Acquisition suitability assessment
- Goodwill impairment assessment
- Insurance
- Lease renewals and procurement of new leases

Climate-related risks are managed as part of the Group risk management process, alongside other strategic and operational risks and, as with all matters in the Group Risk Register, these risks are reviewed annually. Action plans to mitigate such risks are managed and reported at Group level, whereas the responsibility for implementing the plans is delegated to the management of the operating businesses.

The GST conducts annual reviews with operating business management at the end of each financial year regarding progress against their ESG objectives. This is then reported to and discussed with the GMC and Sustainability Committee. The operating businesses report on ESG progress, including carbon reduction actions, in regular business reviews chaired by the business unit directors. The GST also provides progress updates to the Sustainability Committee at each Committee meeting.

Climate-related risks and mitigation progress are monitored by the Risk and Internal Audit team on an ongoing basis, who update the Audit and Risk Committee at each meeting. The GST is responsible for identifying existing and new regulation applicable to the Group. It is supported by the Group's auditors and external consultants in this regard, and reports all changes to the GMC and Sustainability Committee.

4 Metrics and targets

Since publishing our revised greenhouse gas emissions target to reduce emissions by 90% on 2021 levels by 2030, we have reduced our Scope 1 and 2 carbon emissions by 68% against the 2021 baseline.

In November 2022, we announced our commitment to achieve net-zero emissions and set science-based targets for the medium and long term. In May 2025, our targets were approved by the SBTi.

We aim to achieve net-zero emissions for Scope 1 and 2 by 2030 and for Scope 3 by 2040, and have published a transition plan for net-zero Scope 1 and 2 emissions by 2030.

Key elements of the plan and all material information are contained in this report. Supplementary information can be found in the Road to Net-Zero Emissions Report on our website: www.discoverlEplc.com

The following sections outline the progress we have made in the past year.

TCFD recommended disclosures

- Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process
- Disclose Scope 1, Scope 2, and if appropriate, Scope 3 GHG emissions, and the related risks
- Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets

Further information

- ▶ Strategic and operational review **on pages 24 to 33**
- ▶ Key strategic indicators **on page 11**
- ▶ Our business model **on pages 16 to 17**
- ▶ Our Strategy **on pages 10 to 13**



CLIMATE ANALYSIS REPORT CONTINUED

Scope 1 and 2

Our net-zero plan for Scope 1 and 2 focuses primarily on addressing four of the Group's largest emission sources: electricity, natural gas, company cars and refrigerants, and aims to achieve an absolute reduction of 90% by 2030 from the 2021 baseline. In CY2025, we reduced Scope 1 and 2 emissions for continuing operations in absolute terms by 68%, primarily driven by more sites switching to renewable energy sources and reduced electricity consumption.

We report our greenhouse gas emissions using the operational control method to establish our organisational boundary. As all our subsidiaries are 100% owned by the Group, there is no difference between this and the financial control or equity share methodologies.

Scope 1 and 2 emissions by source

To accelerate the transition to net-zero emissions, we have set out our strategy and a detailed plan to reduce our Scope 1 and 2 emissions.

Our net-zero strategy has three priorities: Reduce, Replace and Remove.

Reduce

Reduce energy intensity across the Group

Replace

Replace higher carbon energy sources with lower or zero carbon options

Remove

Invest in removing emissions that cannot be replaced or reduced

Based on the strategy, we have developed the following action plan and milestones:

	Actions	Milestones
Reduce	Reduce energy intensity by promoting process efficiency, employee awareness and engagement	<ul style="list-style-type: none"> Reduce energy intensity by 10% by 2030
Replace	Switch to zero-emission energy sources through direct tariffs or renewable energy certificates ("RECs")	<ul style="list-style-type: none"> 80% zero emission energy by 2025, and 100% by 2030
	Replace gas heating with electric options	<ul style="list-style-type: none"> 50% reduction by 2030
	Replace company-owned cars with fully electric vehicles	<ul style="list-style-type: none"> 100% EV fleet by 2030
Remove	Remove all refrigerants	<ul style="list-style-type: none"> 100% removed by 2030
	Invest in carbon removal projects to offset residual emissions	<ul style="list-style-type: none"> In 2030 and beyond

By the end of CY2025, 85% of our electricity was from renewable or clean sources (CY2024: 83%), benefitting from increased use of renewable tariffs, as well as the solar panels installed at numerous sites. This means that we have comfortably exceeded our target of 80% renewable electricity by CY2025.

Energy consumption during CY2025 was 2% higher, with the increase driven by acquisitions. Energy intensity (expressed as kWh per £1m revenue) increased 2% year-on-year, due to lower revenue than the previous calendar year. However, energy intensity was 21% lower than in CY2021, well ahead of our 10% target by 2030. We continue to find ways to reduce energy consumption, particularly given our experiences of the difficulties of swapping out fossil fuel heating systems, and the fluctuating costs of fossil fuel, over the last few years.

Key metrics

Location-based	Total Emissions ¹ (tonnes)					Like-for-like Emissions ² (tonnes)				
	CY2021	CY2022	CY2023	CY2024	CY2025	CY2021	CY2022	CY2023	CY2024	CY2025
Scope 1	1,488	1,338	1,606	1,546	1,650	1,991	1,802	1,894	1,677	1,650
Scope 2	9,365	8,710	6,736	6,749	5,853	9,754	9,068	7,012	6,869	5,853
Total Scope 1 and 2	10,853	10,048	8,342	8,295	7,503	11,745	10,870	8,906	8,546	7,503
Scope 3			2,626,882	2,640,536	2,671,103			2,683,232	2,642,818	2,671,103
Total emissions			2,635,225	2,648,831	2,678,606			2,692,138	2,651,364	2,678,606
Intensity – tCO ₂ e/£m revenue (Scope 1 and 2)	30.73	23.49	18.61	18.99	17.26	28.05	22.18	19.42	18.80	17.26

Market-based	Total Emissions ¹ (tonnes)					Like-for-like Emissions ² (tonnes)				
	CY2021	CY2022	CY2023	CY2024	CY2025	CY2021	CY2022	CY2023	CY2024	CY2025
Scope 1	1,488	1,338	1,606	1,546	1,650	1,991	1,802	1,894	1,677	1,650
Scope 2	6,460	4,392	2,820	2,006	1,154	6,765	4,658	2,991	2,010	1,154
Total Scope 1 and 2	7,948	5,730	4,426	3,552	2,804	8,756	6,460	4,885	3,687	2,804
Reduction on CY21		28%	44%	55%	65%		26%	44%	58%	68%
Scope 3			2,626,882	2,640,536	2,671,103			2,683,232	2,642,818	2,671,103
Total emissions			2,631,309	2,644,088	2,673,907			2,688,117	2,646,505	2,673,907
Intensity – tCO ₂ e/£m revenue (Scope 1 and 2)	22.50	13.39	9.88	8.13	6.45	20.92	13.18	10.65	8.11	6.45

Location-based	Total Energy					Like-for-like Energy ³				
	CY2021	CY2022	CY2023	CY2024	CY2025	CY2021	CY2022	CY2023	CY2024	CY2025
Energy consumption (MWh)	25,575	24,118	22,578	24,616	25,024	29,294	27,615	24,901	25,658	25,024
Energy intensity (kWh/£m revenue)	72,406	56,379	50,365	56,366	57,555	78,954	61,975	53,426	56,451	57,555
UK-based energy consumption ³	7.2%	8.9%	10.1%	8.9%	9.1%	N/A	N/A	N/A	N/A	N/A

¹ The "Total Emissions" columns include all continuing operations owned by the Group as at the end of each calendar year. The discontinued operations Vertec SA (disposed January 2022) and Acal BFI (disposed March 2022) are excluded from all figures.

² "Like-for-like Emissions" include the assumed impact of emissions from companies acquired since 2021. In accordance with GHG Protocol guidance, historic emissions for these companies are deemed to be the same in prior years as in the year of acquisition.

³ The energy consumption of our UK-based businesses as a percentage of our total Group power consumption.

Net-zero KPIs	CY2021	CY2025	Target
Carbon reduction – absolute (Scope 1 and 2)	n/a	68%	65% reduction by 2025
Energy intensity – continuing operations (kWh/£m revenue)	72,406	57,555	10% reduction by 2030
% electricity from renewable/clean sources	58%	85%	80% by 2025
Company cars (EV/hybrid) ¹	19%	58%	50% by 2025
ISO 14001 accreditation ²	61%	74%	80% by 2025

¹ Measured as a % of Group company cars that are electric or hybrid.

² Measured as a % of Group revenue generated by operations with a ISO 14001 accreditation.

Scope 3

This year we completed our third comprehensive Group-wide exercise to capture data on all Scope 3 emissions. The exercise sought to cover the entire Group (including new acquisitions), and included as many of the Scope 3 sub-categories defined by the GHG Protocol as possible. Despite the significant improvements in processes already made, we are aware that data collection in respect of Scope 3 emissions is more challenging for businesses than for Scope 1 and 2. The Group will continue to take this into account as our processes evolve in future years.

Compliance with SBTi performance reporting requires us to calculate emissions for the downstream Scope 3 categories processing of sold products (3:10), use of sold products (3:11) and end-of-life treatment of sold products (3:12) for our base year of CY2023 and subsequent reporting years. We completed the calculation of these figures based upon a cross-section of our key products and continue to use these broad assumptions as a repeatable and practical methodology. Influencing the emissions from the use of sold products category, in particular, is largely out of our control, reliant as it is on the huge variety of applications for our products and the electrical energy generation mix of the countries into which they are sold. For this reason, we continue to collect source data for our Scope 3 reporting of CY2025 from our operating businesses for categories 1–9 and estimate categories 10–12 centrally.

Like Scope 1 and 2, Scope 3 emissions are reported on a calendar year basis, from 1 January to 31 December. This differs from our financial year to be consistent with previous emission assessments.

There were two key elements to the exercise in our third year:

- To enhance the availability and accuracy of emissions drivers and reduce our reliance on spend-based data.
- To sense-check and analyse trend data over the three years of data now available.

A summary of the key findings is as follows:

- Our CY2025 Scope 3 emissions were 1% higher than those identified last year, at 2,671,103 tCO₂e (CY2024: 2,642,821 tCO₂e), comprising over 99% of the Group's total emissions across all of Scope 1, 2 and 3. This increase was driven by more extensive data collection for our downstream transportation (category 3:9) calculation. We recognise the limitations in our data, and we will continue to enhance accuracy and completeness in future years.
- The largest category of Scope 3 emissions was from emissions in use (category 3:11), with that category alone representing over 87% of Scope 3 emissions. Emissions were 1% lower than in CY2024, as we benefitted from lower emissions location-based electricity conversion factors in the geographies into which we sell our products.

- The second largest source of Scope 3 emissions was purchased goods and services (category 3:1), which comprised 7% of total Scope 3 emissions. This year we were able to gather a more complete data set for the category, and included a higher volume of primary data in our calculations.
- The third and fourth largest sources were downstream (category 3:9) and upstream (category 3:4) transportation, representing 4% and 1% of our Scope 3 emissions, respectively. Data collection for downstream transportation poses a particular challenge because the data is often held by customers rather than the Group. We will continue to refine the data collection and accuracy of intra-Group shipments and customer distribution.

Our Scope 3 emissions calculation methodology is as follows:

- For Purchased Goods and Services (category 3:1), we enhanced our analysis from last year, increasing the amount of activity-based data available, particularly in using the weights and quantities of raw materials consumed. Where quantity data was not available, all other goods and services purchased used spend-based data relating to the type of goods and materials purchased at a generic level (for example, copper, aluminium, plastics, paper, etc.). That data was then processed by our carbon emissions data capture and calculation tool. This is in line with the GHG Protocol reporting methodology but is less accurate than supplier-specific data (where such data is available). It also relies on the correct material codes having been applied. We expect our calculations to become more established and accurate as we continue to refine our methods and processes in the coming years. To this end, we have developed a taxonomy of purchases for use by our businesses, which was used to enhance detail and consistency across our Scope 3:1 data collection in CY2025.
- Transportation data was based on weights carried, distances travelled and mode of transportation used where possible. Where such data was not available, spend on transportation was used to calculate an assumed emissions profile.
- Our downstream calculation methodology requires us to make a number of assumptions including, but not limited to, usage intensity, expected performance, source of power and the carbon intensity of that power, and the economic life of our products. Given the long service life of some of our product portfolio, and the broad range of our total portfolio, there is a significant level of uncertainty associated with this methodology. We make use of the allowance in the GHG Protocol's Technical Guidance to group similar products together, and use average statistics for a typical product in that class to extrapolate emissions numbers for the whole of the discoverIE Group.

We recognise that this is an iterative process, and our methodology and systems will be refined over time. This work will help us achieve our ultimate goal of becoming a net-zero emissions business across all Scopes 1, 2 and 3 by 2040.

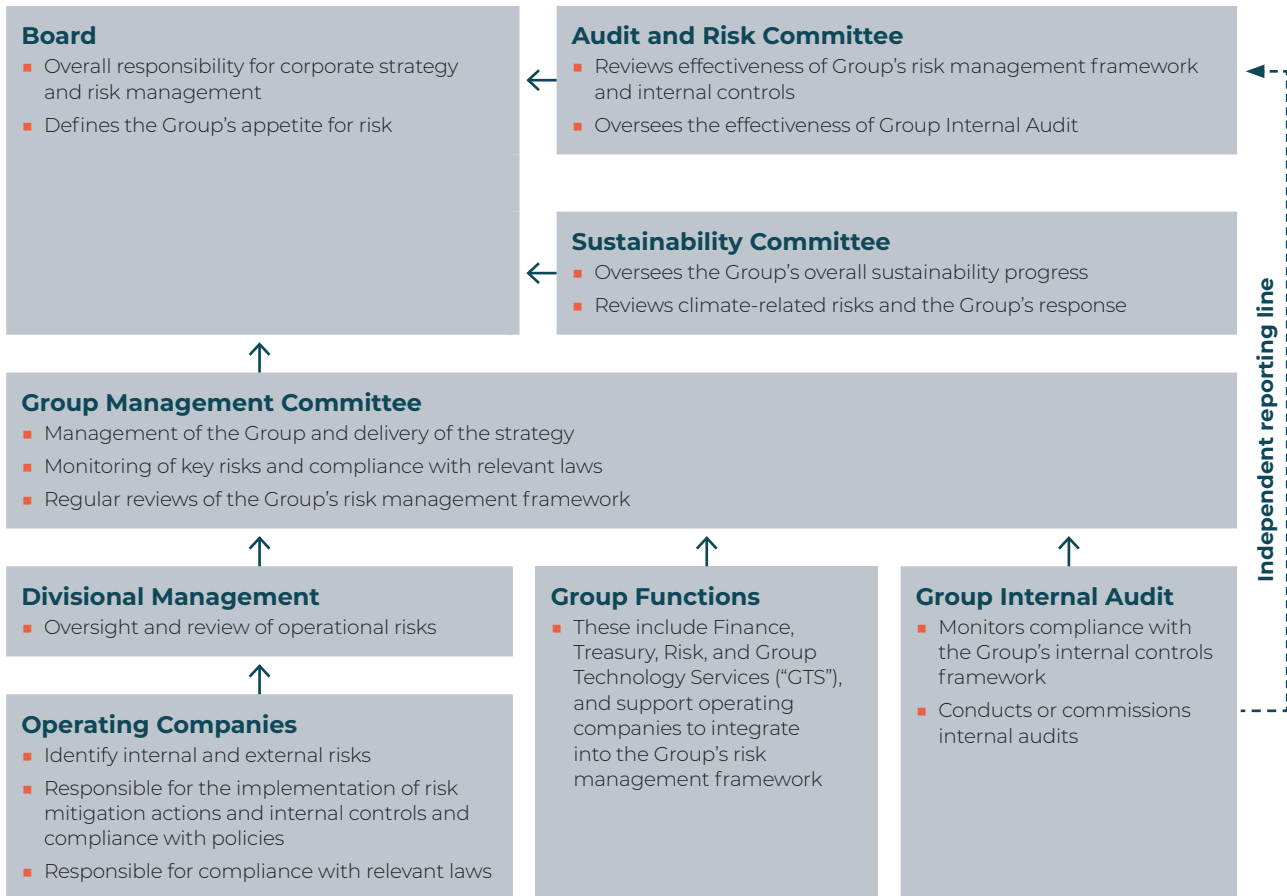
A summary of each of the categories within Scope 3, and their relevance and materiality to us as a Group, is provided below:

Category	Description	CY2023		CY2024		CY2025	
		tCO ₂ e	%	tCO ₂ e	%	tCO ₂ e	%
1	Purchased goods and services	151,290	5.7%	213,713	8.1%	187,305	7.0%
2	Capital goods	661	0.0%	2,228	0.1%	6,078	0.2%
3	Fuel- and energy-related activities	2,281	0.1%	2,132	0.1%	1,905	0.1%
4	Upstream transportation and distribution	58,165	2.2%	53,667	2.0%	29,311	1.1%
5	Waste generated in operations	104	0.0%	141	0.0%	42	0.0%
6	Business travel	642	0.0%	2,204	0.1%	1,807	0.1%
7	Employee commuting	2,236	0.1%	2,406	0.1%	1,993	0.1%
8	Upstream leased assets	N/A					
9	Downstream transportation and distribution	12,817	0.5%	13,409	0.5%	103,424	3.9%
10	Processing of sold products	3,382	0.1%	2,734	0.1%	5,642	0.2%
11	Use of sold products	2,450,543	91.3%	2,349,168	88.9%	2,333,351	87.4%
12	End-of-life treatment of sold products	1,111	0.0%	1,019	0.0%	245	0.0%
13	Downstream leased assets	N/A					
14	Franchises	N/A					
15	Investments	N/A					
		2,683,232	100%	2,642,821	100%	2,671,103	100%

RISK MANAGEMENT

Governance and culture

The Board of Directors has overall responsibility for the Group's risk appetite and risk management strategy. Roles and responsibilities for managing risks across the discoverIE Group have been clearly defined as shown in the diagram below.



The Group's risk management framework follows a three lines of defence model. The first line of defence is operational management in our businesses. Day-to-day risk management controls, policies and procedures are implemented and monitored by the local management teams with oversight and review by Divisional Management. This is conducted within a series of delegated authority levels. Relevant internal control systems are in place to identify, evaluate and manage the Group's business risks.

The second line of defence comprises Group functions such as Risk, Finance, GTS, Treasury, and Tax. These functions are responsible for establishing frameworks, policies and oversight activities to support and monitor the operation of risk management and internal control processes across the Group. The Group Internal Audit function provides independent, risk-based assurance over the effectiveness of risk management processes, governance and key internal controls, and serves as the third line of defence. As well as carrying out full audits on individual entities, the team conducts thematic audits, focusing on specific areas across the Group. All audits conducted by the Group Internal Audit function are completed on site. During FY 2025/26, the team continued

to support the Group's preparations for compliance with the revised UK Corporate Governance Code, including Provision 29. This has included contributing to the identification and documentation of the Group's material controls and supporting the development of the associated assurance and reporting processes that will underpin the Board's future statement on the effectiveness of internal controls.

The Group operates a decentralised management model that is target and results driven, with a strong culture of open, constructive communication and a willingness to listen. The Group Internal Audit function applies this culture in how it operates and reviews control environments across the Group.

In pursuing the Group strategy, a number of key objectives are agreed annually for the Group and for each business unit. Progress against these is reported on a regular basis to Divisional and Head Office functional management, the Group Management Committee and the Board. Having a clear understanding of our strategy and objectives assists with the effective identification and management of existing or emerging risks that have the potential to prevent or hinder these objectives from being achieved.

Risk profile

The Group's overall risk profile is mitigated by a number of overriding factors, including:

- Our business units operate largely independently of one another, from over 69 geographically dispersed sites, and so if an issue were to arise in any one business, it would be less likely to impact other businesses in the Group. We also have business continuity arrangements in place to identify where there is scope to switch production between certain sites if needed.
- We operate in 21 countries and no single site represents more than c.10% of Group turnover or c.8% of Group profit.
- Most of the Group's businesses operate on separate IT systems, which helps to limit the potential impact of a cybersecurity incident affecting the wider Group. During the year, workshops were held with each operating company to assist with further enhancing information security controls at a business level. In addition to this, the Group has implemented consistent web and endpoint security (i.e. security measures across all devices and web connections to ensure a uniform level of protection), as well as continuing to maintain an outsourced Security Operations Centre

("SOC") to monitor and respond to IT security threats 24/7. During the year, the Group conducted a cyber incident response "table-top" exercise involving key management personnel and supported by external specialists. This exercise tested the Group's readiness to respond to a range of cyber scenarios and identified opportunities to further strengthen preparedness.

- The Group has very limited reliance on any single customer or supplier, with the largest customer representing approximately 6% of Group revenue.
- The Group manufactures and sells multiple product lines, across multiple geographies and market sectors, removing reliance on any single revenue stream. This is further reinforced by the innovative, bespoke nature of the Group's products, which continue to evolve as circumstances change.
- The Group operates in structural growth markets, which reflect long-term needs and are less cyclical in nature.
- The Group has enhanced its Export Control Framework during the year, including refreshed risk assessments, strengthened central support to operating companies and the rollout of mandatory training, supporting compliance with applicable regulations across the jurisdictions in which the Group operates.

Risk appetite

One of the Group's core principles is to deliver its strategic priorities in a sustainable and responsible manner. This requires that the Board gives careful consideration to the nature and level of risks that the Group should accept.

The Group draws a clear distinction between those risks that it is more willing to take (typically relating to advancing business prospects) and those that it is less willing to accept (e.g. safety, reputational, regulatory or compliance risks). The following table provides a summary:

Risk tolerant (Willing to take greater risk)	Risk neutral (Taking a balanced approach to risk)	Risk averse (Taking as little risk as possible)
<ul style="list-style-type: none"> Product innovation 	<ul style="list-style-type: none"> Investment in facilities 	<ul style="list-style-type: none"> Product safety
<ul style="list-style-type: none"> Operating in new markets 	<ul style="list-style-type: none"> Business development initiatives 	<ul style="list-style-type: none"> Health and safety
	<ul style="list-style-type: none"> Acquisitions and disposals 	<ul style="list-style-type: none"> Cyber risks
	<ul style="list-style-type: none"> New customers and suppliers in existing markets 	<ul style="list-style-type: none"> Regulatory/covenant compliance
	<ul style="list-style-type: none"> Foreign exchange 	<ul style="list-style-type: none"> Foreign exchange transactional risk
		<ul style="list-style-type: none"> Markets with greater business cyclicality
		<ul style="list-style-type: none"> Environmental risks

The above table provides a high-level summary of the various types of risk that face the Group, with the most significant and material items being more specifically described in the table of Principal Risks and Uncertainties on pages 79 to 84.

Regardless of the appetite in respect of a particular risk, all risks are identified and managed in the appropriate manner.

Enterprise risk management

discoverIE applies an Enterprise Risk Management framework to identify potential events or circumstances that may affect the Group, and to manage associated risks through defined mitigation actions and internal controls. These include climate-related opportunities and risks, further details of which can be found on pages 62 to 66 of this report. The risk management framework is made up of a number of discrete steps to identify, assess, mitigate and monitor risks.

RISK MANAGEMENT CONTINUED

Two processes are conducted in parallel:

Step 1	<p>A top-down review of the Group Risk Register to:</p> <ul style="list-style-type: none"> ■ identify new or emerging risks ■ assess changes to existing risks ■ consider the potential impact and likelihood of risks ■ evaluate existing mitigating actions and controls ■ consider the residual risks remaining after the applications of the Group's internal control processes (and, if appropriate, the implementation of further mitigating actions) <p>The top-down review of the Group Risk Register is conducted by the Group Risk team, Divisional Management, Group Technology Services, and the internal Group Sustainability Team. The bottom-up review is conducted by the management team within each business with support from the Risk team.</p>	<p>A bottom-up review by the management of each business to:</p> <ul style="list-style-type: none"> ■ identify new or emerging risks ■ assess changes to existing risks ■ consider the potential impact of risks ■ evaluate existing mitigating actions and controls ■ consider residual risks (and if appropriate the implementation of further mitigating actions)
Step 2	<ul style="list-style-type: none"> ■ Comparison of the results of the top-down and bottom-up identification processes above. The benefits of conducting both top-down and bottom-up reviews are: <ul style="list-style-type: none"> – increased assurance that all risks have been identified, with input from multiple perspectives – ensuring alignment between local management and Head Office – ensuring that businesses take ownership of the risks most relevant to their individual operating unit – ensuring that controls in place to mitigate risks at the operating unit level are appropriate ■ An assessment of any differences identified, and an update of the Group Risk Register as appropriate. The Group Risk team conducts a review of any risks identified through the bottom-up process to determine whether they require escalation to the Group Risk Register. Risks suggested for escalation to the Group Risk Register are reviewed in the first instance by the Group Management Committee. 	
Step 3	<ul style="list-style-type: none"> ■ Review of the Group Risk Register by the Group Management Committee. This review focuses on: <ul style="list-style-type: none"> – the materiality of each of the risks identified – prioritisation of the allocation of the Group's resources to the most important areas – clarity of ownership for each of the risks identified <p>This review takes into account the Group's risk appetite in respect of the various types of risk identified. The Group Risk Register is then updated as appropriate following the review.</p> <p>This is then summarised in a table of principal risks and uncertainties, the final version of which (for FY 2025/26) is set out on pages 79 to 84.</p>	
Step 4	<ul style="list-style-type: none"> ■ Review by the Audit and Risk Committee – this includes: <ul style="list-style-type: none"> – consideration of the Group's risk management framework – review of the Group Risk Register – identification of any other areas of potential risk – review of the table of principal risks and uncertainties – challenging actual or potential control weaknesses – review of the effectiveness of the Group's internal controls and risk management systems, including consideration of the operation of key controls and related assurance activities 	

These processes are conducted twice each financial year:

- an interim review, typically completed shortly ahead of announcement of the Group's interim results, focuses predominantly on changes during the first half of the year
- a comprehensive review of all risks within the Group Risk Register is completed shortly before the Group's full-year preliminary results announcement.

The processes ultimately lead to the compilation of the Group's principal risks and uncertainties ("PRUs"), of which further detail can be found on pages 79 to 84.

The Group Risk function is continually looking to improve the Group's Enterprise Risk Management framework. During FY 2023/24, the Group Risk function was subject to a maturity assessment, which assessed the effectiveness of the function against recognised risk management standards, such as ISO 31000 and the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") Internal Control – Integrated Framework. The aim of this exercise was to ensure the function is best placed to manage the risks the Group currently faces and is effectively horizon scanning for new risks. Actions identified as part of this assessment were completed during FY 2025/26 to further improve the effectiveness of the Group Risk function. The Group Risk function also regularly attends round-table events with service providers and peers to ensure that its activities are aligned with leading practices.

A key element in assessing the Group's principal risks is considering likelihood and potential magnitude of impact, over a range of time horizons, as well as whether the risks are new or emerging, or have changed in importance during the year. The below diagram provides a summary of the PRUs on that basis.

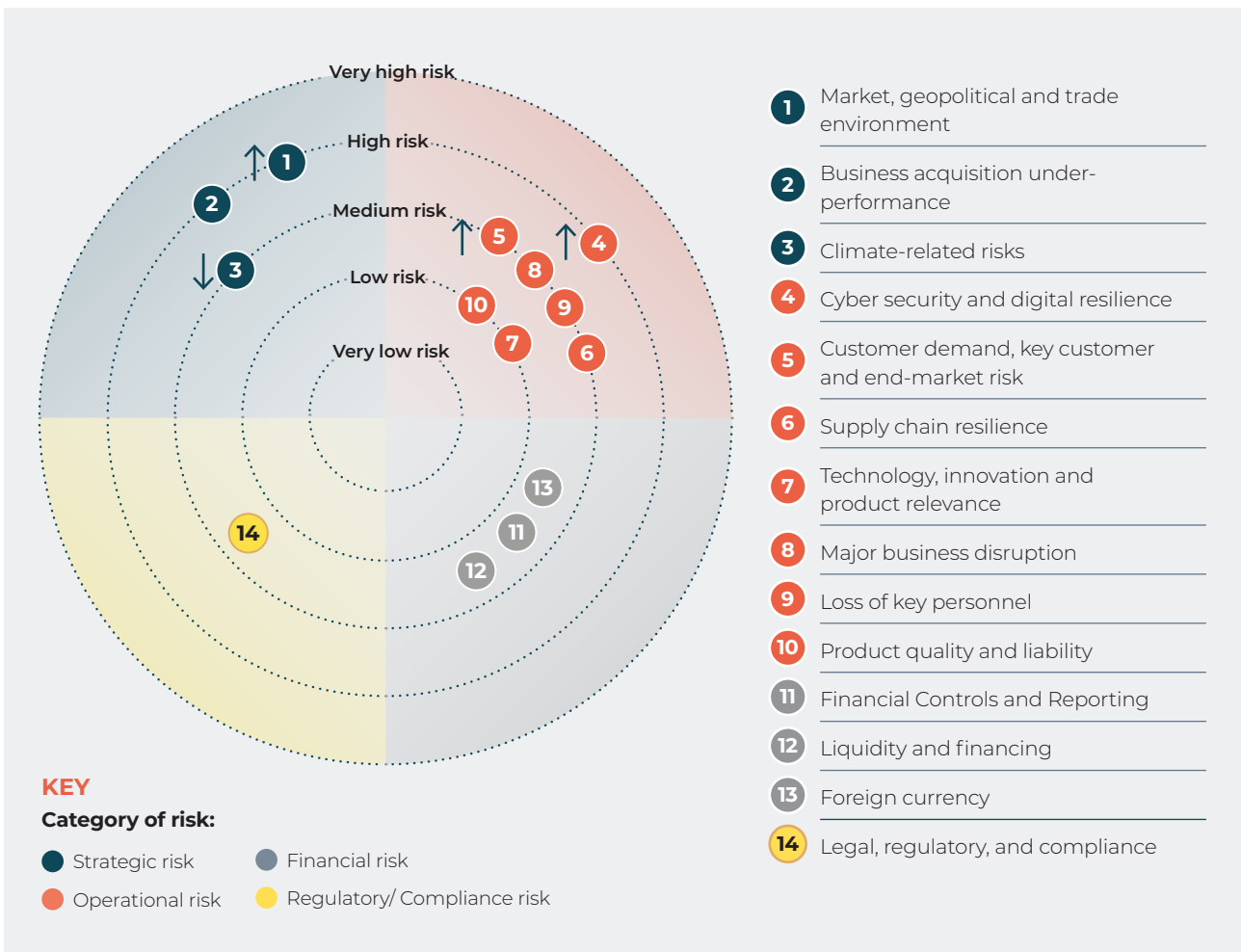
Emerging risks

To complement our existing enterprise risk management framework, we have enhanced and refined our approach to managing emerging risks. These risks are reviewed as part of our formal risk management process and are also considered in the day-to-day operations of the Group and its operating companies.

We assess the emerging risk landscape across three time horizons: short-term (0–3 years), medium-term (4–10 years), and long-term (10+ years). Our assessments are informed by:

- Emerging risk factors identified at the operating company level through a bottom-up process
- Insights from leading external thought leaders on global emerging risks
- Input from members of the Board and Group Management Committee on emerging risk trends

Each emerging risk is assigned a dedicated owner at Group Management Committee level. These risks are recorded in the Group Risk Register and monitored continuously throughout the year. These owners are responsible for tracking the development of risks and implementing appropriate mitigation strategies as needed.

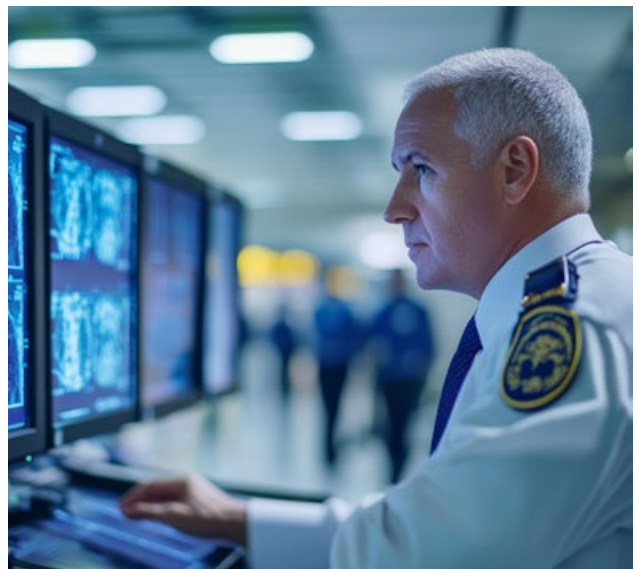


RISK MANAGEMENT CONTINUED

Ongoing monitoring, mitigation and improvement

In addition to the processes outlined above, key risks, and the internal controls established to mitigate those risks, are subject to ongoing monitoring and review. Among other controls, this includes a review by the Group Management Committee in all of its regularly scheduled governance meetings (typically six per year) and escalation to the Board of any material developments as and when they arise.

discoverIE continually pursues improvements in its Enterprise Risk Management Framework. A summary of this continual cycle of risk identification, establishment of systems and processes to mitigate, communication and ongoing monitoring, is outlined in the diagram below.



PRINCIPAL RISKS AND UNCERTAINTIES

Focus on principal risks

This section of the Strategic Report provides an overview of the Group's approach to managing risk, focusing on the major risk factors to implementing the Group's strategy and business model. It is not an exhaustive list of all possible risks. Additional uncertainties exist, some of which may not be known to the Group and could have a negative effect on the Group's financial position and performance. The principal risks and uncertainties detailed below were considered in assessing the long-term viability of the Group. The viability statement can be found on pages 85 to 86. In line with the risk appetite statement found on page 75, the Group takes a risk averse approach to managing its principal risks.

The numbering of the below risks does not represent the ranking of these risks by the Group.

Risk description	Potential impact	Mitigating actions	Change in the year
Strategic risk			
1 Market, geopolitical and trade environment			
Exposure to macroeconomic cycles, geopolitical developments and changes in global trade policies, including tariffs and regional trade restrictions, which may impact demand, supply chains and the Group's ability to operate effectively in certain regions	<ul style="list-style-type: none"> Reduction in sales Lower margins Closure of factories and suppliers stopping production Difficulty raising equity and debt, impacting ability to acquire businesses 	<ul style="list-style-type: none"> Focus on structurally growing, resilient target markets with diversified end-market exposure Broad geographic footprint with flexibility to adjust production and sourcing across regions Close monitoring of macroeconomic and geopolitical developments Strong balance sheet with committed long-term financing facilities and significant headroom Disciplined approach to entering higher-risk markets 	<p>↑</p> <ul style="list-style-type: none"> Increased global tariffs Continued conflicts in the Middle East and Ukraine <p>Link to KSIs:</p> <p>A B C D E</p>
2 Business acquisition under-performance			
Risk that acquisitions do not deliver expected strategic or financial benefits	<ul style="list-style-type: none"> Underperformance of acquired businesses against business case Failure to achieve expected synergies and returns Loss of key management or technical expertise Failure to effectively integrate with the Group 	<ul style="list-style-type: none"> Rigorous operational, financial and legal due diligence on target businesses Appropriate warranties and indemnities from vendors Use of earn-out structures to incentivise key management Monitoring of the acquired business performance against budget and forecast Hiring of experienced management and finance personnel Where possible, new acquisitions become part of a cluster reporting operationally to an existing established senior business Tailored onboarding process for all new acquisitions Post-acquisition assurance programme put in place by Group Internal Audit function to check alignment to essential Group controls 	<p>↔</p> <ul style="list-style-type: none"> Two new acquisitions (for a total of £46m) completed since 1 April 2025 <p>Link to KSIs:</p> <p>A B C D E F</p>

KEY STRATEGIC INDICATORS

- A** Sales growth
- B** Adjusted operating margin
- C** Adjusted earnings per share growth
- D** Cash conversion
- E** Return on capital employed
- F** Carbon emissions reduction

PRINCIPAL RISKS AND UNCERTAINTIES CONTINUED

Risk description	Potential impact	Mitigating actions	Change in the year
3 Climate-related risks			
Climate-related risks arise from both the physical impacts of climate change and the transition to a lower-carbon economy, including evolving regulatory, reporting and stakeholder expectations	<p>Physical risks</p> <ul style="list-style-type: none"> Disruption to operations from extreme weather events Supply chain interruptions affecting production <p>Transition and ESG risks</p> <ul style="list-style-type: none"> Increased regulatory requirements and compliance costs Reputational impact if ESG expectations are not met Reduced access to capital or customer opportunities 	<ul style="list-style-type: none"> An assessment of the physical risks of climate change to the Group's facilities was conducted, which concluded that such risks are considered to be low impact overall for the Group. See the Climate Analysis Report on pages 60 to 66 for further details. Diversified supply chains with ability to switch suppliers Group-wide emissions reduction targets and sustainability strategy ESG targets are established both at a Group and operating company level A credible Transition Plan to net-zero has been devised and implemented across the Group Regular Board and Committee oversight of ESG matters 	<p style="text-align: center;">↓</p> <ul style="list-style-type: none"> Good progress made against Scope 1 and 2 net-zero emissions plan, with an absolute reduction of 68% on the CY2021 baseline. See further details on page 71 Refreshed our Scope 3 assessment. See further details on page 73 Refreshed our physical risks of climate change assessment across Group facilities Refreshed Transition Plan published in June 2026 Net-zero targets validated by SBTi in May 2025 <p>Link to KSIs:</p> <p style="text-align: center;">A B C D E F</p>
Operational risk			
4 Cyber Security and digital resilience			
Risk of cyberattack, resulting in data breach or system failure	<ul style="list-style-type: none"> Business interruption and operational downtime Loss or theft of confidential data Financial loss and regulatory penalties Reputational damage 	<ul style="list-style-type: none"> Layered cyber security controls including endpoint protection and network monitoring 24/7 security operations monitoring through outsourced Security Operations Centre (SOC) Incident response and digital forensics capabilities Regular cybersecurity training across the Group Segregated IT systems across operating units to limit impact of breaches Regular reviews of IT infrastructure and third-party providers Robust backup and recovery processes in place, including regular, automated backups, off-site and segregated storage, and periodic testing of restoration capabilities to ensure business continuity 	<p style="text-align: center;">↑</p> <ul style="list-style-type: none"> General increase in cyber risks globally, driven by a rise in the number and sophistication of cyberattacks and the emergence of new technologies such as artificial intelligence Table-top cyber exercise conducted with Senior Management across the Group to promote awareness and readiness <p>Link to KSIs:</p> <p style="text-align: center;">A B C D</p>

KEY STRATEGIC INDICATORS

- A** Sales growth
- B** Adjusted operating margin
- C** Adjusted earnings per share growth
- D** Cash conversion
- E** Return on capital employed
- F** Carbon emissions reduction

Risk description	Potential impact	Mitigating actions	Change in the year
5 Customer demand, key customer and end-market risk			
Exposure to changes in customer demand across the Group's end markets, including cyclicity, programme changes and competitive pressures, as well as the risk of loss or reduction in business from key customers	<ul style="list-style-type: none"> Reduction in revenue and profitability from loss or reduced demand from key customers Variability in sales and order intake across end markets Increased bad debt risk in the event of customer insolvency Loss of market share in specific applications or segments 	<ul style="list-style-type: none"> Low dependence on any single customer (the largest customer represents c.6% of Group revenues) Exposure to diverse end markets and applications, reducing dependency on individual customers or sectors Robust quality management systems (including ISO 9001) Strong, long-term customer relationships supported by high service levels and engineering collaboration Ongoing monitoring of customer demand trends, pipeline activity and financial health 	<p>↑</p> <ul style="list-style-type: none"> Global economic instability creating additional pressure on customers, partially offset by improving order trends and strengthening demand across key markets. <p>Link to KSIs: A B C D</p>
6 Supply chain resilience			
Risk of disruption to the supply of critical components and materials due to supplier failure, geopolitical factors or logistical constraints	<ul style="list-style-type: none"> Negative impact on production Damaged relationships with key customers Reduced sales 	<ul style="list-style-type: none"> Low dependency on any single supplier Dual source suppliers in place where possible Diversified global supply base Flexibility to switch suppliers where required Long-term supplier relationships, enhanced by strong customer relationships Monitoring of market and technological developments, including input from customers 	<p>↔</p> <p>Link to KSIs: A B C</p>
7 Technology, innovation and product relevance			
The development of new technologies that gives rise to significant new competition or renders our products obsolete	<ul style="list-style-type: none"> Reduced sales Loss of market share Inventory write-offs 	<ul style="list-style-type: none"> The Group is diversified into a number of differentiated technology units Focus on established technologies with low capital requirements Group-wide conference held to discuss use cases and best practice relating to AI Monitoring of emerging technologies, including artificial intelligence Businesses work closely with customers on new engineering projects to ensure products meet their needs All businesses contribute to a design pipeline aimed at widening the product portfolio 	<p>↔</p> <ul style="list-style-type: none"> Emergence of new technologies, including AI, presents both a risk and opportunity for the Group Acquisitions in the year increase the number of technologies within the Group <p>Link to KSIs: A B C</p>

PRINCIPAL RISKS AND UNCERTAINTIES CONTINUED

Risk description	Potential impact	Mitigating actions	Change in the year
8 Major business disruption			
Sustained disruption to production arising from a major incident at one or more sites	<ul style="list-style-type: none"> Insufficient production to deliver goods on order Damaged relationships with key customers Reduced sales Reputational damage 	<ul style="list-style-type: none"> Ability to transfer between sites Distributed manufacturing footprint with limited reliance on individual sites Not overly reliant on one site for sales. Maximum revenue derived from a single site is equal to c. 10% of Group turnover Business continuity planning and insurance coverage 	 <ul style="list-style-type: none"> Assessment of alternative manufacturing locations undertaken as part of TCFD analysis <p>Link to KSI: A B C D E F</p>
9 Loss of key personnel			
Risk of failing to attract, retain and develop the talent and leadership capability required to support the Group's growth	<ul style="list-style-type: none"> Loss of expertise and knowledge Reduced operational performance Constraints on growth and execution 	<ul style="list-style-type: none"> Staff development, training programmes and succession planning Competitive remuneration and incentive structures Regular remuneration benchmarking Use of earn-out structures to incentivise key management of acquired companies The number of separate business units, each with their own management teams, minimises the risk that the underperformance of any one business impacts the Group as a whole 	 <ul style="list-style-type: none"> Recruitment market remains challenging in some markets New Group-wide careers website launched to attract new talent and enhance opportunities for current employees <p>Link to KSI: A B C</p>
10 Product quality and liability			
Risk of product failure or non-compliance with regulatory standards resulting in harm, financial loss or reputational damage	<ul style="list-style-type: none"> Non-compliance with quality standards Product recalls or liability claims Financial loss Reputational damage 	<ul style="list-style-type: none"> Robust quality assurance processes before products are shipped to customers Terms and conditions limit Group companies' liabilities As a number of the Group's products are customised for individual customers, this reduces the risk relating to any one product and/or customer Product liability insurance in place covering all Group companies 	 <p>Link to KSI: A B C D E</p>

KEY STRATEGIC INDICATORS

- A Sales growth
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Risk description	Potential impact	Mitigating actions	Change in the year
Financial risk			
11 Financial Controls and Reporting			
Inadequate financial controls resulting in financial misreporting, poor decision making and fraudulent activity	<ul style="list-style-type: none"> Financial loss Reputational damage 	<ul style="list-style-type: none"> Group policies, manuals and guidance are provided to Group companies to outline the Group's requirements in relation to financial controls Programme of internal audits across Group companies to review adequacy of control environment External audit undertaken on material Group entities Fraud risk assessment performed by the Group Internal Audit function annually Regular review of accounts by senior management A whistleblowing hotline is in place and available for use by all employees Enhanced documentation, testing and monitoring of material controls in preparation for compliance with Provision 29 of the UK Corporate Governance Code 2024 	<p>↔</p> <p>Link to KSIs:</p> <p>A B C D E</p>
12 Liquidity and financing			
There is a breach of funding terms/covenants	<ul style="list-style-type: none"> Constraints on operations and growth Inability to fund acquisitions Increased financing costs 	<ul style="list-style-type: none"> The Group has a revolving credit facility of £240m, which runs to May 2030 with an option to extend to May 2032. c.£70m remaining to be drawn down (post the Trival acquisition in April 2026) Central treasury function oversees the Group's cash resources and financing requirements Regular review of headroom against committed facilities and financial covenants Working capital controls and monitoring of key working capital metrics Issuance of equity from time to time to support acquisitions programme Acquiring high margin, high cash-generative businesses 	<p>↔</p> <ul style="list-style-type: none"> Proforma year end gearing including Trival acquisition of 1.7x Bank gearing covenant increased from 3.0x to 3.5x Strong cashflows in the year <p>Link to KSIs:</p> <p>C D</p>
13 Foreign currency			
The Group transacts in many currencies for both its purchases and sales, which differ to its reporting currency, and so the Group has translational and transactional exposures to foreign currency fluctuations	<ul style="list-style-type: none"> Reduction of the Group's reported results Volatility in operating margins 	<ul style="list-style-type: none"> Use of forward currency contracts to hedge committed and forecast sales and purchases in foreign currency (the Group policy is not to hedge translation exposures) Currency borrowings as a natural hedge against same currency assets Central review of foreign currency exposures 	<p>↔</p> <p>Link to KSIs:</p> <p>A B C D</p>

PRINCIPAL RISKS AND UNCERTAINTIES CONTINUED

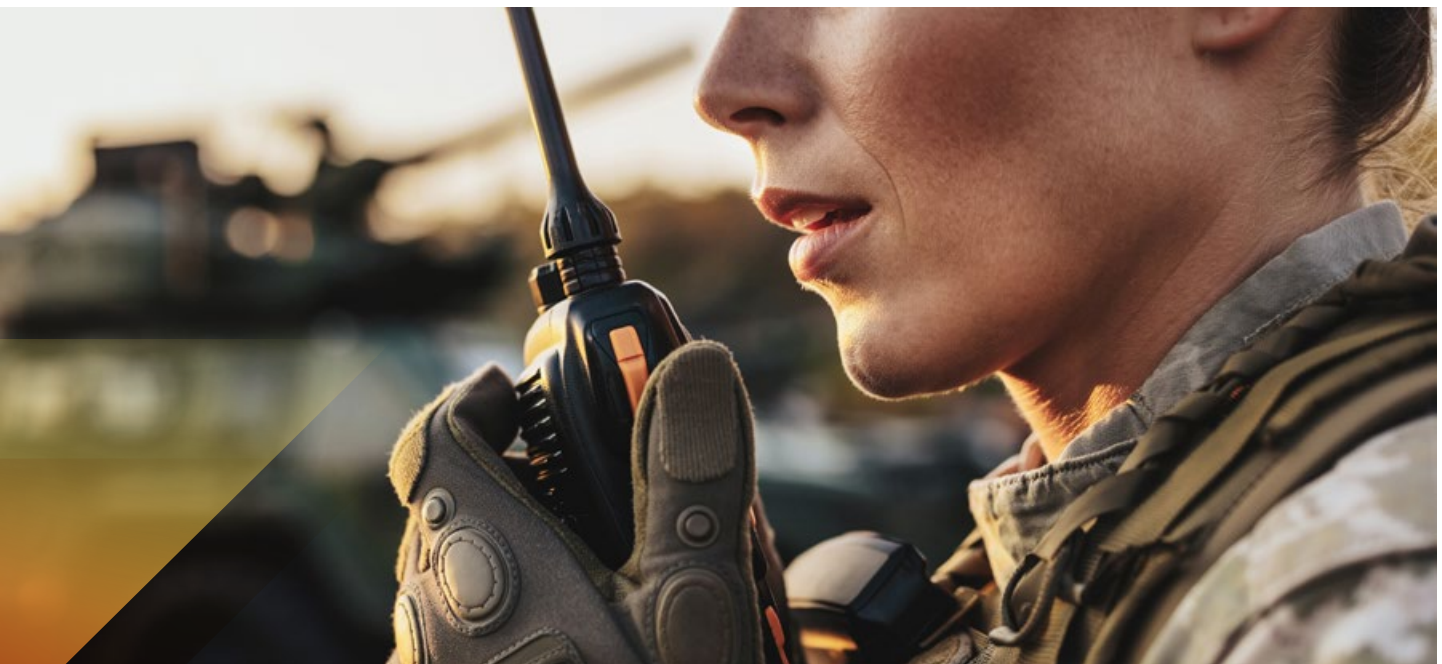
Risk description	Potential impact	Mitigating actions	Change in the year
Regulatory/compliance risk			
14 Legal, regulatory, and compliance			
Unintentional failure to comply with international and local legal and regulatory requirements	<ul style="list-style-type: none"> Fines, penalties or legal action Reputational damage Operational disruption 	<ul style="list-style-type: none"> Employees and advisors with relevant skills to keep up to date with changes in regulations and legal requirements Group policies, procedures and training in risk areas such as export controls and supplier and customer credit risk. Annual supplier audits undertaken across the Group to ensure compliance with Supplier Code of Conduct Ongoing internal audit reviews assess compliance with Group policies A whistleblowing hotline is in place and available for use by all employees Insurance covers all standard categories of insurable risk 	<p>↔</p> <ul style="list-style-type: none"> Work undertaken by Group Internal Audit function to ensure compliance with revisions to UK Corporate Governance Code, which were finalised in January 2024 <p>Link to KSIs:</p> <p>D</p>

KEY STRATEGIC INDICATORS

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VIABILITY STATEMENT



In accordance with section 4.31 of the 2024 UK Corporate Governance Code, the Directors have assessed the viability of the Group over a three-year period to 31 March 2029

In making this assessment, the Directors have considered the Group's current financial position, recent and historic financial performance and forecasts, its strategy and business model and the principal risks and uncertainties.

Viability assessment period

The Directors have concluded that the most appropriate time period over which to assess the Group's prospects for this purpose should be the three-year period ending 31 March 2029. The selection of this period is consistent with the Group's strategic planning process, its review of external credit facilities, and its assessment of the Group's principal risks and uncertainties.

Both the viability base case and downside sensitivities include the impact of the acquisition of Trival Antene d.o.o completed on 1 April 2026 and 3Gmetalworx announced on 19 May 2026, subject to receipt of regulatory approvals.

Viability base case

The financial projections for this three-year period are based upon the Group's budget for the year ending 31 March 2027 and forecast progression thereon. The budget is a consolidation of sales, profits, working capital and cash flow forecasts made by each operating company and head office, incorporating associated key risk factors, including acquired company forecasts and associated contingent consideration payments, latest views on supplier and customer payments impacting working capital, interest rates and applicable foreign exchange and tax rates.

The budget for the financial year ending 31 March 2027 and the projections for the financial years FY 2027/28 and FY 2028/29 assume steady sales growth (in total "The Viability Base Case").

VIABILITY STATEMENT CONTINUED

Banking facilities and headroom

The Group has a syndicated banking facility of £240m, which is committed up to the end of May 2030, with the option to extend until May 2032. In addition, the Group has an £80m accordion facility, which it can use to extend the total facility up to £320m, subject to bank approval. The syndicated facility is available both for acquisitions and for working capital purposes.

The Group's financial covenants for its banking facility are

1. Gearing: Net debt to Facility EBITDA (being Adjusted EBITDA plus the annualisation of acquisitions), of less than 3.5x and
2. Interest cover: Adjusted EBITDA to interest (excluding IFRS16 interest and amortisation of upfront costs) greater than 4.0x.

At 31 March 2026, the Group had net debt of £80.5m and was significantly inside these covenants with gearing of 1.2x and interest cover of 9.6x.

The Viability Base Case model shows increasing headroom with annually reducing levels of net debt and gearing, and increasing interest cover compared with the position at 31 March 2026.

Downside sensitivities

The Viability Base Case has been subjected to downside sensitivity analysis involving flexing a number of the underlying main assumptions, both individually and in conjunction. The sensitivities take into account the principal risks and uncertainties set out on pages 79 to 84, notably instability in the economic environment, underperformance of acquired businesses, climate-related risks, loss of key customers and suppliers, major business disruption, liquidity restriction, debt covenants, interest rate increases, the continued impact of US tariffs and counter tariffs, the ongoing impact of the Middle East conflict and adverse foreign currency movements.

The most severe but plausible downside scenario assumes a worsening of the economic environment caused by a number of factors including geo-political events and significant reduction in customer demand due to continuing inflationary pressures and elevated interest rates. This downside scenario results in a significant decline in the second half sales of FY 2026/27, with FY 2027/28 sales flat on the reduced FY 2026/27 level, and modest growth in FY 2028/29. Additionally, gross margin was reduced, working capital materially increased, significant one-off expenditures included (product quality and liability, major customer insolvency or litigation, irrecoverable customer debt, climate change, cyber-security incident, inventory and technology obsolescence), interest rates increased and the Group effective tax rate increased.

After factoring in these significant additional downsides to the Viability Base Case, there remains good headroom both in terms of liquidity and our debt covenants. This is supported by the fact that the Group sells a wide portfolio of different products across a diverse set of industries and geographies, has low customer / supplier concentration, a global supply chain network, diverse manufacturing capacity, and has well-established relationships with its customers. These factors are considered important in mitigating many of the risks that could affect the long-term viability of the Group.

Reverse testing has also been applied to the most plausible downside scenario to determine the level of additional downside that would be required before the Group would breach its debt covenants or current liquidity headroom during the assessment period. The reverse stress test was conducted on the basis that certain mitigating actions would be undertaken to reduce overheads and capital expenditure during the period as sales declined and, on that basis, a fall in adjusted operating margin to below 6.3% in FY 2026/27 would be required before such a breach occurred.

The Board considers the possibility of such a scenario to be remote and further mitigation, such as hiring freezes, pay and bonus reductions, headcount reductions, reduction in planned capital expenditure, equity raises and suspension of dividend payments, would be available if future trading conditions indicated that such an outcome were possible.

The Strategic Report on pages 01 to 87 sets out the key details of the Group's financial performance, capital management, business environment and principal risks and uncertainties. Based on the Directors' assessment, the Board has a reasonable expectation that, taking into account the Group's current position, having regard to the committed borrowing facilities available to the Company, and subject to the principal risks and uncertainties faced by the business as documented on pages 79 to 84 of the Strategic Report, the Group will be able to continue in operation and to meet its liabilities as they fall due for the three-year period of their assessment.

Going concern

Based on the assessment outlined above, the Directors also believe that it is appropriate to continue to adopt the going concern basis in preparing the Group financial statements for a period of at least, but not limited to, 12 months from the date of approval of the Group financial statements.

NON-FINANCIAL AND SUSTAINABILITY INFORMATION STATEMENT

In accordance with sections 414CA and 414CB of the Companies Act 2006, we set out below where the relevant non-financial information we need to report against can be found in this Annual Report:

Environmental matters	<ul style="list-style-type: none"> ■ Please see our Sustainability Report on pages 42 to 73. ■ Our Climate Analysis Report is on pages 57 to 73, including a detailed discussion of climate-related risks and opportunities on pages 60 to 66. ■ Please see pages 74 to 78 for our general approach to risk management and pages 44 to 45, and 58 to 59 for a summary of our governance framework relating to sustainability matters and climate-related risks in particular. These governance arrangements fit within our broader governance framework, which can be seen in our Corporate Governance Report on pages 90 to 102.
Employee matters	<ul style="list-style-type: none"> ■ Please see pages 52 to 54 (Our People), page 38 (Our people engagement), page 40 (Section 172 statement) and pages 92 to 95 (Employee engagement).
Social matters	<ul style="list-style-type: none"> ■ Please see pages 38 to 39 and 52 to 54.
Human rights	<ul style="list-style-type: none"> ■ Please see pages 45 to 52, 54 and 91 to 95.
Anti-bribery and corruption matters	<ul style="list-style-type: none"> ■ Please see page 45 (Anti-Bribery & Corruption Policy and Whistleblowing Policy). ■ Please also see pages 39, 90 and 95 to 96.
Business model	<ul style="list-style-type: none"> ■ Please see pages 16 to 17 for our Business Model. ■ Please see pages 18 to 23 for our target markets, pages 10 to 13 for a summary of our strategy and pages 08 to 09 for a summary of the Group.
Policies	<ul style="list-style-type: none"> ■ The following codes, policies and standards can be found on our Group website (www.discoverIEplc.com): <ul style="list-style-type: none"> – Sustainability Policy – Whistleblowing Policy – Business Ethics Policy – Anti-Bribery & Corruption Policy – Modern Slavery Statement – Group Tax Strategy – Board Diversity Policy – Supplier Code of Conduct – Conflict Minerals Policy – Environmental Policy – Human Rights Policy – Stakeholder Engagement Policy
Outcome of policies	<ul style="list-style-type: none"> ■ The above policies contribute to the overall governance framework of the Group, providing common standards that operating companies and suppliers must observe. ■ The Group has a proven, flexible and resilient business model, as demonstrated by its strong financial performance over several years. These are underpinned by the Group's governance arrangements in general, including the Policies summarised above. ■ The Group has good relations with its various stakeholders, including staff, customers and suppliers. The above Policies help support those relations.
Principal risks	<ul style="list-style-type: none"> ■ Where principal risks have been identified in relation to any of the matters listed above, these can be found on pages 79 to 84.
Non-financial KPIs	<ul style="list-style-type: none"> ■ Our non-financial key performance indicators are set out on pages 56 and 71.

The Strategic Report, as set out on pages 01 to 87, has been approved by the Board.

On behalf of the Board

Nick Jefferies
Group Chief Executive
2 June 2026

Simon Gibbins
Group Finance Director
2 June 2026

BOARD OF DIRECTORS



Bruce Thompson
Non-Executive Chairman



Appointment to the Board

Non-Executive Director since February 2018 and Non-Executive Chairman since November 2022.

Tenure

8 years

Independent

Yes

Previous experience

Bruce brings a wide range of strategic and leadership expertise to the Board with proven experience of growing international industrial businesses. During his executive career, Bruce was Chief Executive Officer of Diploma plc. Prior to joining Diploma, Bruce was a director with the technology and management consulting firm Arthur D. Little Inc., both in the UK and the USA.

External appointments

Avon Technologies plc, Non-Executive Director and Chair.



Nick Jefferies
Group Chief Executive



Appointment to the Board

January 2009

Tenure

17 years

Independent

No

Previous experience

Nick joined discoverIE as Group Chief Executive in 2009. He started his career as an electronics engineer for Racal Defence (now part of Thales plc), before joining Toshiba and then Hitachi's European electronic component businesses. Prior to discoverIE, he was General Manager for electronics globally at Electrocomponents plc.

External appointments

None.



Simon Gibbins
Group Finance Director



Appointment to the Board

July 2010

Tenure

15 years

Independent

No

Previous experience

Simon brings significant financial expertise and experience gained at an international level. Prior to joining the Group, he was at Shire plc for nine years, latterly as Global Head of Finance and Deputy CFO, and at ICI plc for six years in various senior finance roles, both in the UK and overseas. His earlier career was spent with Coopers & Lybrand where he qualified as a Chartered Accountant.

External appointments

None.



Celia Baxter
Senior Independent Director



Appointment to the Board

Non-Executive Director since June 2023, Senior Independent Director and Chair of Remuneration Committee since November 2024.

Tenure

3 years

Independent

Yes

Previous experience

Celia brings many years of senior management, executive and board experience in several FTSE 250 and FTSE 100 companies, and has a good understanding of international industrial businesses that have grown by acquisition. She spent her executive career in Human Resources, starting with Ford Motor Company and then KPMG, before moving on to Tate & Lyle plc, Enterprise Oil and Hays plc. More recently, at Bunzl plc, she was a member of the Executive Committee responsible for HR and sustainability.

External appointments

Volution Group plc, Non-Executive Director and Remuneration Committee Chair.
Genus plc, Non-Executive Director.



Clive Watson
Non-Executive Director



Appointment to the Board
September 2019

Tenure
6 years

Independent
Yes

Previous experience
Clive is a Chartered Accountant and brings wide-ranging experience in senior financial roles to the Board. Prior to retirement from executive roles, he spent almost 13 years as Group Finance Director of Spectris plc, having previously held a number of other senior finance positions both in the UK and overseas. He also served as Senior Independent Director and Audit Committee Chairman of Spirax-Sarco Engineering plc.

External appointments
Breedon Group plc, Senior Independent Director and Chair of the Audit & Risk Committee.
Kier Group plc, Non-Executive Director.
Trifast plc, Senior Independent Director and Chair of the Audit & Risk Committee.



Rosalind Kainyah
Non-Executive Director



Appointment to the Board
January 2022

Tenure
4 years

Independent
Yes

Previous experience
Rosalind has extensive experience in sustainability matters and currently runs Kina Advisory, an ESG consultancy. Previously, she was VP, External Affairs & Corporate Social Responsibility at Tullow Oil and held various roles at De Beers SA, latterly as President of De Beers Inc. in the USA.

External appointments
GEM Diamonds Ltd, Non-Executive Director.
WE Soda Ltd, Non-Executive Director.
EnQuest plc, Non-Executive Director.



Greg Davidson
Group General Counsel & Company Secretary



Appointment to the Board
November 2019

Tenure
N/A

Independent
No

Previous experience
Greg joined discoverIE in November 2019 and is responsible for legal and company secretarial affairs. He is a qualified lawyer with extensive experience of technology, corporate and commercial matters. His experience includes five years at Wiggin & Co LLP, with clients focused predominantly in the technology sector and, prior to joining discoverIE, 16 years at RM plc, with seven years as General Counsel & Company Secretary.

External appointments
None.

Length of tenure



- 1-5 years – 2
- 6-10 years – 2
- Over 10 years – 2

Independence



- Independent – 4
- Non-independent – 2

Committee membership

- A** Audit and Risk Committee
- N** Nomination Committee
- S** Sustainability Committee
- G** Group Management Committee
- R** Remuneration Committee
- Chairman of the Committee

CORPORATE GOVERNANCE REPORT



Our governance arrangements help ensure that we are well positioned for continued growth”

Bruce Thompson
Chairman

discoverIE is a strong business, with a clear purpose and set of values. This is underpinned by a governance structure that enables the Group’s long-term objectives to be met.

The Group’s performance over the last year was underpinned by our governance arrangements. These structures help ensure we are well positioned for continued growth and to meet the social and environmental challenges facing the Group today.

Compliance with the UK Corporate Governance Code 2024

During the year ended 31 March 2026, the Company fully complied with the applicable requirements of the UK Corporate Governance Code 2024 (the “Code”).

Section	Progress made
Board Leadership and Company Purpose	The Board leads from the front in setting the tone for the business and has established and maintains a clear purpose, set of values and strategy, taking into account the interests of our various stakeholders. The right resources, structures and processes are in place to ensure that these are then implemented properly throughout the Group.
Division of Responsibilities	The respective roles and responsibilities of the Executive and Non-Executive Directors are clear and consistently applied, providing for constructive and effective dialogue and clear accountability.
Composition, Succession and Evaluation	The Board has a healthy balance of skills, knowledge and experience and the appointment process is rigorous and carefully applied. Annual evaluations keep the effectiveness of the Board and its Committees under regular review to ensure this remains the case. During the year ended 31 March 2026, an externally facilitated performance review of the Board and its Committees was completed.
Audit, Risk and Internal Controls	During the year, the Board carefully identified, monitored and took decisions to mitigate the potential impact of any risks to the Group. All of the Group’s principal risks are reported externally in an open and transparent manner (see pages 79 to 84 for more details). This helps ensure that the Company’s financial statements are fair, balanced and understandable. Effective risk management is critical to achieving our strategy.
Remuneration	Remuneration supports the Company’s strategy and is appropriate to the nature and size of the business. The Board has clear processes in place and aims to report in a straightforward and easy to understand way, with a view to providing external stakeholders with reassurance that pay, performance and wider interests are aligned.

¹ Provision 29 of the Code applies to the Company from its financial year ending 31 March 2027. In the year ended 31 March 2026, the Board focused on strengthening its internal controls framework and preparing for implementation (see pages 107 to 108 for more details).



Board Leadership and Company Purpose

Current composition and changes to the Board in the year

Details of the current members of the Board are set out on pages 88 and 89.

Celia Baxter is Senior Independent Director and Chair of the Remuneration Committee, Clive Watson is Chair of the Audit and Risk Committee and Rosalind Kainyah is Chair of the Sustainability Committee.

All of the Non-Executive Directors have considerable expertise in their respective roles.

Section 172 Statement

The Board takes all of its duties seriously, including those set out in section 172 of the Companies Act 2006. The statement required by section 172(1), explaining how it has taken those duties into account, can be found on pages 40 and 41.

Stakeholder engagement

We engage proactively with our stakeholder groups. Further details can be found on pages 38 and 39 and pages 92 to 95.

Sustainability

Provision 1 of the Code deals with the Company generating value over the long-term in the context of future risks and opportunities. This is addressed in the Sustainability Report and in the Risk Management section of this Annual Report and Accounts. Further details of how climate-related risks and opportunities are assessed and managed can be found in the Sustainability Report.

Good governance

The Board keeps the Group's governance frameworks under regular review, especially in light of recent and upcoming changes to the Code. Our purpose, culture and values are communicated to our workforce through internal newsletters, meeting colleagues in-person, town hall meetings, digital channels and corporate brochures.

Our Purpose:

To create innovative electronics that help to improve the world and people's lives.

Values

- Integrity – we act with honesty and openness, treating our partners and stakeholders fairly
- Quality – we strive for excellence and make constant improvements that deliver superior value to our customers
- Empowerment – we inspire growth and innovation by providing an entrepreneurial environment
- Collaboration – we work together, trust and respect each other

- Positive impact – we care about the environment and societies we live in and commit to making a positive impact

Culture

- Dedication and determination – driven by empowerment and a sense of ownership
- Customer centricity – allow employees closest to the customers to make decisions that directly affect customer satisfaction
- Respect, fairness and equality – create an open and inclusive environment in which everyone has an equal opportunity to flourish and grow
- Open communication – create a trusting environment where information flows freely and collaboration thrives
- Target driven – strive for results and high performance

Vision

To be a leading global innovator in electronics.

Mission

To design and manufacture innovative customised electronics that help our customers create ever better technical solutions around the world. We aim to achieve this through a motivated, entrepreneurial and empowered workforce that adheres to the highest ethical and quality standards.

In doing so, we expect to create value for Shareholders, while being seen as an attractive and responsible employer and a trusted partner for customers and suppliers.

Strategy

To grow our business in custom and differentiated electronics for niche industrial applications by focusing on markets with structural, sustained growth prospects, complemented by value-enhancing acquisitions.

This is underpinned by strong cash generation and our commitment to the UN Sustainable Development Goals.

Strategic Priorities

This strategy comprises the following priorities:

- Grow sales well ahead of GDP through the economic cycle by focusing on sustainable, structural growth markets
- Acquire high quality businesses with attractive growth prospects, strong and sustainable margins, and discoverIE DNA
- Generate efficiencies and improve operating margin through effective pricing and increased product innovation and differentiation
- Reduce environmental impact by achieving net-zero carbon emissions

CORPORATE GOVERNANCE REPORT CONTINUED

During the year, the Board assessed acquisition opportunities, sustainability commitments, capital deployment decisions and the Group's risk appetite against its strategic priorities, with the aim of ensuring that the Group's approach remains aligned to delivering long-term growth and value creation. Progress against our objectives is measured through our key strategic indicators. Details are set out on page 11.

Employee engagement

Our employees are highly valued and skilled and we depend upon their dedication and hard work for the Group's success. Our decentralised business model relies on the expertise of our teams in different businesses and across different locations. Our strategy recognises the benefits of maintaining our businesses' individual identities, whilst contributing to the success of the Group overall. The Board therefore considers it most appropriate that engagement activities are carried out directly at a local level, with all feedback received by any member of the Board shared with the rest of the Board.

The below summarises why and how the Board and senior management both from Head Office and within our businesses engage, how it influences our strategic thinking, the feedback we receive as to any key concerns, and other factors that affect the day-to-day working environment.

Why we engage

- The well-being, dedication and performance of our people are critical to our continued success as a Group, the products that are delivered to and relationships maintained with customers and, as a result, the value delivered to all of our stakeholders.
- An engaged workforce can help us achieve our long-term strategic goals.
- Knowledgeable and well-trained employees help in the continued development of new and innovative products, both for us and our customers.
- Strong working relations help attract and retain talent.

We aim for a well-motivated workforce and recognise that, without their commitment, the Group would not have achieved its various successes over the last several years. This is both in terms of financial performance and our wider contribution to tackling the issues facing the world today, such as climate change and the need to reduce carbon emissions. As such, it is important to the Board that our colleagues know how highly they are valued and that it recognises that our success depends on their continued invaluable contribution to the Group.

How we engage

A range of employee engagement mechanisms are in place, including employee surveys, performance evaluations, ESG workshops, newsletters, apprenticeship and graduate programmes, employee assistance programmes, employee conferences and town hall meetings. The Board receives updates at every meeting from the Group Chief Executive, the Group General Counsel & Company Secretary and other senior managers on a range of employee-related matters, including any local issues encountered, health and safety matters and the general health and well-being of our workforce. This was particularly important during the pandemic and more recently during the cost-of-living crisis. The Audit & Risk Committee also receives details of any whistleblowing reports, the steps taken to investigate, and any follow-up actions identified as a result.

However, it is the personal interactions that the Board and senior management have that provide the most direct and valuable feedback. Since 2009, the Board has regularly visited the Group's operating sites, meeting management and employees directly. These visits enable all members of the Board to meet with people directly and because the interaction is between all members of the Board, as opposed to just one or two holding this responsibility, this means that the Board is able to meet with a wider cross-section of our global workforce. It also enables the different experience and perspectives that each of our Board members brings to contribute to engagement, thereby fostering a much broader range of interactions than would otherwise be the case.

Reviewing, embedding and managing our culture

We embrace a decentralised operating model, and our success hinges on a culture built on respect, fairness, and equality, that empowers our teams locally, fosters open communication, and unites us towards our shared ambitions.

Engagement is conducted using a variety of methods, starting within businesses at a local level, complemented by oversight from Head Office, and by the Board engaging directly. The diagram opposite provides a summary.

The Board assesses whether the desired culture is being embedded through site visits, employee feedback, internal audit findings and whistleblowing data, and uses these inputs to challenge management where potential misalignment is identified.

The below provides a summary of the Board's visits over the last three years:

Date	Board member(s)	Site
January 2023	Bruce Thompson Simon Gibbins Tracey Graham Nick Jefferies Rosalind Kainyah Clive Watson	Variohm
February 2023	Bruce Thompson Nick Jefferies	Limitor
May 2023	Nick Jefferies Simon Gibbins	Magnasphere, Phoenix America
September 2023	Celia Baxter	Cursor Controls
October 2023	Celia Baxter	Variohm Eurosensur
November 2023	Celia Baxter	Sens-Tech
January 2024	Bruce Thompson Celia Baxter Simon Gibbins Tracey Graham Nick Jefferies Rosalind Kainyah Clive Watson	MTC
April 2024	Bruce Thompson Nick Jefferies	CPI, Phoenix America, Shape, Magnasphere, Beacon
May 2024	Nick Jefferies	DTI
July 2024	Nick Jefferies Simon Gibbins	Positek
September 2024	Bruce Thompson Celia Baxter Simon Gibbins Tracey Graham Nick Jefferies Rosalind Kainyah Clive Watson	Internal Conference and Capital Markets Day
January 2025	Nick Jefferies	Sens-Tech
March 2025	Nick Jefferies	Myrra China, Noratel China, DTI

Date	Board member(s)	Site
April 2025	Nick Jefferies	CPI, Beacon, Shape
	Celia Baxter	Women in Engineering & Operations Seminar
October 2025	Bruce Thompson Celia Baxter Simon Gibbins Nick Jefferies Rosalind Kainyah Clive Watson	Noratel Poland
	Nick Jefferies Simon Gibbins	Engineering & Technical Sales Forum

September 2024 Internal Conference and Capital Markets Day

In September 2024, all of our businesses were brought together in London for a two-day internal conference and a Capital Markets Day. These events provided an opportunity for Board members to have one-on-one discussions with all of the senior leaders across the Group and several members of their respective teams. All businesses participated and all Board members attended.

During these visits the Board seeks to better understand:

- The nature of each business, the products it makes and the customers and markets it serves
- Any operational challenges or constraints that the business may face
- Opportunities that have been identified for future product innovation and business growth
- Employee morale and motivation, working conditions, local skills and expertise, and the strength of relations among the workforce generally and with the local senior management team
- Relations between the business and the wider Group
- Where a business sits within a cluster of Group companies, how that cluster is working together and the opportunities and challenges that this brings
- Possible future acquisition targets that may complement the existing business
- Any health and safety issues

In addition to regularly scheduled business reviews, several members of the Group Management Committee ("GMC") conduct routine functional meetings and other site visits with our businesses.

CORPORATE GOVERNANCE REPORT CONTINUED

Updates from these visits are reported to the Board, either directly or via the Group Chief Executive. These reports typically include the matters referred to above, thereby enabling the Board to have oversight of workforce relations and benefit from their collective input.

The Audit & Risk Committee also receives updates at every meeting from the Risk & Internal Audit team, following internal audits that have been conducted at each site. One key item that is checked on all internal audits is that the Group's whistleblowing posters are clearly displayed at all sites, so that if there are any matters that staff wish to raise in confidence, and anonymously if preferred, they know the channels through which they can do so. For further details on our Global Whistleblowing Policy and the independent helpline available to all staff globally, please see page 45.

As well as numerous visits throughout the year by members of the GMC, an internal conference was held in September 2024 in London, bringing together over 100 of the Group's senior leaders, together with the Board and GMC. That conference fostered further collaboration and knowledge sharing between the Board, GMC and all of our global businesses on a wide range of matters. This has led to a number of initiatives which are still underway.

In addition, two seminars were held in 2025/26, the first being a Women in Engineering & Operations Seminar in April 2025, attended by Celia Baxter, which strove to connect and develop female colleagues from across our operating companies. The second was a wider Engineering & Technical Sales Forum in October 2025, attended by Nick Jefferies and Simon Gibbins, to further drive collaboration between operating companies and promote knowledge-sharing.

One area of key focus for the Board is to ensure that the right leadership teams are in place at all of our businesses. As well as guiding those businesses generally, these leaders shape the day-to-day experience of the people within each of those businesses, and regular direct employee engagement is delegated to them. On behalf of the Board, the Nomination Committee regularly reviews the most senior leaders throughout the Group.

Outcomes of engagement

The purpose of the various forms of engagement is as follows:

- To deepen the Board's knowledge, by using the expertise and insights of our workforce.
- To assess the culture of the Group.
- To identify any issues or concerns that staff may have.
- To ensure that the voices of employees are heard.

The Group's core strategy is well established and has been settled for several years. As such, employee engagement helps influence the Board's decision-making as to how that strategy is implemented in practice.

For example:

- During the pandemic, it was crucial that our businesses adapted to flexible working arrangements.

CASE STUDY

Noratel 100th anniversary

To mark its 100th anniversary, in October 2025, Noratel delivered a global virtual celebration connecting employees across all of its global sites. The Board of discoverIE attended from the Noratel site in Poland, reinforcing visibility and engagement. The event fostered strong global unity, and a sense of pride and belonging. Employees rated the experience highly, reporting feeling part of a shared milestone, strengthening the "One Noratel" culture and demonstrating the impact of active leadership engagement.



- Over the last few years, the need to support staff during the cost-of-living crisis has been highlighted and addressed. The Group's Human Rights Policy includes a commitment aiming to pay wages at rates that are meaningfully ahead of minimum statutory rates. As part of its annual review of pay and working conditions, the Remuneration Committee received updates on pay rises being given to our colleagues globally, how they compared to local rates of inflation and how they compared to local minimum wage requirements.
- The Group closely monitored the political, economic and social situation in Sri Lanka. Additional allowances, food and transportation were consequently provided.
- Regular webinars have been held for colleagues in operating businesses across the Group to share best practice and knowledge, covering a variety of topics such as greenhouse gas emissions, technology deep dives and finance.
- Given the rise in living costs, the Group rolled out an employee rewards programme across our UK businesses to help support our employees through these challenging times.
- Employee assistance programmes in certain countries provide employees with various types of support, such as advice on financial difficulties, and mental health and well-being.

The metrics and other measures that are used by the Board to help assess employee relations include:

- Staff turnover rates (see page 56 for more details)
- Pay rates globally (both in absolute terms and in relation to local inflation and minimum wages)
- Accident frequency rates (see page 56 for more details)
- Whistleblowing reports
- Employee rewards programme registration and activities
- The level of collaboration activities between businesses
- Diversity (see pages 56 and 100 for more details)
- Gender pay gap data (UK only)

Policies and procedures

The Board puts in place a range of policies and procedures that support employees in their various business activities. These policies consider the need to foster reasonable business relationships with suppliers, customers and others, the impact of the Group's operations on its workforce, the community and the environment, and the maintenance of high standards of business conduct. Our policies and procedures include the following:

- Sustainability Policy
- Human Rights Policy
- Group Health and Safety Policy
- Anti-Bribery and Corruption Policy
- Business Ethics Policy
- Whistleblowing Policy
- Board Diversity Policy
- Supplier Code of Conduct
- Modern Slavery Statement
- Conflict Minerals Policy
- Environmental Policy
- Group Tax Strategy
- Stakeholder Engagement Policy

In addition to the above, clear and fair terms of employment are in place throughout the Group. The Group remains supportive of the employment and advancement of disabled persons and full consideration is given to applications for employment from disabled persons, where the candidate's particular aptitudes and abilities are consistent with meeting the requirements of the job. Opportunities are available to disabled employees for training, career development and promotion. Where existing employees become disabled, it is the Group's policy to provide continuing employment, wherever practicable, in the same or an alternative position and to provide appropriate training and support to achieve this aim.

Time allocation, Board and Committee meetings and attendance

During the year, attendance by Directors at Board and Committee meetings was as follows:

Director	Committees						Overall Attendance %
	Board	Audit and Risk	Remuneration	Nomination	Sustainability		
Bruce Thompson	6/6	–	3/3	2/2	3/3		100%
Celia Baxter	6/6	3/3	3/3	2/2	3/3		100%
Simon Gibbins	6/6	–	–	–	3/3		100%
Nick Jefferies	6/6	–	–	2/2	3/3		100%
Rosalind Kainyah	6/6	3/3	3/3	2/2	3/3		100%
Clive Watson	6/6	3/3	3/3	2/2	2/3		94%

Time is provided at the start and the end of each meeting for the Chairman to meet privately with the Senior Independent Director and Non-Executive Directors. The Board's commitments are taken into account in the preparation and planning of meetings to ensure that all Directors are able to allocate sufficient time to discharge their responsibilities.

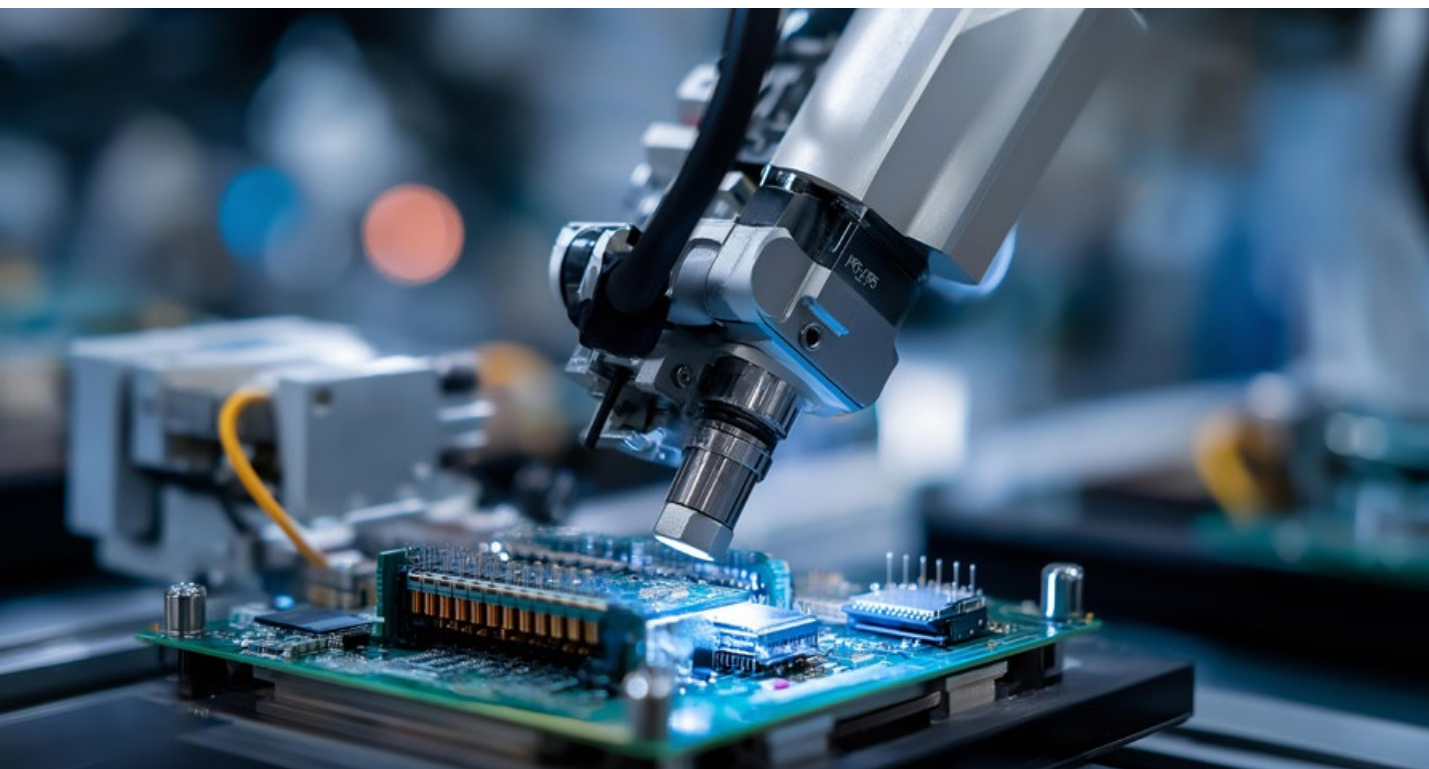
Board approval is required prior to any Director accepting any external appointments.

CORPORATE GOVERNANCE REPORT CONTINUED

Board activities

Topic	Key activities, decisions and outcomes in FY 2025/26	Key priorities in FY 2026/27
Strategy	<ul style="list-style-type: none"> ■ Reviewed and approved the acquisitions of Storm Interface and Trival Antene. The Board reviewed the due diligence undertaken, future plans and prospects for the acquired businesses, consideration of any associated risks, and expected financial returns. Both acquisitions completed and are now part of the Group ■ Reviewed the timing and implementation of the merger of our Stortech and Contour businesses (merger completed 1 April 2026) ■ Reviewed key strategic indicators ("KSIs") ■ Reviewed and approved the growth targets and budget for FY2025/26 ■ Reviewed the Group's approach to sustainability practices and reporting, as well as priorities and progress against targets. The Board's guidance in helping determine our approach to changing regulatory requirements helped ensure that resources were appropriately allocated and the impact of those changes was minimised 	<ul style="list-style-type: none"> ■ Consider acquisitions as identified and determine the appropriate course of action ■ Keep KSIs under review ■ Keep the Group's dividend policy under review ■ Continue to focus on international growth in key markets, including expansion within North America
Risk and risk management	<ul style="list-style-type: none"> ■ Carried out a robust assessment and determined the Group's principal and emerging risks (see pages 76 to 84) ■ Conducted a review of the Group's cyber management framework and agreed appropriate priorities and resource allocation ■ Considered the Group's exposure to climate-related and other ESG risks ■ Conducted a review of the Group's Anti-Bribery Policy, and the Group's Whistleblowing Policy, and approved updates to bring those Policies into line with latest guidance ■ Reviewed and approved changes to the Group's Export Control Policy and associated framework ■ Reviewed internal audit reports and actions taken to address findings identified. The reviews undertaken helped management in its prioritisation and approach both for specific findings and to risk generally ■ Continued work in preparation for the coming into force of Provision 29 of the Corporate Governance Code 2024. This included strengthening documentation, testing and Board oversight of material controls (for more details see pages 74, 105 and 107) 	<ul style="list-style-type: none"> ■ Review key risks and ensure that the Group's internal control process remains appropriate ■ Completion of the work required following the coming into force of Provision 29 of the Code ■ Continued monitoring and evaluation of cyber related risks
Governance	<ul style="list-style-type: none"> ■ Conducted a review of the Group's most senior leadership team and ensured that appropriate succession plans are in place ■ Received a presentation from the Head of Tax and agreed the Group's approach to tax matters ■ Updated the Terms of Reference for each of the Board's Committees ■ Signed off and published the Group's modern slavery statement ■ Engaged with institutional Shareholders, investors and other stakeholders throughout the year ■ Reviewed and approved the 2025 Annual Report 	<ul style="list-style-type: none"> ■ Build further understanding and plan actions in relation to new regulations over the period

Topic	Key activities, decisions and outcomes in FY 2025/26	Key priorities in FY 2026/27
Organisational capacity	<ul style="list-style-type: none"> ■ Reviewed and approved proposed investments in additional manufacturing capacity at Noratel sites in both India and Norway ■ Monitored health and safety performance across the Group and, as a result of Board review, issued additional guidance to businesses on key risks or trends identified ■ Reviewed the Group's funding arrangements and approved a renewal of the Group's revolving credit facility (see page 83 for more details) ■ Received presentations by senior management on M&A strategy and determined the appropriate prioritisation of prospective targets and opportunities 	<ul style="list-style-type: none"> ■ Continue to monitor health and safety performance across the Group ■ Consideration of the Group's capacity as it continues to grow
Board development	<ul style="list-style-type: none"> ■ Considered Board composition and succession plans, including agreeing to conduct a shareholder consultation on extending the term of the Chairman (see page 111 of the Nomination Committee Report for more details) ■ Undertook an externally facilitated review of the Board, its Committees and individual Directors (see page 101 of this Report for more details) 	<ul style="list-style-type: none"> ■ Focus on increasing diversity both for the Board and across the Group more generally



CORPORATE GOVERNANCE REPORT CONTINUED



Division of Responsibilities

discoverIE is led by a strong and experienced Board with a broad range of skills, experience and knowledge.

Throughout the year under review, the Board consisted of Bruce Thompson as Non-Executive Chairman, Celia Baxter as Senior Independent Director, Rosalind Kainyah and Clive Watson as Non-Executive Directors, with Nick Jefferies as Group Chief Executive and Simon Gibbins as Group Finance Director.

The Non-Executive Directors constructively challenge management proposals where appropriate and carefully monitor management performance and reporting on an ongoing basis. The Company has both a Chairman and a Group Chief Executive.

There is a clear division of responsibilities, which has been agreed by the Board, and a summary of their respective roles is described below.

Role of the Chairman

- Responsible for leading the Board, which includes the operation of the Board's overall procedures.
- Providing a forum for constructive discussion and ensuring receipt of clear and timely information.
- Overseeing Corporate Governance matters.
- Leading the performance evaluations of the Group Chief Executive, the Non-Executive Directors and the Board.

The Chairman, in conjunction with the Group Company Secretary, ensures that Directors receive a full, formal and tailored induction to the Group and ongoing training as relevant.

Role of the Group Chief Executive

- Leading the development and implementation of the Group's strategy.
- Communicating with Shareholders and other stakeholders.
- Responsible for the day-to-day management of the Group's businesses and reporting on their progress to the Board.
- Leading the Group Management Committee.

The Group Chief Executive is assisted in meeting his responsibilities by the Group Management Committee.

Role of the Board

- Setting the strategy.
- Oversight of the management of discoverIE.
- Review of KSIs.
- Review of acquisitions and corporate transactions.
- Recommending or declaring dividends.
- Approval of financial statements, business plans, financing and treasury matters.
- Approval of major capital expenditure and commitments.
- Maintaining sound internal controls and risk management systems.
- Review of the Group's overall corporate governance.
- Any litigation of a material nature.

As set out on the following page, certain matters are delegated to the Group Management Committee and to the Audit and Risk, Remuneration, Nomination and Sustainability Committees.

Governance framework

The Board

Chaired by Bruce Thompson

The Board meets a minimum of six times a year.

It is accountable to Shareholders for the long-term success of the Group. This is achieved via a clear division of responsibilities between the Chairman and Group Chief Executive, the setting of strategic aims and ensuring that the necessary resources are in place.



Nomination Committee

Chaired by Bruce Thompson

The Nomination Committee regularly reviews the structure, size and composition of the Board and its Committees. It identifies and nominates suitable candidates to be appointed to the Board (subject to Board approval) and considers diversity, culture, talent and succession generally.

▶ Further information on the Nomination Committee is on **pages 110 to 111**

Audit and Risk Committee

Chaired by Clive Watson

The Audit and Risk Committee has responsibility for overseeing and monitoring the Group's financial statements, accounting processes, audit processes (internal and external), the Group's approach to risk management and controls.

▶ Further information on the Audit and Risk Committee is on **pages 104 to 109**

Remuneration Committee

Chaired by Celia Baxter

The Remuneration Committee reviews and recommends to the Board the framework and policy for the remuneration of the Chairman, the Executive Directors and the Group Management Committee.

The Committee ensures that the remuneration policy of the Group reflects the Group's strategy.

▶ Further information on the Remuneration Committee is on **pages 116 to 137**

Sustainability Committee

Chaired by Rosalind Kainyah

The Sustainability Committee reviews the Group's ESG plans and arrangements, seeking to align with best practice and underpinning the long-term sustainability of the Group.

▶ Further information on the Sustainability Committee is on **pages 42 to 73**

Group Management Committee

The Group Management Committee is chaired by Nick Jefferies, Group Chief Executive, and comprises Simon Gibbins, the Group Finance Director, the Group Commercial Director, Head of Corporate Development, Group General Counsel & Company Secretary, Group Financial Controller, Head of Tax, Head of Acquisitions, Head of Risk & Internal Audit, Head of Investor Relations and Group Development, and Group Projects Director. Further information about Committee members can be found on the Group's website www.discoverIEplc.com.

The Committee typically meets 12 times a year (six times to discuss governance matters and six times to discuss operational matters) and is responsible for the Group's day-to-day operations, for delivering results, and for driving growth and ensuring that this is done in a sustainable and ethical manner.

CORPORATE GOVERNANCE REPORT CONTINUED



Composition, succession and evaluation

Current composition

The biographies of the current members of the Board are set out on pages 88 and 89.

Work of the Nomination Committee

The Nomination Committee Report, which can be found on pages 110 and 111, describes the work of the Nomination Committee in ensuring that the Board continues to have the right mix of skills, knowledge and experience, and the process for ensuring that there is an effective process in place for succession planning.

Independence

The independence of the Non-Executive Directors is reviewed annually.

The Board considers that the Non-Executive Directors bring strong, independent oversight and continue to demonstrate independence. The Board recognises the recommended term for Non-Executive Directors as set out in the Code and is mindful of the need for suitable succession.

Celia Baxter is the Senior Independent Director and is available to Shareholders should they have concerns that cannot be resolved through other channels.

Induction

All new Directors receive induction training on joining the Board and are expected to regularly update and refresh their skills and knowledge, with the Company providing the necessary resources, as required. The induction programme includes meeting with the Group's senior management and visits to key locations, as well as a comprehensive briefing pack.

Board composition

The composition of the Board, both as at 31 March 2026 and as at the date of this Annual Report and Accounts, is set out below:

- The Board is 33% female
- The Senior Independent Director (Celia Baxter) is female
- The Board has one Director (Rosalind Kainyah) from a minority ethnic background

discoverIE collects the data used for these purposes from members of the Board and Group Management Committee on a voluntary basis, with each person confirming their gender and ethnicity. The senior positions are defined as Chairman, Group Chief Executive ("CEO"), Group Finance Director ("CFO") and Senior Independent Director ("SID"). The Group Management Committee is considered to be the Company's executive management as defined by the Listing Rules.

Gender diversity

	Number of board members	Percentage of the board	Number of senior positions on the board (CEO, CFO, SID and Chair)	Number in Executive Management	Percentage of Executive Management
Men	4	67%	3	8	73%
Women	2	33%	1	3	27%
Not specified / prefer not to say	0	0%	0	0	0%

Ethnic diversity

	Number of board members	Percentage of the board	Number of senior positions on the board (CEO, CFO, SID and Chair)	Number in Executive Management	Percentage of Executive Management
White British or other White (including minority-white groups)	5	83%	4	8	73%
Mixed / Multiple Ethnic Groups	0	0%	0	0	0%
Asian / Asian British	0	0%	0	3	27%
Black / African / Caribbean / Black British	1	17%	0	0	0%
Other ethnic group, including Arab	0	0%	0	0	0%
Not specified / prefer not to say	0	0%	0	0	0%

The Company confirms that, both as at 31 March 2026 and as at the date of this Annual Report and Accounts, it meets the targets on board diversity specified in Listing Rules 6.6.6(9) and 14.3.30(1), save for the requirement for 40% of the Board to be women (currently 33%). The reason for not meeting that target is as follows. As explained in our Board Diversity Policy (which can be found on our website at www.discoverieplc.com/sustainability/company-policies), the Company is committed to maintaining a diverse Board that is appropriate for the size and nature of the Group and, at present, it has been determined that this is met by maintaining a Board of six Directors, comprising two Executive Directors and four independent Non-Executive Directors. All of the current Directors of the Board provide a valuable contribution to the success of the Group, and it would be inappropriate to either seek to remove one of the current male Directors and replace them with a female Director, or to maintain a larger Board, simply to enable the Company to confirm compliance with

this requirement. The current composition of the Board has been considered as appropriate and in the best interests of all stakeholders. If it is determined in future that a Board of seven or more members is appropriate, we would target maintaining a minimum 40% female board representation.

Re-election

In accordance with the Code, all Directors stand for re-election annually at each Annual General Meeting.

Board Performance Review

In accordance with the Code, the Board and each of its Committees undertake a review each financial year. During the year ended 31 March 2026, the Company engaged Gould Consulting to lead an externally-facilitated review of the Board and its Committees. The Company has no other relationship with Gould Consulting. An externally-facilitated review will be conducted at least every three years.

A summary of the process and findings of the Board and Committee review are provided below.

Step 1

The external facilitator conducted individual interviews with four members of the Board to discuss a range of matters, including strategic priorities, culture, alignment and Board dynamics. This followed a review by the external facilitator of all Board papers in the previous 12 months, including the 2025 internal Board performance evaluation.

Step 2

A bespoke online questionnaire assessing the performance of the Board and each of its Committees was then created by the external facilitator. This was circulated to all members of the Board and the respective Committees, along with regular internal and external attendees at meetings of the Board and each Committee. Responses to those questionnaires were submitted online to the external facilitator.

Step 3

Two observers from the external facilitator attended a meeting of the Board and each Committee.

Step 4

The external facilitator prepared a preliminary report, summarising the responses received to the questionnaires, and the observations made by the attendees at the Board and Committee meetings. That report was provided first to the Chairman for review, and then to the Company Secretary. A meeting was then held to discuss the report.

Step 5

The external report was then finalised and circulated to all members of the Board. It was then discussed at the following Board meeting and actions for improvement decided upon.

Summary of the 2026 Board review

Overall effectiveness and dynamics

The overall effectiveness of the Board and its dynamics were highly regarded. Interaction among and between Board members was rated highly, with there being a positive atmosphere and strong relationships, with healthy levels of debate and challenge. The external facilitator noted that Board performance outcomes in nearly all areas met or exceeded their proprietary FTSE benchmarks.

Strategy, purpose and culture

There was strong alignment on purpose and culture, reflecting in particular the decentralised nature of the Group and its long-term growth ambitions. The Group's KSIs (see page 11 for more details) were viewed positively and provide transparent, objective performance metrics for external stakeholders.

Board composition

The composition of the Board was positively rated, with clarity over respective roles and responsibilities, and a strong contribution from all members of the Board. Succession plans were agreed as appropriate.

Board's expertise and knowledge

The Board's understanding of the Group, and of the views of major investors and other stakeholders was rated positively, and all members of the Board were especially keen to continue visits to our operating businesses to interact with staff directly (see page 93 for a summary of recent visits). It was agreed that it was important for external attendees to continue attending meetings to present on specialist topics, such as cyber risk and artificial intelligence. It was also agreed that it was important for leaders from the Group's business units to attend Board meetings to ensure that the Board is kept sufficiently apprised of developments in those businesses and a schedule for the forthcoming year has been agreed.

Management of meetings

The management of meetings and the structure of the Committees, together with Board support, were appropriate. However, potential improvements were identified regarding the scheduling of certain items and the format and content of certain Board materials.

Risk management

The effectiveness with which the Board takes risk into account when making decisions was positively rated, including the operation of both the Audit & Risk Committee and the Sustainability Committee. The Group's approach to risk is set out in the Risk Management section of this Annual Report on pages 74 to 78, and the Group's approach to sustainability matters is described in the Sustainability Report on pages 42 to 73. The way in which recent and upcoming regulatory changes have been addressed was highly regarded.

CORPORATE GOVERNANCE REPORT CONTINUED

Audit, risk and internal control

The Strategic Report notes that delivering the Group's strategic priorities in a sustainable and responsible manner requires careful consideration to be given by the Board to the nature and level of risks that the Group should accept.

The Board's approach to risk generally, including the identification, management and mitigation of risks (including internal controls), is described in further detail in the following sections of this Annual Report and Accounts:

- Our approach to Risk Management is described on pages 74 to 78.
- The Group's Principal Risks and Uncertainties are set out on pages 79 to 84.
- The Audit and Risk Committee Report on pages 104 to 109 summarises how the Committee provides oversight, and supports the Board, in relation to audit, risk and internal controls generally.
- The Board's approach to climate-related risks and opportunities can be found on pages 58 and 59.

Remuneration

The Board's approach to remuneration is set out in the Remuneration Report (see pages 116 to 137).

Approval

This Corporate Governance Report has been approved by the Board and signed on its behalf by

Greg Davidson

Group General Counsel and Company Secretary





AUDIT AND RISK COMMITTEE REPORT



Clive Watson
Chair of the Audit & Risk Committee

Members

	Member since
Clive Watson (Chair)	2019
Rosalind Kainyah	2022
Celia Baxter	2023

The Group Company Secretary acts as Secretary to the Committee.



The Committee will continue to engage closely with management, to monitor developments in best practice and ensure the Group’s approach to internal controls and risk management remains robust and appropriate.”

Dear Shareholder,

I am pleased to report on the activities of the Audit and Risk Committee (the “Committee”) during the year under review.

Role of the Committee

The Committee’s role is central in bringing together the Group’s risk management activities and control framework to ensure adherence to policies, the integrity of financial reporting and the maintenance of a strong, risk-focused culture. The Committee oversees and reviews the management of risk, financial results, and the Group Internal Audit function. This includes reviews of recent and upcoming regulatory changes and the Group’s exposure to all risks and opportunities, including those related to climate change and the changes to the UK Corporate Governance Code announced in January 2024. During the year, the Committee discharged its duties under its Terms of Reference, and in line with the FRC’s Minimum Standard. As Chair of the Audit and Risk Committee, I attend the Annual General Meeting and make myself available for any Shareholder questions within the Committee’s remit.

Key responsibilities of the Committee:

- Consideration of the appropriateness of the accounting principles, policies and practices adopted in the Group’s accounts
- Review of external financial reporting and associated announcements to ensure they are fair, balanced and understandable
- Managing the appointment and remuneration of the Group’s external auditor, together with an assessment of the effectiveness and independence of the audit, including the policy on the award of non-audit services
- Initiating and supervising a competitive tender process for the external audit, as and when required
- Oversight of the Group Internal Audit function
- Ensuring the effectiveness of the Group’s risk management processes and internal controls
- Oversight of, and updates to the Group Risk Register
- Oversight of the Group’s whistleblowing procedures in conjunction with the Board. Where issues are reported that require further investigation, this is typically conducted by the Group Internal Audit function, which reports back to the Committee as to its findings and whether any further action is necessary or desirable. Additionally, where any investigations reveal wrongdoing, or where remedial actions are required, the Committee maintains oversight of those actions until such time as it is satisfied that the underlying issues have been adequately addressed.
- Monitoring compliance with the UK Corporate Governance Code

Meetings

During the year, the Committee met three times and also met privately with the external auditor. The Committee comprised the people shown in the table above, all of whom are Non-Executive Directors.

In addition to the Committee members, the Group Chairman, Group Chief Executive Officer, Group Finance Director, Group Financial Controller, representatives from the external auditor, the Head of Risk and Internal Audit, the Head of Group Reporting, and the Group Head of Infrastructure and Support attended some or all of these meetings by invitation. As Chair of the Committee, I maintain direct communication with the external auditor and the Head of Risk and Internal Audit, independently of the management of the Group.

Meetings of the Committee are scheduled so as to ensure the Committee is informed fully, and on a timely basis, on areas of significant risks and judgement. The Committee also receives sufficient, reliable and timely information from management on significant changes to financial accounting standards and reporting requirements, regulatory and governance changes and developments concerning risk management, fraud prevention and detection, and cyber security. As Chair of the Committee, I report to the Board on any significant matters arising from the activities of the Committee.

The Board is satisfied that the members of the Committee have both recent and relevant experience (as set out on pages 88 and 89). The Committee is satisfied that the Group's executive compensation arrangements do not prejudice robust controls and good stewardship.

Committee activities during FY 2025/26 and FY 2026/27 to date

May 2025

- Reviewed the results of the external audit of the 2025 Annual Report and Accounts
- Reviewed the going concern and viability statements
- Reviewed the 2025 Annual Report and Accounts, including assessing and confirming the presentation of the consolidated Statement of Profit and Loss and that the Report was fair, balanced and understandable
- Assessed and agreed the independent status of the external auditor
- Discussed the overall adequacy and effectiveness of the Group's internal controls and reviewed the Group Internal Audit function's annual opinion on the Group's control framework
- Reviewed the half yearly update of the Group Risk Register, including agreeing key risks for inclusion in the 2025 Annual Report and Accounts

November 2025

- Reviewed half-year results and judgemental accounting areas
- Reviewed the external auditor's preliminary view of FY 2025/26 audit planning considerations
- Reviewed the half yearly update of the Group Risk Register, including risk reporting by each operating business

- Approved the Group's material controls and assurance framework for complying with Provision 29 of the UK Corporate Governance Code due to come into effect from 1 January 2026 (effective for the Group from the financial year ending 31 March 2027), including requesting the completion of a dry run exercise to be delivered for FY 2025/26
- Reviewed a fraud risk assessment undertaken by the Risk & Internal Audit team

January 2026

- Reviewed the external audit planning report for the 2026 Annual Report and Accounts (including review and approval of audit scope)
- Reviewed and approved the 2026 Annual Report and Accounts timetable along with the approach for ensuring the Annual Report would be fair, balanced and understandable
- Agreed a risk management and internal audit programme and resource requirements in detail for FY 2026/27, and at a higher level for the following three years to ensure all businesses would be audited over a four-year cycle
- Agreed the assurance mechanisms for the Group's material controls in line with Provision 29 of UK Corporate Governance Code
- Annual review and update of the Non-Audit Services Policy
- Annual review and update of the Group's Tax Strategy
- Reviewed the Group's Anti-Bribery & Corruption Policy and its implementation

May 2026

- Reviewed the results of the external audit of the 2026 Annual Report and Accounts
- Reviewed the going concern and viability statements
- Reviewed the 2026 Annual Report and Accounts, including assessing and confirming that the Report was fair, balanced and understandable
- Assessed and agreed the independent status of the external auditor
- Discussed the overall adequacy and effectiveness of the Group's internal controls, including reviewing the Group Internal Audit function's annual opinion on the Group's control framework
- Reviewed the results of the dry run exercise to provide assurance over the Group's material controls in line with Provision 29 of the UK Corporate Governance Code, including actions to improve the process for the next financial year
- Reviewed progress against the recommendations arising from the self-assessment of the Internal Audit function's effectiveness
- Half-yearly review of the Group Risk Register, including agreeing key risks for inclusion in the 2026 Annual Report and Accounts

AUDIT AND RISK COMMITTEE REPORT CONTINUED

Standing items

The following matters were covered at all of the above Audit and Risk Committee meetings:

- Private session with the external auditor without management presence
- Update on internal audits conducted and progress with management's implementation of actions
- Update on alignment of newly acquired businesses to Group policies and procedures
- Review of regulatory updates
- Update on progress in complying with the revised requirements of Provision 29 of the UK Corporate Governance Code
- Update on risk management projects
- Update on fraud and whistleblowing reports

After each meeting of the Committee, the Chair of the Committee reports to the Board, to enable the Board to discharge its responsibilities.

Fair, balanced and understandable

The Committee has, at the request of the Board, reviewed this year's Annual Report and Accounts to assess whether

it presents a fair, balanced and understandable view of the Company's position and prospects. The Committee's review took account of the process by which the Annual Report and Accounts are prepared, which includes analysis of changes to applicable reporting requirements and standards, and a robust schedule of review and verification by senior management and external advisers to ensure disclosures are accurate. The Committee is satisfied that, taken as a whole, the Annual Report and Accounts is fair, balanced and understandable and provides the information necessary for Shareholders to assess the Group's position and performance, business model and strategy, and has advised the Board accordingly.

Significant accounting matters considered and decisions taken

As part of the monitoring of the integrity of the financial statements, the Committee assesses whether suitable accounting policies have been adopted and whether management has made appropriate estimates and judgements. The viewpoint of the external auditor is sought when undertaking these assessments.

During the year, the Committee's review of significant accounting and financial reporting issues included a focus on the following key areas:

Impairment of goodwill	Consideration of the carrying value of goodwill and the assumptions underlying the impairment review. The judgements in relation to goodwill impairment largely relate to the assumptions underlying the calculations of the recoverable amount of each of the Group's four operating units being tested for impairment, primarily the achievability of long-term plans and macroeconomic assumptions underlying the valuation process. The assumptions are sensitised to ensure that there is adequate headroom between the recoverable amount and the carrying value of the four operating units being tested for impairment.
Accounting for acquisitions	A review of the accounting for acquisitions in FY 2025/26, including the appropriateness of the assumptions used in assessing the fair value of the assets and liabilities acquired, as well as assumptions used to estimate the fair value of the contingent consideration at its initial recognition and its subsequent measurement, including discount rate and trading forecasts.
Valuation of the legacy defined benefit pension scheme	A review of the appropriateness of the assumptions used in the valuation of the legacy defined benefit pension scheme under IAS 19 – Employee Benefits.
The recognition and valuation of judgemental provisions	A review of the appropriateness of the assumptions used in the recognition and valuation of judgemental provisions, which relate mainly to onerous contracts, inventory, severance, indemnities, acquisition earn-out arrangements, long-term incentive plans, restructuring and integration.
Presentation of adjusted profit adjustments	A review of the appropriateness of items disclosed as acquisition and disposal-related costs/ (credit) (including amortisation of acquired intangibles and acquisition and disposal expenses) in the Supplementary Statement of Profit or Loss Information and notes to the Group Financial Statements, in line with the Group's stated policy.
Climate-related financial disclosures	An evaluation of the impact of climate change on the Group in accordance with the TCFD framework. The process involved a review of risks and opportunities from climate change and evaluating the quantifiable financial impact on the Group under different climate change scenarios.
Going concern and viability-related financial disclosures	A review of the paper prepared by management on the Group's going concern and viability assessment, including underlying forecasts, cash flow assumptions and downside scenarios.

The Committee was satisfied that each of the matters set out above had been fully and adequately addressed by the Executive Directors and then reviewed by the external auditor, and that the disclosures made in this Annual Report and Accounts were appropriate.

In respect of each significant matter reviewed, the Committee considered the assumptions made, the reasonableness of judgements made and how such matters have been presented. The Committee evaluated and challenged each of these to ensure that the Annual Report and Accounts are complete and accurate in all material respects.

Tax and Treasury

The Committee typically meets annually with the Head of Tax and the Group Treasurer to review the key tax and financing matters affecting the Group and to understand the areas of focus in the forthcoming year.

Risk management and internal controls

The Board has overall responsibility for the Group's risk appetite and risk management strategy, including determining the nature and extent of the risks it is willing to take in achieving the Group's strategy and objectives. In order to discharge these duties effectively, the Board is also required to ensure the effectiveness of the risk management strategy and framework, and internal controls systems.

Oversight of risk management is undertaken by the Committee, in accordance with its terms of reference. In order to ensure the effectiveness of the risk management and internal control systems, the Committee undertook a number of key activities during the year, including:

- Consideration of the risk management activities during the year, including a particular focus on cyber security, and any related incidents, including how those incidents were handled and whether any action was required, either in response to the specific incident itself or in the business more widely in response to lessons learnt from any such incident
- Review of risk management and reporting to ensure effectiveness and that the balance between risk and opportunity was in keeping with the Group's risk appetite
- Regular meetings with members of senior management and the Group Internal Audit function
- Review of reports on control matters and challenge of management's response to any matters raised
- Review of the maturity assessment conducted against the Group's Risk Management function to ensure that it continues to align with best practice
- Evaluation and challenge of the results and recommendations of audits undertaken by the Group Internal Audit function and the external auditor
- Review of the resource requirements of the Group Internal Audit function
- Review of the annual Audit and Risk Committee agenda

Preparation for changes in audit and governance reform

The Audit and Risk Committee, on behalf of the Board, has continued to oversee the Group's preparations for compliance with Provision 29 of the UK Corporate Governance Code, which will require the Board to make an explicit declaration on the effectiveness of the Group's material internal controls from 2027.

During the year, the Committee has reviewed and agreed the Group's approach to identifying and documenting its material controls, together with the supporting assurance and reporting mechanisms required to underpin the Board's future declaration. This builds on the Group's established risk management and internal control framework and supports a structured and robust basis for ongoing monitoring and review.

Further enhancements to the Group's internal control and risk management processes have been implemented during the year, and the Committee is encouraged by the continued progress in enhancing the maturity of the Group's control environment.

Key activities undertaken include:

- Embedding critical controls aligned to the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") 2013 framework, including completion of associated remediation actions
- Issuing updated Group Accounting and Internal Controls Manuals to all Group companies
- Issuing an updated Group Reporting Manual
- Rolling out and embedding a revised Cyber Security Framework aligned to the Center for Internet Security ("CIS Critical Security Controls v8")
- Further embedding the Group's governance, risk and compliance ("GRC") system to support the documentation, testing and evidencing of internal controls
- Defining a target operating model for risk, control and internal audit
- Receiving regular and detailed updates at each Committee meeting on progress against the internal controls enhancement programme

In line with its oversight responsibilities, the Committee also requested a full dry run of the processes supporting the Provision 29 declaration. This exercise was completed following the year end and provided valuable insight into the operation of the Group's control framework, including the effectiveness of reporting and assurance processes. The Committee has reviewed the outcomes of this exercise and is monitoring the implementation of identified improvements, which will further strengthen the Group's readiness for compliance.

The Committee will continue to engage closely with management and monitor developments in best practice and regulation to ensure the Group's approach to internal controls remains robust and appropriate.

AUDIT AND RISK COMMITTEE REPORT CONTINUED

The corporate criminal offence of failure to prevent fraud came into effect on 1 September 2025. The Committee has maintained a specific focus on overseeing the Group's response to this legislation. Actions taken include the introduction of annual fraud risk assessments, the issuance of guidance on fraud risk indicators ('red flags'), and the rollout of targeted training across the Group.

In addition, the Group has enhanced its Export Control Framework during the year, including refreshing risk assessments, strengthening guidance and support provided to operating companies, and rolling out mandatory training. These activities further support the Group's broader risk management framework and compliance obligations.

Together, these initiatives complement the Group's preparations for Provision 29 and contribute to the continued strengthening of the overall control environment.

Throughout the year, the Committee has monitored the Group's internal control and risk management systems and, at its May meeting, carried out a review of their effectiveness.

Internal Audit

The primary role of the Group Internal Audit function is to provide independent, risk-based assurance, together with advice and insight, to support the continuous improvement of the Group's governance, risk management and internal control processes. Its remit extends across discoverIE Group plc and all of its subsidiaries.

During FY2025/26, the function operated with three full-time employees, supplemented by external consultants and outsourced providers where appropriate. Further details of its activities are set out in the Risk Management section on pages 74 to 78.

The Committee has overall responsibility for reviewing the effectiveness of the Group's risk management and internal control framework, including oversight of the Internal Audit function. In doing so, the Committee ensures that Internal Audit has unrestricted scope, appropriate resources, and full access to information necessary to perform its role effectively. The adequacy of resources available to the function was considered during the year.

The Committee receives regular reports on internal audit activity, including key findings and management's progress in implementing agreed actions.

I meet regularly with the Head of Risk and Internal Audit outside of formal Committee meetings to support the effective discharge of the function's responsibilities and to discuss emerging matters, including regulatory developments. During the year, the following activities were undertaken on behalf of the Committee:

- Review and approval of the Internal Audit Charter (November 2025)
- Input into the Risk and Internal Audit plan for FY26 (January 2026)

A programme of internal audit work was completed during the year, focusing primarily on internal financial and operational controls across the Group's businesses, with particular attention given to recently acquired entities. Additional internal audit work is outsourced where this is considered appropriate.

The Internal Audit function last underwent an External Quality Assessment ("EQA") in August 2022. During the year, the function completed a self-assessment against the revised IIA Global Internal Audit Standards, and the Committee is monitoring the implementation of any actions arising from this review to support continued alignment with best practice. A further EQA is scheduled for FY28.

Control Environment

While no system of controls can provide absolute assurance against material misstatement or loss, the Group's systems are designed to manage, rather than eliminate, the risk of failure to achieve business objectives and provide reasonable, and not absolute, assurance against material misstatement or loss. As part of the annual review of the effectiveness of the Group's internal controls, the Committee, on behalf of the Board, has regard to the design of the risk management framework, including the three lines of defence model, the significance of the risks involved, the likelihood and severity of an event occurring, and the costs associated with any relevant controls. The formal Annual Opinion for FY 2025/26 issued by the Group Internal Audit function was reviewed by the Committee, concluding that there were no material failings or weaknesses identified in the Group's internal control systems. Where improvements are identified through internal audits or through the Group's external audit remedial actions are put in place and progress monitored by the Audit & Risk Committee.

The principal components of the Group's systems of control are:

- A well defined organisational structure with short and clear reporting lines
- Recruitment of high-quality staff
- An ongoing process for the identification, regular review and management of the principal risks and issues affecting the business, both at Group and operating levels
- In-house and outsourced internal audit activities
- An ongoing review of regulatory compliance
- A regular review of the principal suppliers and customers of the Group, and how each impacts upon the Group's businesses
- A comprehensive planning process, which starts with a strategic plan and culminates in an annual budget and a long-term plan
- Regular rolling forecasting throughout the year of orders, sales, profitability, cash flow, working capital and balance sheets
- A monthly review of operating company performances against budget and forecast, plus bi-monthly reviews by the Group Management Committee and Board

- Clearly defined procedures for the authorisation of major new investments and commitments
- A requirement for each operating company to maintain a system of internal controls appropriate to its own local business environment, recognising that where individual businesses are small there are inherent limitations.

The Finance team is responsible for producing financial information that is timely, accurate and in accordance with applicable laws and regulations. In addition, it is responsible for the distribution of financial information, both internally and externally. Key financial and operational performance is reported on a timely basis and measured against both the Board approved budget, management's rolling forecasts and comparable information from prior periods. A review of the financial statements is completed by management to ensure that the financial position and results of the Group are appropriately reflected. All financial information published externally by the Group is approved by the Board.

The above procedures apply to discoverIE Group plc and all of its subsidiary companies.

External audit

The Committee is responsible for managing the relationship with the Group's external auditor on behalf of the Board including their appointment, remuneration, independence and performance.

During the year, the Committee's activities in respect of external audit were as follows:

- Considering and approving the reappointment of Deloitte as the external auditor as a resolution at the 2025 Annual General Meeting
- Considering and approving the audit approach and scope of the audit undertaken by Deloitte and related fees
- Agreeing reporting materiality thresholds
- Reviewing reports on audit findings
- Considering and approving letters of representation issued to the external auditor
- Considering the independence of the external auditor.

Audit performance and effectiveness

The performance and effectiveness of the external auditor, and the related audit, is reviewed annually by the Committee. This covers the robustness of the audit at both a Head Office and entity level.

The review covers the following:

- Robustness of the audit plan and, in particular, the identification of significant risks
- Execution of the above plan, including the external auditor's ability to challenge management on key accounting judgements and assumptions adopted
- Ensuring the external auditor demonstrates a deep and thorough knowledge of the business to enable them to reach appropriate conclusions on key accounting judgements

- Quality of reports provided to the Committee
- Communication between the external auditor and the Committee
- Feedback from management on the quality of the audit team
- Professional scepticism of the external auditor.

The Committee concluded that the audit team had the necessary professionalism, experience and understanding of the business to carry out a thorough and robust audit in FY 2025/26.

External auditor independence

The Committee believes that the provision of non-audit services to the Group is closely related to external auditor independence and objectivity. The Committee recognises that the independence of the external auditor may risk becoming compromised if it also acts as the Company's consultant and adviser to any material extent.

The Committee accepts that certain work of a non-audit nature is best undertaken by the external auditor. The Committee reviewed its policy on the provision of non-audit services during the year to ensure that there is no likelihood of any impairment of external auditor independence or objectivity.

Fees for non-audit services provided by the external auditor during the financial year totalled £6,500 (FY 2024/25: £83,500). Of that total of £nil related to the interim review (FY 2024/25: £80,000) and £6,500 (FY 2024/25: £3,500) related to reporting required by regulators in overseas countries. These were not considered to adversely impact the independence of the external auditor, were in line with the Group's policy on non-audit services and were permissible under ethical standards.

Key areas of focus in 2026/27

- Continuing assessment of ESG-related risks and reporting requirements
- Monitoring the Group's activities to comply with the revisions to the UK Corporate Governance Code effective from January 2025. Specifically, implementing the lessons learned from the 2025/26 dry run to provide assurance over material controls to support the Group meeting the reporting requirements of Provision 29 of the Corporate Governance Code.

Terms of reference

The Committee's terms of reference are available upon request and are on the Company's website: www.discoverIEplc.com

Clive Watson

Chair of the Audit and Risk Committee

2 June 2026

NOMINATION COMMITTEE REPORT



Bruce Thompson
Chair of the Nomination Committee

Members

	Member since
Bruce Thompson (Chairman)	2018
Celia Baxter	2023
Nick Jefferies	2009
Rosalind Kainyah	2022
Clive Watson	2021

The Group Company Secretary acts as Secretary to the Committee.



Recent reviews continue to confirm the Committee's belief in the strength and talent of the Group's management teams and wider employee population."

2025/26 key achievements

- Review of succession planning for the Board and senior Group roles
- Extended the term of appointment for Clive Watson
- Identified priorities for the coming year

Key areas of focus in 2026/27

- Shareholder consultation relating to the extension of the term of Bruce Thompson
- Review of talent and succession planning for key business management teams
- Continuing focus on diversity across the Group
- Continued evaluation of knowledge and skills

Dear Shareholder,

During the year, the Committee met twice, with all Committee members attending (other than where re-appointment related to a member who was conflicted) and participating in a separate evaluation process, which identified areas for improvement. The Committee's recommendations were made after careful consideration of the independence, performance and ability to continue to contribute to the Board of the relevant people, in the light of the knowledge, skills, commitment and experience required.

Composition

The majority of the Committee members are independent Non-Executive Directors. During the year under review, the Committee was chaired by me, with Celia Baxter, Clive Watson, Rosalind Kainyah and Nick Jefferies as Committee members.

The Committee specifically considered the size and composition of the Board in FY2025 and, given the size and nature of the Group, determined that it was appropriate at the time to maintain a Board of six Directors, comprising four Non-Executive Directors and two Executive Directors. During the year ended 31 March 2026 this was reconsidered by the Committee and it was agreed that this remained appropriate.

Key responsibilities

The Committee's key duties are:

- To review the structure, size and composition (including the skills, knowledge and experience) of the Board and to recommend changes where appropriate
- To consider succession planning for the Directors and the right balance of skills, knowledge, experience and diversity on the Board
- To identify and nominate candidates to fill Board vacancies, having previously prepared a description of the role and capabilities required for a particular appointment
- To review the leadership needs of the organisation, both executive and non-executive

- To make recommendations to the Board on the reappointment of any Non-Executive Director at the conclusion of their specified term of office and on appointments to the Audit and Risk, Remuneration and Sustainability Committees
- To review, as part of the annual assessment exercise, the time commitment of the Non-Executive Directors to the role and to their external appointments.

Appointment of Directors

The Committee's principal role is to make recommendations to the Board on suitable candidates to fill Board vacancies as and when they arise, or when other changes or appointments may be desirable. In managing this process, the Committee takes into account the Board's existing balance of skills, knowledge and experience and has due regard for diversity. Unless the appointment is as an Executive Director, for which a suitable candidate is available from within the Group, the Committee will create a shortlist of suitable candidates for final selection by the Committee. References from appropriate third parties will then be taken on the prospective Director. Candidates meet all members of the Committee, which then makes recommendations to the Board. Adopted practice is for all members of the Board to meet with the relevant candidate before an appointment is made.

Diversity

The Board is committed to a culture which attracts and retains talented people and to ensure that a proper process exists for succession planning for the Board and senior management.

The Company's Board Diversity Policy can be found on the Company's website www.discoverIEplc.com.

Please see page 56 of this report for a summary of the Group's current gender diversity and page 100 of the Corporate Governance Report for the current Board composition.

Succession planning

As part of the Committee's succession planning, the tenure of the Chairman was considered. I did not take part in the Committee's consideration of this matter, which was led by Celia Baxter as Senior Independent Director.

I joined the Board in February 2018 and will reach nine years' service in February 2027, at which point I will have served just over four years as Chairman. Following consultation with key Shareholders in April 2026, the Committee agreed to extend my tenure as Chairman until conclusion of the Annual General Meeting in 2030, subject to annual re-election by shareholders at each Annual General Meeting and ongoing review by the Committee.

In reaching this decision, the Committee considered the importance of continuity and effective succession planning at Board level, including the timing of anticipated changes to other non executive Board leadership roles, and the relevance of my experience in leading and growing decentralised international businesses similar to

discoverIE. In light of the supportive responses received from Shareholders during the consultation, the Committee concluded that a time-limited extension would best support the next stage of the Group's growth and transition.

Terms of reference

The Committee's terms of reference are available upon request and are on the Company's website: www.discoverIEplc.com

Bruce Thompson

Chairman of the Nomination Committee

2 June 2026

Focus on talent and succession

- The Committee oversees and reviews the output from regular reviews of the Group's key roles and talent carried out by the Group Management Committee.
- A comprehensive review was conducted in FY2025, with the process covering over 100 people from across the Group's senior management teams. In the year ended 31 March 2026, the Committee conducted a review of the Board and of the most senior leaders in the Group. The Committee considers it crucial to maintain a regular programme of such reviews.
- Reviews such as these help ensure that long-term and emergency succession plans are in place for all senior/key roles. It also considers the personal aspirations and opportunities for the people in those roles, as well as both cultural alignment and diversity across the wider Group.
- Both the review conducted in FY2025, and the more recent review, confirmed the Committee's belief in the strength and talent of the Group's management teams and wider employee population.

DIRECTORS' REPORT



Greg Davidson
Group General Counsel
& Company Secretary



The Board believes that, as an acquisitive growth company, maintaining a progressive dividend policy is appropriate to enable both dividend growth and a higher level of investment from internally generated resources.”

The Directors' report for the financial year ended 31 March 2026 is set out below.

Certain matters required to be included in the Directors' report are included in the Strategic report, as the Board considers them to be of strategic importance, as follows:

Section	Progress made
Future business developments	Throughout the Strategic Report (pages 01 to 87)
Risk management	Risk management and principal risks and uncertainties (pages 74 to 84)
Employee engagement	Please see pages 38 and 92 to 95
Greenhouse gas emissions	Sustainability Report (pages 42 to 73)
Stakeholder engagement	Please see pages 38 and 39
Corporate Governance Statement	Corporate Governance Report (pages 90 to 102)

The Group's policies and processes for managing capital, financial risk management objectives, financial instruments and hedging activities, and exposure to credit and liquidity risk, are disclosed in note 26 to the Group consolidated Financial Statements.

Both the Directors' report and the Strategic Report have been drawn up in accordance with English company law. The liabilities of the Directors in connection with that report shall be subject to the limitations and restrictions provided by such law.

Financial results and dividends

The audited consolidated Financial Statements set out the results of the Group for the financial year to 31 March 2026 and are shown on pages 150 to 205. The key strategic indicators of the business are set out in the Strategic report on page 11.

The Directors recommend a final dividend of 8.95p per share (2024/25: 8.60p) which, together with the interim dividend of 4.05p per share (2024/25: 3.90p), makes a total dividend for the year of 13.0p per ordinary share (2024/25: 12.5p). Subject to approval by Shareholders of the recommended final dividend, the dividend award to Shareholders for 2025/26 will total £12.5m (2024/25: £12.1m). If approved, the Company will pay the final dividend on 31 July 2026 to Shareholders on the register of members at 26 June 2026.

The Board believes that, as an acquisitive growth company, maintaining a progressive dividend policy, with the long-term dividend covered over three times by adjusted earnings, is appropriate to enable both dividend growth and a higher level of investment from internally generated resources.

Directors

Board membership and biographical details of the Directors are on pages 88 and 89 and are incorporated by reference.

Copies of Executive Directors' service contracts are available to Shareholders for inspection at the Company's registered office and at the Annual General Meeting. Details of the Directors' remuneration and service contracts and their interests in the shares of the Company are included in the Directors' Remuneration Report, which is set out on pages 116 to 137.

Powers of the Directors

The Board of Directors is responsible for the management of the business of the Company and may exercise all the powers of the Company, subject to the Company's Articles of Association (the "Articles"), the Companies Act 2006, and any directions given by the Shareholders by special resolution. The Articles may be amended by a special resolution of the Company's Shareholders.

Appointment and replacement of Directors

The Board can appoint a Director but anyone so appointed must be elected by an ordinary resolution at the next General Meeting. All Directors offer themselves for re-election at each Annual General Meeting.

Directors' conflicts of interest

The Company has procedures in place for managing conflicts of interest. Should a Director become aware that they, or any of their connected parties, have any interest in an existing or proposed transaction with discoverIE, they should notify the Board in writing or at the next Board meeting. Internal controls are in place to ensure that any related party transactions involving Directors, or their connected parties, are conducted on an arm's length basis. Directors have a continuing duty to update any changes to these conflicts.

Directors' indemnity

The Articles of the Company contain an indemnity in favour of the Directors, which is a qualifying third party indemnity within the meaning of s.234 of the Companies Act 2006. This was in force throughout the year ended 31 March 2026 and at the time of the approval of this Annual Report and Accounts. Directors of subsidiary undertakings are also subject to this qualifying third party indemnity.

In addition, each Director of the Company has entered into a Deed of Indemnity with the Company, which operates only in excess of any right to indemnity that a Director may enjoy under any such other indemnity or contract of insurance. The Company has also arranged appropriate insurance cover in respect of legal action against its Directors and officers.

Share capital

As at 31 March 2026, the Company's issued share capital consisted of 97,356,109 ordinary shares of 5p each (no shares are held in treasury).

Details of movements in the Company's issued share capital can be found in note 29 to the Group consolidated Financial Statements.

Restrictions on transfer of securities in the Company

There are no restrictions on the transfer of securities in the Company, except that certain restrictions may from time to time be imposed by laws and regulations (for example, insider trading laws such as the Market Abuse Regulation) and pursuant to the Listing Rules of the Financial Conduct Authority, whereby certain employees of the Company require the approval of the Company to deal in the Company's ordinary shares. The Company is not aware of any agreements between holders of securities that may result in restrictions on the transfer of securities.

Rights and obligations attaching to shares

Subject to the Articles, the Companies Act 2006 and other Shareholders' rights, shares in the Company may be issued with such rights and restrictions as the Shareholders may by ordinary resolution decide, or, if there is no such resolution, as the Board may decide, provided it does not conflict with any resolution passed by Shareholders.

The rights attached to any class of shares can be amended if approved, either by 75% of Shareholders holding the issued shares in the class by amount, or by special resolution passed at a separate meeting of the holders of the relevant class of shares.

Every member and every duly appointed proxy present at a General Meeting or class meeting has, upon a show of hands, one vote and every member present in person or by proxy has, upon a poll, one vote for every share held.

No person holds securities in the Company carrying special rights with regard to control of the Company.

DIRECTORS' REPORT CONTINUED

Substantial shareholdings

As at 31 March 2026, the Company had been notified of, or was aware of, the following major shareholdings equal to, or greater than, 3% of the issued share capital of the Company:

Shareholder	Holdings of ordinary shares (5p)	% of issued share capital
Kempen Capital Management NV	10,395,098	10.68
BlackRock, Inc.	7,883,782	8.10
Swedbank Robur	5,196,000	5.34
Impax Asset Management	4,187,212	4.30
Columbia Threadneedle	3,233,883	3.32
NFU Mutual	3,231,040	3.32
ClearBridge Investments	2,952,868	3.03

As at 1 June 2026, the Company had been notified of, or was aware of, the following Shareholders holding 3% or more of the issued share capital of the Company:

Shareholder	Holdings of ordinary shares (5p)	% of issued share capital
Kempen Capital Management NV	10,565,098	10.85
BlackRock, Inc.	7,917,811	8.13
Swedbank Robur	3,816,537	3.92
NFU Mutual	3,361,270	3.45
Columbia Threadneedle	3,246,725	3.33
ClearBridge Investments	2,969,368	3.05

Authority to purchase own shares

At the Annual General Meeting held on 25 July 2025, Shareholders authorised the Company to purchase in the market up to 10% of its issued share capital (9,635,610 ordinary shares) and, as at 31 March 2026, all of this authority remained in force and unused. This authority is renewable annually, and a special resolution will be proposed at the 2026 Annual General Meeting to renew it. The Directors will only purchase the Company's shares in the market if they believe it is in the best interest of Shareholders generally.

Change of control

Details of the Group's borrowing facilities are provided in the Financial Review section of the Strategic Report on pages 34 to 37. These agreements contain a change of control provision, which may result in the facility being withdrawn or amended upon a change of control of the Group.

The Group is party to a number of commercial agreements which, in line with industry practice, may be affected by a change of control following a takeover bid. There are no agreements between the Company and its Directors or employees providing for compensation for loss of office or employment which occurs because of a takeover bid.

Political donations

There were no political donations during the year (FY 2024/25: nil).

Auditor and disclosure of information to auditor

Deloitte LLP has indicated its willingness to continue in office and a resolution to re-appoint it as auditor will be proposed at the forthcoming Annual General Meeting. Each of the Directors in office as at the date of this report confirms that:

- so far as the Director is aware, there is no relevant audit information of which the Group and Company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Group and Company's auditors are aware of that information.

Annual General Meeting

The Notice of the Annual General Meeting to be held at 11.30 am on Friday 24 July 2026 will be sent to Shareholders separately from this report. The venue for the meeting is 2 Chancellor Court, Occam Road, Guildford, Surrey, GU2 7AH. Details of the arrangements for that meeting will be as set out in the Notice for that meeting.

Going concern

For the reasons explained in the Viability Statement on pages 85 to 86, the Directors continue to adopt the going concern basis in preparing this Annual Report and Accounts.

By order of the Board

Greg Davidson
Group General Counsel &
Company Secretary

2 June 2026

2 Chancellor Court
Occam Road
Surrey Research Park
Guildford
Surrey GU2 7AH
Registered number: 02008246



DIRECTORS' REMUNERATION REPORT



Celia Baxter
Chair of the Remuneration Committee

Members

	Member since
Celia Baxter (Chair)	2023
Bruce Thompson	2018
Clive Watson	2020
Rosalind Kainyah	2022



The implementation of our Remuneration Policy seeks to motivate and support outperformance.”

The Remuneration Committee consults with the Group Chief Executive and Group Finance Director who may attend meetings by invitation of the Committee Chair, although neither is involved in deciding their own remuneration. The Group Company Secretary acts as Secretary to the Committee. The meeting is also attended by the Head Office HR Manager by invitation of the Committee Chair. The Directors' Remuneration Report has been approved by the Board.

2025/26 key activities

- Received strong Shareholder support for the 2025 Directors' Remuneration Report
- Approved bonus outcomes for 2024/25 and the vesting of the 2022 LTIP award; reviewed anticipated outcomes for the 2025/26 bonus and 2023 LTIP awards
- Set appropriate 2025/26 annual bonus and LTIP measures, and targets for Executive Directors and senior management
- Considered wider workforce remuneration and approved the implementation of a second year of out-of-cycle cost of living adjustments for areas with high rates of inflation
- Undertook a review of senior executive pay below the Board
- Considered gender pay gap data and initiatives to close the gap
- Implemented the base salary increases for the Group Chief Executive and Group Finance Director as anticipated and detailed in last year's Directors' Remuneration Report
- Received an update from the Committee's independent adviser on market trends and the latest views from investors and proxy voting agencies.

Areas of focus in 2026/27

- Review the competitiveness and structure of remuneration for Executive Directors and senior management and its alignment with strategy, taking into account pay across the wider workforce
- Set annual bonus and LTIP measures and targets for 2026/27
- Determine incentive outcomes for Executive Directors and senior management in respect of 2025/26; and receive updates on 2026/27 bonus and other in-flight LTIP awards
- Keep abreast of corporate governance and regulatory developments and market trends on pay
- Monitor performance against all strategic objectives for the Executive Directors and Group Management Committee
- Approve the 2026 Directors' Remuneration Report and respond to Shareholder feedback at the 2026 Annual General Meeting, as required
- Review the Directors' Remuneration Policy and consult with Shareholders as required, prior to the triennial Remuneration Policy vote in 2027.

Annual statement

(Not subject to audit)

Dear Shareholder,

On behalf of the Board, I am pleased to present our Directors' Remuneration Report for the year ended 31 March 2026.

This report comprises:

- This Annual Statement, which summarises the work of the Remuneration Committee (the "Committee") during FY 2025/26 and Executive Directors' remuneration outcomes for the year.
- A summary of the Directors' Remuneration Policy (the "Policy") which was approved by Shareholders at our 2024 Annual General Meeting.
- The Annual Report on Remuneration, which provides:
 - i. details of the remuneration earned by Directors and the link between Company performance and pay in the year ended 31 March 2026, and
 - ii. how we intend to implement the Policy in FY 2026/27.

Business performance and resulting remuneration outcomes for the year ended 31 March 2026

During the year, the Group made good progress, returning to organic sales growth, despite the disruption caused by trade tariffs, and widespread industrial destocking over the last 18 months. Overall, sales in the year increased by 5% CER and by 2% organically, with organic growth of 5% in the final quarter. Orders increased by 9% in the year and by 5% organically, with demand steadily increasing through the year. Organic order growth in the final quarter was 14%, with the book-to-bill ratio ending the year at 1.03. New design wins continued to grow, positioning the Group well for growth in the coming year. Adjusted operating profit was up 1%.

The Group made additional investments in production capacity in Asia, and we have approved plans for further capacity expansion in the coming year in both Asia and Norway. We have also invested in additional engineering and sales capacity in the US and in Europe.

We have completed key strategic acquisitions, with Storm Interface and Trival recently joining the Group and, in May 2026, we have agreed terms for the acquisition of 3Gmetalworx, subject to regulatory approval. Our pipeline of acquisition opportunities remains strong.

We also continued to make good progress on our Environmental, Social and Governance ("ESG") objectives with CY2025 Scope 1 and 2 carbon emissions 68% lower than the CY2021 baseline, and further improvements in health & safety performance. In the year ahead, we plan to install heat pumps at our largest gas-emitting sites in Poland, thereby delivering further reductions in our carbon emissions.

Returning to organic growth, investing for the future and continuing to deliver on our strategic priorities demonstrates the Group's clear direction and purpose, as well as the quality and commitment of the leadership team and our employees across the Group globally.

Annual bonus outcome for FY 2025/26

The annual bonus for both Executive Directors for FY 2025/26 was based on Group adjusted operating profit (60%) at constant currency, adjusted operating cash flow (24%) at constant currency, strategic objectives (8%) and ESG-related objectives (8%).

Based on the performance set out opposite, adjusted operating profit of £61.0m and adjusted operating cash flow of £55.5m were both between threshold and target, and the strategic and ESG-related objectives were determined to have been substantially met. This results in an overall bonus payout of 41% of maximum for the Group Chief Executive and 42% of maximum for the Group Finance Director.

The Committee has considered whether any adjustment is required to the formulaic outcomes to reflect the underlying financial and non-financial performance of the business and decided that no such adjustment is appropriate given the overall performance of the business during the year.

In line with the Directors' Remuneration Policy, as the Executive Directors have met their shareholding requirements (1,154% and 583% of salary respectively), 20% of the bonus earned will be deferred in share awards. Full details of the bonus outcome for FY 2025/26 are set out in the Annual Report on Remuneration.

2023 LTIP vesting

The Executive Directors received awards under the LTIP on 14 June 2023 that were based on relative TSR (Total Shareholder Return), adjusted EPS (earnings per share) and carbon emission reduction performance criteria, with weightings of 45%, 45% and 10% respectively.

- Relative TSR – discoverIE delivered a TSR over the three-year period to 31 March 2026 which ranked the Company below median and, as such, none of this part of the award vested.
- EPS – adjusted EPS grew by 14.5% over the three-year period, which was below the threshold and results in none of this part of the award vesting.
- Carbon emission reduction – the reduction achieved was 68%, resulting in this part of the award vesting in full.

Taken together, this has resulted in the LTIP award vesting at 10% of maximum. The Committee believes this is an appropriate reflection of performance over the last three years and has not applied any discretion to the formulaic vesting outcome. These vested awards will be subject to a two-year holding period.

DIRECTORS' REMUNERATION REPORT CONTINUED

Executive Director salary increases implemented during the year

Two years ago, the Committee concluded a consultation on changes to the Directors' Remuneration Policy and the Policy received strong support from Shareholders (96%) at the July 2024 Annual General Meeting. The proposals also included increases to the Executive Directors' base salaries which were due to take effect from 1 April 2024. Reflecting the macroeconomic volatility and business pressures at the time, the Executive Directors requested not to take any increases at the start of FY 2024/25. In last year's report, I explained how the agreed increases were not implemented from 1 April 2025, but delayed with the intention to award them at some point during FY 2025/26 once business performance could be better assessed.

Following the strong H1 results reported in December 2025, which included a high level of profitability with growing orders and acquisition pipeline, the Committee agreed to implement the previously communicated increases from 1 January 2026. Accordingly, the Group Chief Executive's base salary increased to £608,000 p.a. and the Group Finance Director's to £404,000 p.a. The return to strong growth at the end of the second half supported the timing of the salary increase implementation.

Application of the Policy in 2026/27

The workforce increases for 2026/27 vary between the countries within which we operate, with some being up to 15%, and the average UK increase being 3%. The Committee considers it appropriate to apply the UK 2026/27 workforce increase of 3% to the Executive Directors' base salaries and this will take effect from 1 April 2026.

Our approach to other elements of remuneration will be unchanged as follows:

- Pension: The pension contribution for Executive Directors is an entitlement of up to 8% of salary, the same as the UK workforce rate.
- Bonus: The bonus opportunity is unchanged at 150% of salary for the Group Chief Executive and 125% of salary for the Group Finance Director, in line with the Policy. The measures remain unchanged from the previous year and will be based on adjusted operating profit (60%), adjusted operating cash flow (24%) both at constant currency and strategic objectives (16%). The strategic objectives will contain an element relating to ESG.

- LTIP: The award to the Group Chief Executive will remain at 175% of salary and 160% of salary for the Group Finance Director. The Committee and the Executive Directors have agreed, once again, that it is not the right time to implement the increased grant level of 200% of base salary approved by Shareholders in the last Policy review. The Committee has decided that the 2026 LTIP performance measures will continue to be relative TSR (50%) and adjusted EPS growth (50%). Further details of the approach for 2025/26 and the performance targets can be found on page 136 in the Annual Report on Remuneration.

The Committee will consider the share price at the time of grant when finalising LTIP award levels, expected to be in June 2026. At the current time, based on the current share price, the Committee's intention is to grant at the normal award levels.

During the forthcoming year, the Committee will consider what changes, if any, are required to the current Directors' Remuneration Policy, which will be subject to Shareholder vote in 2027. In doing so, we will undertake a full review of the current arrangements and will consult with Shareholders and proxy voting agencies, as appropriate.

There will be a single advisory vote at the upcoming Annual General Meeting to approve this Directors' Remuneration Report. I hope you find the information in the report clear and are able to support the resolution. If you have any questions or comments on this Report, then please contact me via the Group Company Secretary.

Celia Baxter

Chair of the Remuneration Committee

2 June 2026

Remuneration at a glance

Executive Directors

In this section, we show the link between corporate performance for the year under review and the remuneration outcomes for the Executive Directors. The key features of the Executive Directors' remuneration for the year ended 31 March 2026 are also shown.

Remuneration outcomes for the Executive Directors for the year ended 31 March 2026.

	Nick Jefferies £000		Simon Gibbins £000	
Salary FY 2025/26	565		371	
Bonus (£k and as % of salary) ²	346	61%	193	52%
Taxable benefits	23		25	
Pension benefits/allowance	45		30	
Value of LTIP vesting (£k and as % of maximum) ³	65	10%	39	10%
Single figure of total remuneration	1,044		657	

¹ Salaries of £550,000 p.a. and £360,000 p.a. respectively from 1 April 2025 to 31 December 2025, and £608,000 p.a. and £404,000 p.a. from 1 January 2026 to 31 March 2026.

² In accordance with the Remuneration Policy, 20% of the bonus will be deferred in share awards.

³ The values shown are estimates based on the average three-month share price to 31 March 2026 (£6.06). Awards are subject to a two-year holding period.

Directors' Remuneration Policy

This part of the Directors' Remuneration Report provides a summary of the Directors' Remuneration Policy which was approved at the Annual General Meeting on 26 July 2024 and which took formal effect from that date. A full copy of the Policy can be found in the 2024 Annual Report (available at www.discoverieplc.com/investors/results-and-reports).

Key objectives of our reward policy

The Remuneration Committee undertook a comprehensive review of the Executive Directors' remuneration arrangements and engaged with the Company's largest Shareholders on the proposed changes. The Committee has developed a set of principles and aims to ensure that directors' remuneration is:

- Aligned with the Group's strategy at this stage of its development and supports the business's medium and long-term plans
- Better aligned with practice internally and externally
- Competitive and fair compared against companies of our size and geographical complexity
- Focused on delivering long-term sustainable returns
- Compliant with Shareholders' latest views on executive pay and the requirements of the UK Corporate Governance Code
- Able to attract and retain high calibre Executive Directors and senior managers in a challenging and competitive business environment
- Simple, delivering an appropriate balance between fixed and variable pay.

Revenue

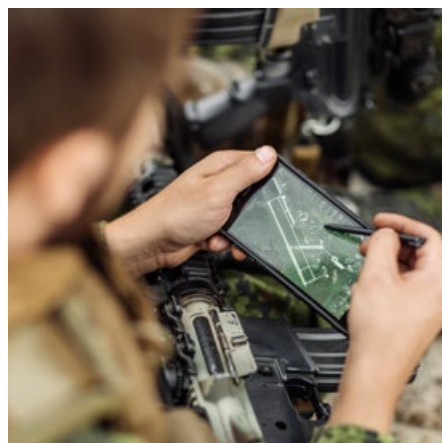
£443.3m

Adjusted operating profit

£61.0m

Adjusted EPS

40.3p



DIRECTORS' REMUNERATION REPORT CONTINUED

Remuneration Policy table

Element, purpose and link to strategy	Operation	Maximum opportunity	Performance targets
<p>Base salary</p> <p>To recognise knowledge, skills and experience, as well as reflect the scope and size of the role and to attract and retain quality staff.</p>	<p>Salaries are normally reviewed annually with increases typically effective from 1 April.</p> <p>In determining Executive Directors' salaries, the Remuneration Committee takes into account:</p> <ul style="list-style-type: none"> ■ Each Director's role, competence, experience and performance; ■ Average change in broader workforce pay; and ■ Total organisational salary budgets. <p>Salaries are also benchmarked against companies of a comparable size and complexity and against companies which operate internationally, in similar sectors.</p>	<p>There is no prescribed maximum or maximum increase.</p> <p>However, any percentage increases will ordinarily be in line with those across the wider workforce.</p> <p>Salary increases may be higher in exceptional circumstances, such as the need to retain a critical executive, or an increase in the scope of the executive's role (including promotion to a more senior role) and/or in the size of the Group.</p>	<p>Although there are no formal performance conditions, any increase in base salary is only implemented after careful consideration of individual contribution and performance and having due regard to the factors set out in the "Operation" column of this table.</p>
<p>Benefits</p> <p>To help retain executives and remain competitive in the marketplace.</p>	<p>Directors, along with other senior UK executives, may receive certain benefits such as a car allowance, life assurance and critical illness cover, and family medical insurance.</p> <p>Any reasonable business-related expense (and any tax thereon) can be reimbursed if determined to be a taxable benefit.</p> <p>Executive Directors will be eligible to participate in any all-employee share plan operated by the Company, on the same terms as other eligible employees.</p> <p>For external and internal appointments or relocations, the Company may pay certain relocation and/or incidental expenses and provide tax equalisation, as appropriate.</p>	<p>There is no prescribed maximum as insurance cover can vary based on market rates.</p> <p>The maximum level of participation in all-employee share plans is subject to the limits imposed by the relevant tax authority from time to time.</p>	<p>Not applicable</p>
<p>Pension</p> <p>To facilitate long-term savings provisions.</p>	<p>The Company operates a defined contribution pension scheme.</p> <p>Executive Directors may receive a contribution to the pension scheme or take a cash allowance in lieu of pension contributions.</p>	<p>The maximum contribution rate for current and future Executive Directors will be the workforce contribution rate in the home country, which is currently 8% of salary in the UK.</p>	<p>Not applicable</p>

Element, purpose and link to strategy	Operation	Maximum opportunity	Performance targets
<p>Annual bonus</p> <p>To reward the achievement of annual financial and strategic business targets.</p>	<p>Bonus is based on performance targets determined and reviewed by the Committee which are selected to be relevant for the year in question.</p> <p>Any payment is discretionary and the bonus payable is determined by the Committee after the financial year end, based on performance against these targets.</p> <p>Financial objectives are updated to reflect acquisitions, disposals and currency movements during the year.</p> <p>One third of any bonus earned will be deferred into share awards which vest after three years. For Executive Directors that have met their shareholding guideline, deferral reduces to 20% of any bonus earned. Dividends may accrue on deferred bonus shares.</p> <p>Malus and clawback provisions apply to cash and deferred elements of the bonus.</p>	<p>The maximum bonus opportunity is 150% of salary for the Group Chief Executive and 125% of salary for other Executive Directors. The maximum bonus is payable for significant over-achievement of financial and non-financial bonus objectives.</p> <p>Typically, no more than 50% of the maximum bonus opportunity will be payable for achieving target performance.</p>	<p>The Committee sets performance measures and targets that are appropriately stretching each year, taking into account key strategic and financial priorities and ensuring there is an appropriate balance between incentivising Executive Directors to meet targets, while ensuring they do not drive unacceptable levels of risk or inappropriate behaviours.</p> <p>Financial measures may include (but are not limited to) adjusted operating profit, working capital and cash flow. Non-financial measures may include strategic measures directly linked to the Company's priorities.</p> <p>A graduated scale of targets is normally set for each measure, with no payout for performance below a threshold level of performance.</p> <p>The Committee has discretion to amend the pay-out should any formulaic outcome not reflect the Committee's assessment of overall business or individual performance.</p>

DIRECTORS' REMUNERATION REPORT CONTINUED

Element, purpose and link to strategy	Operation	Maximum opportunity	Performance targets
<p>Long-Term Incentive Plan</p> <p>To motivate Executives to deliver Shareholder value over the longer term.</p>	<p>Awards of conditional shares or nil-cost options are typically granted annually, which vest after three years dependent on the achievement of performance conditions and continued service.</p> <p>Vested awards are subject to a two-year post-vesting holding period (net of tax, if applicable).</p> <p>Dividend equivalents may be paid in respect of awards to the extent they vest by reference to dividends declared during the award's vesting and holding periods.</p> <p>Malus and clawback provisions apply to vested and unvested LTIP awards.</p> <p>Vested share awards are settled through a combination of shares purchased in the market and newly issued shares, as appropriate. The Company monitors the number of shares issued under the schemes and their impact on dilution limits.</p>	<p>The maximum award in respect of any one financial year is an award over shares of market value at grant of 200% of salary. The Committee will engage with Shareholders prior to increasing award levels from FY 2024/25 levels.</p> <p>The Committee may increase the grant size of an LTIP award on grant (subject to the maximum award limit) if the award terms include that participants bear the cost of the Company's liability to employer's National Insurance arising on the settlement of their awards.</p> <p>The increased award size ensures that the participants are in a neutral position on an after-tax basis, assuming no change in tax rates.</p> <p>The Company is committed to remaining within The Investment Association's 10% dilution limit.</p>	<p>Performance metrics reflect the Group's strategic goals and milestones.</p> <p>The performance conditions may include, and are not limited to, relative TSR, earnings per share growth, return-based measures, strategic measures and ESG-related objectives.</p> <p>The Committee retains discretion to set alternative weightings or performance measures for awards granted over the life of the policy.</p> <p>Threshold performance will normally result in no more than 25% of the award vesting.</p> <p>The Committee retains discretion to adjust vesting levels taking into account such factors as it considers relevant, including, but not limited to, the overall performance of the Company or the relevant Participant who holds the Award.</p>
<p>Shareholding guidelines</p> <p>To further align the interests of Executives with those of Shareholders.</p>	<p>Executive Directors are expected to accumulate shares to the value of the relevant shareholding requirement.</p> <p>Wholly owned shares or share awards held which are no longer subject to performance conditions count towards the requirement (on a net of tax basis, if applicable). Shares held by an Executive Director's spouse or dependents count towards the guideline.</p> <p>Executive Directors are required to retain at least 50% of their net of tax vested share awards until the in-employment shareholding guideline is met.</p>	<p>The current Executive Directors are required to build up and hold shareholdings to the value of 250% of salary.</p> <p>Any new Executive Directors appointed will be required to build up and hold shareholdings to the value of 200% of salary.</p> <p>Post cessation: Executive Directors are normally required to hold shares at a level equal to the lower of their shareholding at cessation and 200% of salary, for two years post-employment, from share awards granted after 29 July 2021. This excludes any share awards vesting from share plan awards made before this date and excludes shares purchased with own funds.</p>	<p>Not applicable.</p>

Element, purpose and link to strategy	Operation	Maximum opportunity	Performance targets
<p>Chairman and Non-Executive Director fees</p> <p>Provision of a competitive fee to attract Non-Executives who have a broad range of experience and skills.</p>	<p>Fees are normally reviewed annually to ensure that they reflect an individual's time commitment and responsibilities.</p> <p>Annual fees are paid in 12 equal monthly instalments during the year.</p> <p>Fees for the Non-Executive Directors are determined by the Chairman and the Executive Directors. When determining fees, due regard is given to fees paid to Non-Executive Directors in other similarly-sized UK quoted companies, the time commitment and the responsibilities of the roles.</p> <p>Non-Executive Directors cannot participate in any of the Company's share incentive schemes and no Director is involved in any decision regarding their own remuneration.</p> <p>Additional fees, over and above the base fee payable to the Non-Executive Directors, are payable for chairing the Audit and Risk, Remuneration and Sustainability Committees, and for acting as Senior Independent Director.</p> <p>Additional fees may be provided for chairing any other major Committee established by the Board or for material additional work undertaken.</p> <p>The Chairman's fee is reviewed annually and is set by the Committee (excluding the Chairman). The fee payable to the Chairman is typically an all-encompassing fee for all duties performed.</p>	<p>There is no limit on the individual fee level.</p>	<p>Not eligible to participate in any performance-related elements of remuneration.</p>

DIRECTORS' REMUNERATION REPORT CONTINUED

Recruitment (and appointment) Policy

The remuneration package for a new Executive Director would be set in accordance with the terms of the Company's approved Remuneration Policy in force at the time of appointment. Similar considerations may also apply where a Director is promoted to the Board from within the Group.

Element	Recruitment policy
Base salary	<p>The salary positioning for new Executive Director appointments will take into account a number of factors, including the current pay for other Executive Directors (in situ and departed), market levels of pay, the expertise, skills and experience of the individual, business need, location and his or her current level of pay.</p> <p>Where the Committee has set the salary of a new appointment at a discount to the market level initially until proven, they may receive an uplift or a series of planned increases (above the workforce increase) to bring the salary to the appropriate market position over time.</p>
Benefits	<p>Benefits provision would be in line with the Policy.</p> <p>The Committee may agree that the Company will meet appropriate relocation costs and/or incidental expenses or tax equalisation as appropriate.</p>
Pension	<p>Pension contribution (or a cash allowance in lieu of contribution) provision will be no more than the general workforce contribution rate for the country where the Directors are located.</p>
Annual bonus	<p>Eligible to take part in the annual bonus, with a maximum bonus opportunity not in excess of the limits set out in the Policy. Participation will be on a pro-rata basis to reflect the time in the role in the year of appointment.</p> <p>Depending on the timing of the appointment, the Committee may deem it appropriate to set different annual bonus performance conditions for the first performance year of appointment.</p>
Long-Term Incentive Plan	<p>An LTIP award may be granted upon appointment but not in excess of the limits set out in the Policy.</p> <p>An LTIP award may be made shortly following an appointment (assuming the Company is legally permitted to do so). The Committee may deem it appropriate to set different LTIP performance conditions than apply for other awards made during the year of appointment.</p>
Compensation for forfeited remuneration	<p>The approach in respect of compensation for forfeited remuneration in respect of a previous employer will be considered on a case-by-case basis taking into account all relevant factors, such as performance achieved or likely to be achieved, the proportion of the performance period remaining and the form of the award.</p> <p>The Committee retains the ability to make use of the relevant Listing Rule to facilitate the "buy-out". Any "buy-out" awards would normally take account of the nature, time horizons and performance requirements attached to the awards forfeited.</p> <p>In the case of an internal appointment, any variable pay element awarded in respect of the prior role would be allowed to pay out according to its terms, adjusted as relevant to take into account the appointment.</p>
Chairman and Non-Executive Directors	<p>For the appointment of a new Chairman or Non-Executive Director, the fee arrangement would be set in accordance with the approved Policy.</p>

Service contracts

It is the Company's policy that Executive Directors should have service contracts incorporating a maximum notice period of one year. However, it may be necessary occasionally to offer longer initial notice periods to new Executive Directors.

Non-Executive Directors have letters of appointment for a term of three years, subject to re-appointment by Shareholders at each Annual General Meeting. In line with the UK Corporate Governance Code, they are generally renewed for no more than nine years in aggregate. Non-Executive Directors are not eligible for payment on termination, other than payment to the end of their three-month notice periods (six months for the Chairman).

Name	Role	Date of original appointment	Expiry of current term
Bruce Thompson	Chairman	26 February 2018	31 July 2030 ¹
Nick Jefferies	Group Chief Executive	5 January 2009	12 months by either Director or Company
Simon Gibbins	Group Finance Director	10 June 2010	12 months by either Director or Company
Rosalind Kainyah	Non-Executive Director	1 January 2022	31 December 2027
Clive Watson	Non-Executive Director	2 September 2019	1 September 2028
Celia Baxter	Non-Executive Director	1 June 2023	31 May 2029

¹ As noted in the Nomination Committee Report, following consultation with key Shareholders, Bruce Thompson's tenure as Chairman has been extended until 2030.

Other than their service contracts, no contract of significance, to which any member of the Group is a party and in which a Director is or was materially interested, subsisted at the end of, or during, the year.

Policy on payment for loss of office

Under the terms of their service contracts, any termination payments are not predetermined but are determined in accordance with the Director's contractual rights, taking account of the circumstances and the Director's duty to mitigate loss. The Company's objective is to manage its exposure to the risk of a potential termination payment.

The table below sets out key provisions for Executive Directors leaving the Company under their service contracts and the incentive plan rules.

Element	Termination policy
Fixed pay	<p>On termination, the Company may make a payment in lieu of notice ("PILON") which is equal to the aggregate of the base salary and cash equivalent of other benefits for the unexpired notice period.</p> <p>The Company may pay the PILON either as a lump sum or in equal monthly instalments, from the date on which the employment terminates until the end of the relevant period. If alternative employment is commenced, for each month that instalments of the PILON remain payable, the monthly amount paid may be reduced by the amount received from such alternative employment.</p>
Annual bonus	<p>Upon cessation of employment, there will be no entitlement to bonus for the year of exit and any unvested Deferred Share Bonus Plan ("DSBP") awards shall ordinarily lapse.</p> <p>If identified as a "good leaver" for the purposes of the bonus plan, the bonus payout will be pro-rated for time based on the Committee's reasonable assessment of the achievement of the performance measures in respect of the relevant financial year. The bonus for the year of termination may be paid in cash or a mix of cash and deferred share bonus awards.</p> <p>If identified as a "good leaver" under the DSBP, awards shall vest on the earlier of the normal vesting date and the second anniversary of cessation other than in the case of death where awards vest early.</p>
LTIP	<p>Upon cessation of employment, any unvested LTIP awards shall ordinarily lapse. Any vested awards which remain subject to a holding period will not be subject to forfeiture.</p> <p>If identified as a "good leaver" under the LTIP scheme, outstanding awards will normally vest on their normal vesting dates (or on such earlier date as the Committee may determine, for example in the case of death), normally with a pro rata reduction for service in the normal vesting period up until the date of leaving and in each case subject to the outcome of the performance conditions (assessed on normal timetable or early as relevant). Holding periods will expire on the earlier of their normal two-year expiry or the second anniversary of ceasing to be a Director.</p>

¹ Good leaver reasons include cessation of employment by reason of ill health, injury, disability, redundancy, retirement with the agreement of the Committee, the participant's office or employment being with a company which ceases to be a Group member or relating to a business which is transferred to a person who is not a Group member, or for any other reason at the Committee's discretion.

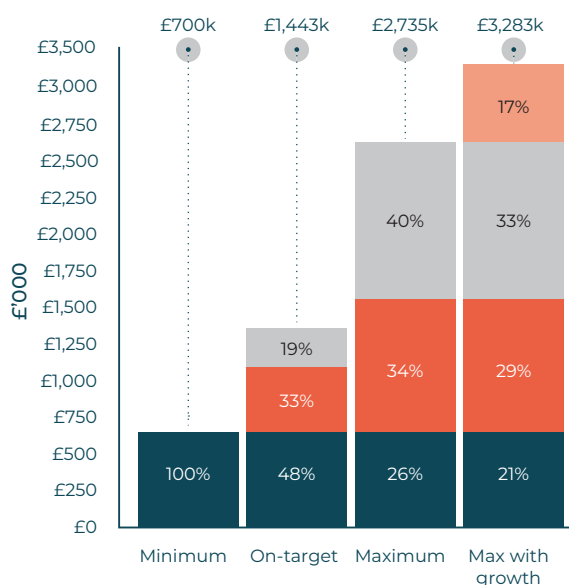
DIRECTORS' REMUNERATION REPORT CONTINUED

The Committee may also agree to make payments in reimbursement of a reasonable level of outplacement and legal fees and tax thereon in connection with a settlement agreement. The Committee may agree payments it considers reasonable in settlement of legal claims. This may include an entitlement to compensation in respect of leavers' statutory rights under employment protection legislation in the UK or in other jurisdictions.

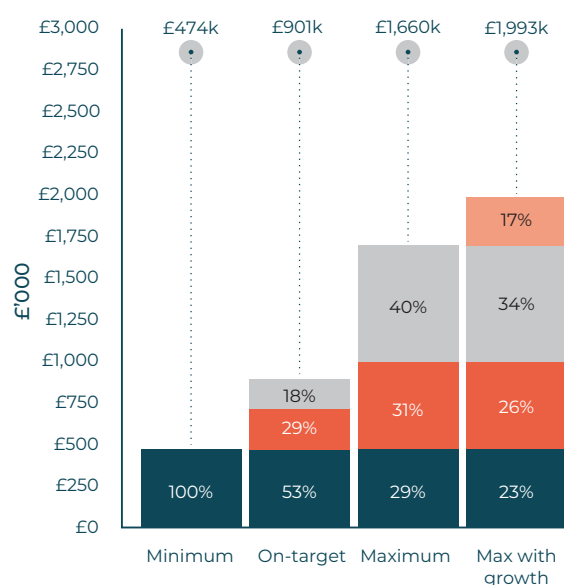
Illustration of the application of the Executive Directors' Remuneration Policy

The bar charts below illustrate some possible outcomes of the application of the Policy (approved by Shareholders at the Annual General Meeting on 26 July 2024) for the year ending 31 March 2027.

Group Chief Executive



Group Finance Director



● Fixed
 ● Annual bonus
 ● Long-term incentive
 ● Share price growth

- Minimum in the bar charts above is fixed remuneration only (i.e., 2026/27 salary, pension and the value of 2026 benefits as disclosed in the single figure table)
- Target assumes that 25% of the LTIP award vests (based on an award with a face value of 175% and 160% of salary for the Group Chief Executive and Group Finance Director, respectively) and bonuses have been earned at the target levels (75% of salary for the Group Chief Executive and 62.5% of salary for the Group Finance Director)
- Maximum assumes that the LTIP award vests in full (based on an award with a face value of 175% and 160% of salary for the Group Chief Executive and Group Finance Director) and the maximum bonus (150% and 125% of salary for the Group Chief Executive and Group Finance Director respectively) has been earned
- Maximum plus share price growth – this is based on the maximum scenario set out above but with a 50% share price increase applied to the value of LTIP awards

Projected values do not take into account dividend accrual or additional awards granted as a result of any agreement by an Executive Director to incur the Company's liability to employers' National Insurance.

Annual Report on Remuneration

The table below shows the total remuneration earned by Executive Directors for the year ended 31 March 2026 and the prior year.

Single total figure of remuneration for each Executive Director (audited)

		Salary ¹ £000	Benefits ³ £000	Pension £000	Bonus ⁴ £000	LTIP £000	Total £000	Total fixed remuneration £000	Total variable remuneration £000
	FY26	565	23	45	346	65⁵	1,044	633	411
Nick Jefferies	FY25	530	14	42	441	312 ⁶	1,339	586	753
	FY26	371	25	30	193	39⁵	657	426	231
Simon Gibbins	FY25	340 ²	15	28	240	186 ⁶	810	383	427

¹ The Group Chief Executive's and Group Finance Director's salaries were £550,000 p.a. and £360,000 p.a. respectively from 1 April 2025 to 31 December 2025, and £608,000 p.a. and £404,000 p.a. from 1 January 2026 to 31 March 2026.

² Simon Gibbins' salary for FY25 was c. £7,000 lower due to him taking one week of unpaid leave during the year.

³ Taxable benefits comprise car allowance of £15,000 for each Executive Director (FY 2024/25: £9,000 each) and family medical insurance.

⁴ For performance in the year under review, a bonus of 61% and 52% of salary was earned by Nick Jefferies and Simon Gibbins, respectively. Further details of performance against the targets can be found on pages 128 and 129. In accordance with the Remuneration Policy, 20% of these bonuses will be deferred in shares. The values in the above table include the cash and deferred elements in line with the reporting requirements. No discretion was applied by the Remuneration Committee.

⁵ The LTIP award granted to Nick Jefferies and Simon Gibbins on 14 June 2023 will vest on 16 June 2026, with 10% of the total award vesting. Further details of performance against the targets can be found on page 130. The original awards comprised 100,794 awards for Nick Jefferies and 60,323 awards for Simon Gibbins. Based on the average three-month share price to 31 March 2026 of £6.06, the estimated total values of the vested awards are £61,079 for Nick Jefferies and £36,554 for Simon Gibbins. As the share price at the date of grant (£9.38) is higher than the three-month average share price to 31 March 2026 (£6.06), none of the FY26 LTIP values in the above table are attributable to share price growth. No discretion was applied by the Remuneration Committee. Vested awards will attract dividend equivalents for the period between the date of grant and the earlier of the end of the two-year holding period or the date of exercise. The values shown in the table also include dividend equivalents of £3,674 for Nick Jefferies and £2,199 for Simon Gibbins.

⁶ The LTIP values for FY25 were estimated last year based on the three-month average share price to 31 March 2025. The values have been updated to reflect the actual share price on the vesting date (£6.62). The values shown also include dividend equivalents of £15,559 for Nick Jefferies and £9,312 for Simon Gibbins.

Single total figure of remuneration for Non-Executive Directors (audited)

	Basic fee		Committee Chair fees		SID fee		Total	
	FY26 £	FY25 £	FY26 £	FY25 £	FY26 £	FY25 £	FY26 £	FY25 £
Bruce Thompson	193,750	187,200	–	–	–	–	193,750	187,200
Celia Baxter ¹	54,340	52,500	10,350	4,167	10,350	4,167	75,040	60,833
Tracey Graham ²	–	30,625	–	5,833	–	5,833	–	42,292
Rosalind Kainyah	54,340	52,500	10,350	10,000	–	–	64,690	62,500
Clive Watson	54,340	52,500	10,350	10,000	–	–	64,690	62,500

¹ Senior Independent Director and Chair of the Remuneration Committee from 1 November 2024.

² Retired from the Board on 31 October 2024.

Incentive outcomes for Executive Directors for the year ended 31 March 2026

Annual bonus in respect of performance for the year (audited)

The maximum bonus opportunity for the year under review was 150% and 125% of salary for the Group Chief Executive and the Group Finance Director, respectively. Annual bonuses were based on a sliding scale of adjusted operating profit targets (60%), adjusted operating cash flow (24%) and the achievement of non-financial objectives (16%).

Based on the performance during the year, both adjusted operating profit and adjusted operating cash flow were between threshold and maximum. Non-financial objectives were determined to have been substantially met. This performance has resulted in bonuses of 40.9% of maximum for the Group Chief Executive and 41.5% of maximum for the Group Finance Director.

DIRECTORS' REMUNERATION REPORT CONTINUED

Full details, including the targets set, and performance against each of the metrics, are provided in the table below:

	Weighting	Threshold ²	Target	Maximum	Actual	Bonus earned (% of maximum)
Group Chief Executive						
Group adjusted operating profit (£m) ¹	60%	£57.6m	£64.0m	£70.4m	£61.0m	31.8%
Adjusted operating cash flow ¹	24%	£51.9m	£57.7m	£63.5m	£55.5m	30.8%
Strategic objectives	8%				See below	90%
ESG objectives	8%				See below	90%
Outcome (% of max)						40.9%
Group Finance Director						
Group adjusted operating profit (£m) ¹	60%	£57.6m	£64.0m	£70.4m	£61.0m	32.8%
Adjusted operating cash flow ¹	24%	£51.9m	£57.7m	£63.5m	£55.5m	31.0%
Strategic objectives	8%				See below	90%
ESG objectives	8%				See below	90%
Outcome (% of max)						41.5%

¹ At constant currency.

² Threshold payout under both the adjusted operating profit and the adjusted operating cash flow measure is nil.

Each Executive Director was given a number of individual non-financial strategic and ESG objectives, tailored to their role and to business requirements in the year. Nick Jefferies and Simon Gibbins each substantially achieved these objectives.

Nick Jefferies

Objective	Performance	Assessment
General Non-Financial Objectives		
1. Organic growth and design wins	<ul style="list-style-type: none"> Organic sales growth of 2% and organic order growth of 5% Strong pipeline of design wins 	Substantially achieved
2. Acquisitive growth and pipeline of opportunities	<ul style="list-style-type: none"> Completed acquisitions of Storm Interface and Trival Antene, and since year-end, signed the acquisition of 3Gmetalworx 	Achieved
3. Group EBIT margins	<ul style="list-style-type: none"> Delivered adjusted operating margin of 13.8% Investments made in order to drive growth in future years means that the Group remains on track for its 17% margin target 	Substantially achieved
4. Refine operational management structures and develop clusters	<ul style="list-style-type: none"> Management structures refined to provide additional support to the Group's business clusters Clustering of businesses will generate operational efficiencies and improvements in margins, and enable the smooth integration of new acquisitions as the Group grows 	Achieved
5. Optimise production at the Group's Asian sites	<ul style="list-style-type: none"> Completed embedding of operations at our Noratel site in China following its recent move Significant progress made on the construction of a new, larger facility in India (due to complete in the first half of FY 2026/27) Significant operational improvements made at our site in Thailand 	Substantially achieved
ESG Objectives		
1. Reduce CY2026 carbon emissions in line with net-zero targets	<ul style="list-style-type: none"> CY2025 Scope 1 and 2 emissions 68% lower than CY2021, in line with CY2026 target 	Achieved
2. Define and monitor Group-wide ESG objectives	<ul style="list-style-type: none"> Good alignment of operating businesses' ESG objectives and delivery 	Achieved

Simon Gibbins

Objective	Performance	Assessment
General Non-Financial Objectives		
1. Equity and debt funding to support acquisition plans	<ul style="list-style-type: none"> Funding plans updated to ensure sufficient capacity to meet future acquisition plans Revolving credit facility of £240m extended to May 2030 	Achieved
2. Manage interest on debt appropriately	<ul style="list-style-type: none"> Debt well managed in response to market conditions 	Achieved
3. Sub-divisional reporting structure	<ul style="list-style-type: none"> New financial reporting structure established to support the Group's business clusters 	Achieved
4. Deliver planned business integrations and cost savings	<ul style="list-style-type: none"> Significant cost savings delivered in the year 	Substantially achieved
5. Introduction of finance due diligence and integration role, and development of cross-business role	<ul style="list-style-type: none"> New integration structures established and several cross-business initiatives launched 	Substantially achieved
6. Manage analyst and investor base	<ul style="list-style-type: none"> Continued strong engagement with analysts and investors throughout the year 	Achieved
ESG Objectives		
1. Support for development of ESG initiatives and additional reporting	<ul style="list-style-type: none"> Further development in multiple areas (see Sustainability Report for more details) 	Achieved
2. Finalise preparation ahead of upcoming changes in UK Corporate Governance Code	<ul style="list-style-type: none"> Plans established to meet upcoming reporting requirements (see Corporate Governance Report for more details) 	Achieved
3. Implement corporate communications tool and set out ERP upgrade plan	<ul style="list-style-type: none"> Plans for communications tool finalised but not yet launched ERP upgrade programme on track 	Substantially achieved
4. Successful first year audit with Deloitte	<ul style="list-style-type: none"> Strong audit quality indicators (see Audit and Risk Committee report for more details) 	Achieved
5. Continue to improve Group cyber security	<ul style="list-style-type: none"> Significant work undertaken to improve the Group's resilience and preparedness for cyber incidents 	Achieved

The Committee assessed these achievements against the pre-set individual objectives and in the context of overall business performance and decided to award Nick Jefferies and Simon Gibbins a 90% payout for this element of their respective bonuses. This means that, for the year under review, Nick Jefferies earned a bonus of 61% of salary and Simon Gibbins earned a bonus of 52% of salary. In accordance with the Remuneration Policy, 20% of all bonuses are deferred into shares, as follows:

	Bonus outcome (% of maximum)	Bonus opportunity (% of salary)	Bonus outcome	Cash element 80%	Deferred share element 20%
Nick Jefferies	40.9%	150%	£346,039	£276,831	£69,208
Simon Gibbins	41.5%	125%	£192,549	£154,039	£38,510

Deferred share awards vest three years after grant, subject to continued service. Other than the malus and clawback terms referred to on page 130, there are no performance conditions attached to these shares. Further details can be found in Appendix 1 to the Notice for the 2024 Annual General Meeting (available on our website at www.discoverieplc.com).

DIRECTORS' REMUNERATION REPORT CONTINUED

2023 LTIP vesting (audited)

LTIP Awards were granted on 14 June 2023 to Nick Jefferies and Simon Gibbins with vesting dependent on relative TSR performance against a comparator group made up of constituents of the FTSE 250 excluding Investment Trusts (45%), the growth in adjusted EPS over the three-year period ending 31 March 2026 (45%) and carbon emissions reduction (10%). The specific targets were as follows:

Relative TSR ranking against the FTSE 250 excluding Investment Trusts (45% weighting)

Relative TSR ranking against peers	% of award vesting	Actual performance
Upper quartile (or above)	100%	The Company's TSR over the period was -23.2%, which was below median, resulting in nil vesting of this element
Between median and upper quartile	Straight-line vesting between 25% and 100%	
Below median performance	0%	

Adjusted EPS Performance (45% weighting)

Adjusted EPS growth from FY22 to FY25	% of award vesting	Actual performance
Equal to or above 12ppts p.a.	100%	4.6ppts p.a. growth over the three-year period, which was below threshold, resulting in nil vesting
Between 5ppts p.a. and 12ppts p.a.	Straight-line vesting between 25% and 100%	
Below 5ppts p.a.	0%	

Carbon emissions reduction (10% weighting)

Carbon emissions reduction from a CY2021 baseline	% of award vesting	Actual performance
Equal to or above a 65% reduction	100%	CY2025 Scope 1 and 2 carbon emissions reduction of 68% against CY2021 baseline, resulting in full vesting
Between 45% and 65% reduction	Straight-line vesting between 25% and 100%	
Below 45% reduction	0%	

The TSR and EPS measures resulted in nil vesting for those elements while the carbon reduction measure was achieved in full. Therefore, 10% of the 2023 LTIP award will vest on 16 June 2026. The vested awards are subject to a two-year holding period, during which period dividends will accrue on the vested awards. Dividends also accrued between the date of grant and vesting.

Director	Date of grant	Number of awards granted	Vesting outcome	Number of vesting awards	Estimated value of vesting awards
Nick Jefferies	14 June 2023	100,794	10%	10,079	£64,753
Simon Gibbins	14 June 2023	60,323		6,032	£38,753

The estimated value of the vested awards is based on the three-month average share price to 31 March 2026 (£6.06). The values shown also include dividend equivalents of £3,674 for Nick Jefferies and £2,199 for Simon Gibbins.

Malus and clawback

Malus and clawback provisions apply to the annual bonus and LTIP schemes as set out in our Directors' Remuneration Policy, a summary of which can be found on pages 121 and 122. In respect of bonus or deferred bonus the relevant discovery period expires three years from the payment of the bonus or grant of the deferred award as relevant. In respect of LTIP awards, the relevant discovery period expires on the second anniversary of the vesting of the awards. The Committee believes these periods are appropriate as they align with the bonus deferral and LTIP holding periods, while providing sufficient time to identify and address any issues that may arise.

Malus and clawback provisions were not used in the last reporting period.

Share awards made during the year (audited)

The following LTIP awards were granted on 11 June 2025, in the form of nil cost options:

Director	Face value as % of salary	Face value ¹	Number of shares	Threshold vesting (% of face value)	Maximum vesting (% of face value)	End of performance period
Nick Jefferies	175%	£962,971	141,822	25%	100%	31 March 2028
Simon Gibbins	160%	£576,281	84,872			31 March 2028

¹ The face value of the awards is based on a share price of £6.79, being the three-day average share price directly prior to the grant of the award.

In addition to the grants set out above, 7,956 awards were granted to Simon Gibbins (with a face value of £54,021, based on a share price of £6.79), in return for him bearing a proportion of the Company's liability to employer's National Insurance arising on exercise. The additional award ensures he is in a neutral position on an after-tax basis. The award was granted on the same date and under the same conditions as those set out in the table above.

Vesting of these awards is subject to the following performance conditions:

Relative TSR ranking against the FTSE 250 excluding Investment Trusts (50% weighting)

Relative TSR ranking against peers	% of award vesting
Upper quartile (or above)	100%
Between median and upper quartile	Straight-line vesting between 25% and 100%
Below median performance	0%

Adjusted EPS growth (50% weighting)

Adjusted EPS growth	% of award vesting
Equal to or above 12ppts per annum	100%
Between 5ppts and 12ppts per annum	Straight-line vesting between 25% and 100%
Below 5ppts per annum	0%

For the TSR and adjusted EPS elements, performance is measured over three years from 1 April 2025 to 31 March 2028. For the TSR measure, one-month average prices are used prior to the start and end of the performance period. In the case of the adjusted EPS measure, performance is measured based on growth from FY 2024/25 to FY 2027/28.

Vested shares will be subject to an additional two-year holding period.

Deferred bonus share awards

Deferred bonus share awards were granted on 11 June 2025, in respect of the bonus earned for the financial year ended 31 March 2025. As part of the terms of the bonus, 20% of the annual bonus earned for both Executive Directors was deferred into deferred share awards.

Director	Grant date	Face value ¹ (20% of FY25 bonus, net of tax)	Number of shares	Vesting date
Nick Jefferies	11 June 2025	£88,206	12,997	12 June 2028
Simon Gibbins	11 June 2025	£48,092	7,086	12 June 2028

These awards vest on 12 June 2028 subject to continued service.

Pension arrangements (audited)

Pension contributions/ cash allowances for the Executive Directors are set out in the single figure table on page 127 of this Report and were based on a contribution rate of 8%, in line with the UK employee pension contribution rate.

DIRECTORS' REMUNERATION REPORT CONTINUED

Directors' interests under the Long-Term Incentive Plans

Movements in the Executive Directors' holdings of nil-cost options under the LTIPs during the year are shown below. Values are calculated using the closing share price on 31 March 2026 (£5.38). No awards were exercised or lapsed in the year. The performance criteria for the 2025 LTIPs are set out on page 131.

	Movements during the year					Number held at 31.03.25	Vested but not exercised	Share value at 31.03.2026 £	Grant date	When exercisable
	Number held at 31.03.2026	Granted	Vested	Exercised	Lapsed					
Nick Jefferies	242,788(v)	-	-	-	-	242,788	242,788	1,306,199	31/03/2017	Mar 2022 to Mar 2027
	123,998(v)	-	-	-	-	123,998	123,998	667,109	29/03/2018	Mar 2023 to Mar 2028
	166,236(v)	-	-	-	-	166,236	166,236	894,350	30/04/2019	Apr 2024 to Apr 2029
	127,039(v)	-	-	-	-	127,039	127,039	683,470	30/06/2020	Jul 2025 to Jun 2030
	63,310(v)	-	-	-	-	63,310	63,310	340,608	29/07/2021	Jul 2026 to Jul 2031
	44,710(v)	-	44,710	-	86,654	131,364	44,710	240,540	21/06/2022	Jun 2027 to Mar 2032
	100,794(nv)	-	-	-	-	100,794	-	542,272	14/06/2023	Jun 2028 to Mar 2033
	128,839(nv)	-	-	-	-	128,839	-	693,154	12/06/2024	Jun 2029 to Mar 2034
	141,822(nv)	141,822	-	-	-	-	763,002	11/06/2025	Jun 2030 to Mar 2035	
Simon Gibbins	106,900(v)	-	-	-	-	106,900	106,900	575,122	31/03/2017	Mar 2022 to Mar 2027
	63,190(v)	-	-	-	-	63,190	63,190	339,962	29/03/2018	Mar 2023 to Mar 2028
	92,006(v)	-	-	-	-	92,006	92,006	494,992	30/04/2019	Apr 2024 to Apr 2029
	62,500(v)	-	-	-	-	62,500	62,500	336,250	30/06/2020	Jul 2025 to Jun 2030
	37,843(v)	-	-	-	-	37,843	37,843	203,595	29/07/2021	Jul 2026 to Jul 2031
	26,758(v)	-	26,758	-	51,861	78,619	26,758	143,958	21/06/2022	Jun 2027 to Mar 2032
	60,323(nv)	-	-	-	-	60,323	-	324,538	14/06/2023	Jun 2028 to Mar 2033
	77,108(nv)	-	-	-	-	77,108	-	414,841	12/06/2024	Jun 2029 to Mar 2034
	84,872(nv)	84,872	-	-	-	-	456,611	11/06/2025	Jun 2030 to Mar 2035	

(v) = vested; (nv) = non-vested

In addition to the awards in the above table, the following awards ("NIC Awards") of nil-cost options were made to Nick Jefferies and Simon Gibbins as a result of their agreement to take on some or all of the Company's liability to employers' National Insurance contributions on the respective awards. These additional awards are such that the award holders are in a net neutral position after tax, and are subject to the same vesting conditions as the main awards set out above.

Date of Grant	Number of NIC Awards	
	Nick Jefferies	Simon Gibbins
29/3/2018	N/A	13,916
30/4/2019	N/A	15,379
30/6/2020	13,985	10,446
29/7/2021	12,413	7,441
21/6/2022	N/A	7,370
14/6/2023	N/A	5,655
12/6/2024	N/A	7,228
11/6/2025	N/A	7,956

Directors' share interests (audited)

The interests of the Directors who held office as at 31 March 2026 (including family interests) in ordinary shares (fully paid, 5p) of the Company, were as follows:

Shares held at 31 March 2026						
	Unencumbered shares	Nil cost options vested but not exercised and outside of holding period	Nil cost options vested but subject to additional holding period ^{3,4}	Nil cost options unvested and subject to performance conditions	Unencumbered shares held at 31 March 2025	Value of current shareholding (% of salary)
Nick Jefferies	1,303,722 ¹	660,061	121,017	371,455	1,303,722	1,154%
Simon Gibbins	438,083 ²	324,596	71,687	222,303	430,535	583%
Bruce Thompson	90,000	–	–	–	75,000	
Clive Watson	37,136	–	–	–	36,471	
Rosalind Kainyah	656	–	–	–	656	
Celia Baxter	7,642	–	–	–	7,642	

¹ Nick Jefferies holds 1,303,722 shares outright. In line with the Remuneration Policy, 20% of bonuses from FY 2019/20 onwards were deferred into shares or share awards. The figure of 1,303,722 includes the shares bought with those deferred bonuses from FY2019/20 to FY2023/24. See footnote 4 for the share awards from FY2024/25.

² Simon Gibbins holds 438,083 shares outright. In line with the Remuneration Policy, 20% of bonuses from FY 2021/22 onwards were deferred into shares or share awards. The figure of 438,083 includes the shares bought with those deferred bonuses from FY2019/20 to FY2023/24. See footnote 4 for the share awards from FY2024/25.

³ Options subject to the additional holding period are not capable of exercise. No further performance conditions apply.

⁴ From FY2024/25 onwards deferred bonus share ("DSBP") awards were granted in the form of nil cost options. As well as nil cost options under LTIP schemes that have vested, the figures shown in this column include the DSBP awards granted in FY2024/25 (as referred to on page 131).

The interests of all Directors at 1 June 2026 are unchanged from those at 31 March 2026. The values of current shareholdings for Nick Jefferies and Simon Gibbins have been valued using the share price as at 31 March 2026 of £5.38 and include all options that have vested but remain unexercised and are based on salaries as at 1 June 2026.

Both of the Executive Directors have met the current shareholding requirements. In accordance with the remuneration policy, Executive Directors are required to build up/maintain a shareholding of at least 250% of salary over time.

The figures for shares/ nil cost options subject to performance conditions exclude any additional awards to Executive Directors in respect of employer's National Insurance.

New Executive Directors are required to build up/maintain a shareholding of at least 200% of salary, including LTIP shares where performance conditions no longer apply.

Dilution

The Company's share schemes are funded through a combination of shares purchased in the market and newly issued shares, as appropriate. The Company monitors the number of shares issued under the schemes and their impact on dilution limits.

As at 31 March 2026, approximately 5.5m shares (5.6%) in the last ten years have been, or may be, issued to settle awards made in the last ten years in connection with all share schemes and executive share schemes, respectively. The Company is committed to remaining within The Investment Association's 10% in 10 years dilution limit.

Payments for loss of office (audited)

There were no payments for loss of office during the year.

Payments to past Executive Directors (audited)

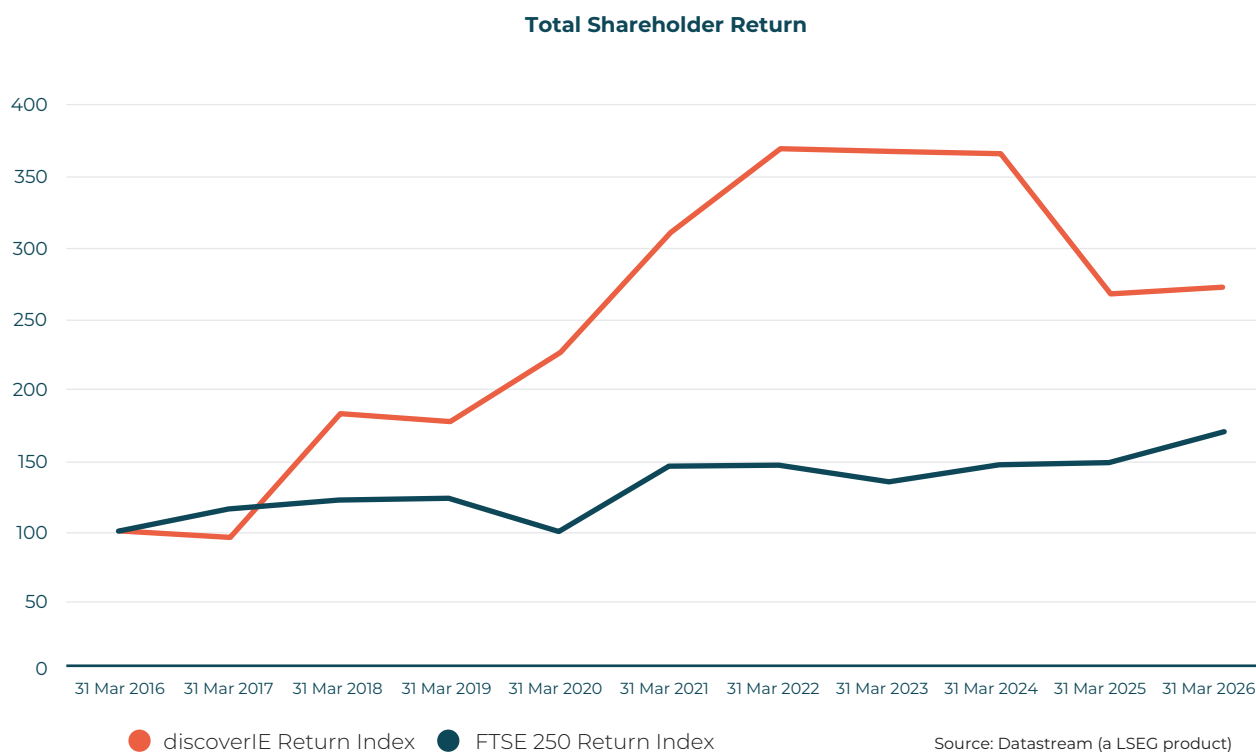
There were no payments to past Executive Directors during the year.

This represents the end of the audited section of the Report.

DIRECTORS' REMUNERATION REPORT CONTINUED

Pay for performance

The graph below shows Total Shareholder Return ("TSR") in terms of change in value (with dividends deemed to be reinvested gross on the ex-dividend date) of an initial investment of £100 on 31 March 2016 between that date and 31 March 2026 in a holding of the Company's shares, compared with the corresponding TSR in a hypothetical holding of £100 invested in the FTSE 250 Index. This index has been chosen because it is considered to be a reasonable comparator in terms of the Company's size and its share liquidity. The accompanying table details the Group Chief Executive's single figure of remuneration and actual variable pay outcomes over the same period.



Group Chief Executive single total figure of remuneration history

Nick Jefferies was Group Chief Executive throughout the period shown in the table below.

	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Single figure of total remuneration (£'000)	665	1,803	1,796	2,093	1,717	2,580	2,245	1,533 ²	1,339	1,044
Salary (£'000)	429	438	453	467	443	490	510	530	530	565
Bonus outcome (% of maximum)	43.5	63.7	69.2	62.0	60.1	100	76	63	55.5	41
LTIP outcome (% of maximum)	–	100	100	100	75.9	100	100	85	34	10
Turnover (£m)	338	387.9	438.9	466.4	454.3	379.2	448.9	437.0	422.9	443.3
Adjusted operating profit (£m)	20	24.5	30.6	37.1	35.2	41.4 ¹	51.8	57.2	60.5	61.0

¹ Continuing operations.

² The LTIP values for 2025 were estimated last year based on the three-month average share price to 31 March 2025. The values have been updated to reflect the actual share price on the vesting date (£6.62).

Group Chief Executive remuneration

Annual percentage change in remuneration of Directors and employees

As required by the 2019 regulations, the table below shows a comparison of the annual change of each individual Director's pay to the annual change in average UK employee pay. discoverIE Group plc has no employees itself and therefore the Committee has selected this comparator group on the basis that the Executive Directors are UK-based. Average employee pay is based on a full-time equivalent ("FTE") calculation.

	% change from 2021 to 2022			% change from 2022 to 2023			% change from 2023 to 2024			% change from 2024 to 2025			% change from 2025 to 2026		
	Salary or fees	Benefits	Bonus	Salary or fees	Benefits	Bonus	Salary or fees	Benefits	Bonus	Salary or fees	Benefits	Bonus	Salary or fees	Benefits	Bonus
Employees	5%	0%	153%	5%	59%	13%	6%	1%	6%	1%	8%	-32%	6%	-1%	11%
Executive Directors															
Nick Jefferies	11% ¹	2%	121%	4%	-8%	-21%	4%	-37%	-13%	0%	0%	-12%	6%	6%	-22%
Simon Gibbins	11% ¹	2%	129%	3%	26%	-23%	4%	4%	-13%	-2%	0%	-12%	9%	7%	-20%
Non-Executive Directors															
Bruce Thompson	11% ¹	-	-	94% ⁴	-	-	70% ⁴	-	-	0%	-	-	3%	-	-
Clive Watson	11% ¹	-	-	6%	-	-	4%	-	-	0%	-	-	4%	-	-
Rosalind Kainyah	n/a ²	-	-	397% ³	-	-	4%	-	-	0%	-	-	4%	-	-
Celia Baxter	-	-	-	-	-	-	-	-	-	n/a	-	-	23% ⁵	-	-

¹ Salaries and fees for the year ended 31 March 2021 were voluntarily reduced by all Directors by 20% for three months in light of the Covid pandemic, as explained in the 2022 Annual Report. Without that reduction, the underlying increase in salary and fees from 2021 to 2022 was 5%.

² Joined the Board in January 2022.

³ The increase in Rosalind Kainyah's fee in FY 2022/23 reflects her appointment towards the end of FY 2021/22, with FY 2022/23 showing a full year of fees, as well as her appointment as Chair of the Sustainability Committee from 1 April 2022.

⁴ The increase in Bruce Thompson's fees for FY 2022/23 and FY 2023/24 reflects his appointment as Chairman from 1 November 2022.

⁵ The increase in Celia Baxter's fee in FY 2025/26 reflects her appointment part way through FY 2024/25 as Senior Independent Director and Chair of the Remuneration Committee.

CEO pay ratio

The table below sets out the pay ratios for the Group Chief Executive in relation to the equivalent pay for the lower quartile, median and upper quartile UK employees (calculated on a full-time basis). The principal reason for the changes between 2020, 2021 and 2022 are the changes in the overall remuneration of the Group Chief Executive, with a voluntary reduction in salary and bonuses in 2021 during the Covid pandemic and a full bonus payout in 2022. In 2023, the ratios returned closer to pre-pandemic levels.

The 2026 median CEO pay ratio of 29:1 is lower than last year (40:1). This reflects the significantly lower variable remuneration earned by the Group Chief Executive this year (see above), and an increase in the median of above workforce averages.

Year	Method	25th percentile pay ratio	Median pay ratio	75th percentile pay ratio
2026	Option B	40:1	29:1	16:1
2025	Option B	48:1	40:1	22:1
2024	Option B	60:1	45:1	26:1
2023	Option B	86:1	69:1	43:1
2022	Option B	117:1	68:1	44:1
2021	Option B	63:1	47:1	25:1
2020	Option B	83:1	57:1	40:1

¹ The Company determined the remuneration figures for the employee at each quartile with reference to a date of 31 March 2026.

² The Group used calculation method B as the Gender Pay Gap data is already collated for UK employees and was therefore readily available.

³ Following a review, the Committee was satisfied that the three individuals reported on are representative of the lower quartile, median and upper quartile employees. No adjustments or estimates were used.

DIRECTORS' REMUNERATION REPORT CONTINUED

Set out in the table below is the total pay and benefits as well as the salary component of remuneration for the employees identified as being at the relevant percentiles.

	25th percentile	Median	75th percentile
Salary	£23,500	£34,756	£57,500
Total pay and benefits	£25,892	£36,256	£63,933

Importance of the spend on pay

The table below shows the importance of the spend on pay for all employees across the globe compared with the returns distributed to Shareholders, during the year under review and the prior financial year. The information is based on like-for-like constant currency and includes annualised prior year acquisitions.

	2026 £m	2025 £m	change %
Remuneration paid to or receivable by all employees	129.0	116.8	10%
Distributions to Shareholders by way of dividends (net of share issues)	12.2	11.7	4%

Statement of implementation of the remuneration policy in the financial year ending 31 March 2027

The table below sets out a summary of how the remuneration policy will apply during 2026/27.

Remuneration element	Remuneration for year ending 31 March 2026
Base salary	<ul style="list-style-type: none"> Salaries for FY 2026/27 are: <ul style="list-style-type: none"> £626,240 for the Group Chief Executive (3.0% increase). £416,120 for the Group Finance Director (3.0% increase). <p>Base salary increases across the Group for FY 2026/27 vary according to local conditions, with up to 15% in some countries; in the UK, where the Executive Directors are based, average employee increase is 3%.</p>
Pension	<ul style="list-style-type: none"> Cash equivalent of 8% of salary (in line with the UK workforce).
Annual bonus	<ul style="list-style-type: none"> The maximum bonus opportunity will be 150% of salary for Group Chief Executive and 125% of salary for Group Finance Director, in line with last year. Target bonus opportunity is 50% of maximum. Performance metrics are based 60% on adjusted operating profit at constant currency, 24% on adjusted operating cash flow at constant currency, 16% on strategic objectives (including ESG). Due to the close link between targets and the long-term strategy, the bonus targets for the year ending 31 March 2027 have not been disclosed in this report due to commercial sensitivity. However, further information on these bonus targets will be disclosed in next year's Annual Report and Accounts. Mandatory deferral of 20% of any bonus earned into discoverIE share awards for a period of three years under the Deferred Share Bonus Plan, where Executive Directors have met their shareholding guideline. (One third of bonus earned is deferred if an Executive Director has not met that guideline).
LTIP	<ul style="list-style-type: none"> LTIP awards for FY 2026/27 will be at 175% of salary for the Group Chief Executive and 160% of salary for the Group Finance Director¹ which is in line with last year and lower than the 200% LTIP policy limit. Performance metrics and targets will be based 50% on adjusted EPS growth and 50% on relative TSR. The adjusted EPS range will require growth of 5% p.a. for threshold vesting and 12% p.a. growth for full vesting. Vesting of the EPS element shall also be subject to an underpin requiring the Committee to be satisfied with the Group's annual rate of return on capital employed ("ROCE") over the measurement period. The TSR peer group will be the FTSE 250 (excluding Investment Trusts). Threshold vesting (25%) will apply for median performance and full vesting (100%) will require upper quartile or higher.
Shareholding guidelines	<ul style="list-style-type: none"> A shareholding guideline of 250% of salary applies for the Group Chief Executive and Group Finance Director.

¹ Additional awards may be granted to the Group Finance Director in return for him bearing some of the Company's liability to employers' National Insurance arising on the exercise of the grant referred to above. The additional award ensures that he is in a neutral position on an after-tax basis, assuming no change in the tax rate.

Following a review of non-executive director fees, the fees for the Non-Executive Directors from 1 April 2026 will be as set out below. The review highlighted that fees were below market rates for the time commitment and responsibilities of the respective roles being undertaken and are therefore being increased by between 7% to 9% in order to address this.

As at 1 April 2026	Basic fee (£)	Committee Chair fee (£)	SID fee (£)	Total £
Bruce Thompson	211,000	–	–	211,000
Celia Baxter	59,000	10,500	10,500	80,000
Rosalind Kainyah	59,000	10,500	–	69,500
Clive Watson	59,000	10,500	–	69,500

Role of the Remuneration Committee

The Committee is responsible for considering and making recommendations to the Board on the remuneration of the Executive Directors. In doing so, it reports to the Board on how it has discharged its responsibilities and operates within agreed terms of reference, which can be found on the Group's website. The members of the Committee are set out on page 116.

The Committee also considers the recommendations of the Group Chief Executive with regard to senior management who are not Executive Directors, in determining their remuneration packages, including bonuses, incentive payments, share options and other share-based awards. The Group Company Secretary and the Head Office HR Manager provide administrative support.

Advisers

During the year, the Committee received independent advice on executive remuneration from FIT Remuneration Consultants LLP ("FIT"). FIT was appointed by the Committee following a competitive tender process. FIT is a signatory to the Remuneration Consultants' Code of Conduct. FIT does not provide any services other than advice to the Remuneration Committee and the Committee considers FIT to be independent and objective. The fees paid to FIT for advising the Committee for the financial year ended 31 March 2026 were £36,583, based partly on a fixed fee basis and partly on time spent.

Shareholder voting

As at 1 April 2024	For ¹		Against		Withheld ²
2024 binding vote on the Directors' Remuneration Policy	75,169,860	96.03%	3,111,165	3.97%	5,712
2024 approval of the Remuneration Report (excl. Policy)	77,383,278	98.85%	900,574	1.15%	2,885

¹ Includes votes at the Chairman's discretion.

² A vote "withheld" is not a vote in law and is not counted in the calculation of the proportion of votes for and against the resolution.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

IN RESPECT OF THE FINANCIAL STATEMENTS

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors are required to prepare the Group financial statements in accordance with United Kingdom adopted international accounting standards. The Directors have chosen to prepare the parent Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 101 "Reduced Disclosure Framework". Under Company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing the parent Company financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

In preparing the Group financial statements, International Accounting Standard 1 requires that Directors:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements of the financial reporting framework are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the Company's ability to continue as a going concern.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Responsibility statement

We confirm that to the best of our knowledge:

- the financial statements, prepared in accordance with the relevant financial reporting framework, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole;
- the Strategic Report includes a fair review of the development and performance of the business and the position of the Company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face; and
- the Annual Report and financial statements, taken as a whole, are fair, balanced and understandable and provide the information necessary for Shareholders to assess the Company's position and performance, business model and strategy.

This responsibility statement was approved by the Board of Directors on 2 June 2026 and is signed on its behalf by:

Nick Jefferies
Group Chief Executive
2 June 2026

Simon Gibbins
Group Finance Director
2 June 2026



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF discoverIE Group plc

Report on the audit of the financial statements

1. Opinion

In our opinion:

- the financial statements of discoverIE Group plc (the 'Company') and its subsidiaries (the 'Group') give a true and fair view of the state of the Group's and of the Company's affairs as at 31 March 2026 and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with United Kingdom adopted international accounting standards;
- the Company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the Consolidated Statement of Profit or Loss;
- the Consolidated Statement of Comprehensive Income;
- the Consolidated Statement of Financial Position;
- the Consolidated Statement of Changes in Equity;
- the Consolidated Statement of Cash Flows;
- the related notes 1 to 35 to the Consolidated financial statements, including the material accounting policy information;
- the Company Statement of Financial Position;
- the Company Statement of Changes in Equity; and
- the related notes 1 to 12 to the Company financial statements, including the material accounting policy information.

The financial reporting framework that has been applied in the preparation of the group financial statements is applicable law and United Kingdom adopted international accounting standards. The financial reporting framework that has been applied in the preparation of the Company financial statements is applicable law and United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

2. Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the Group and the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the "FRC's") Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. The non-audit services provided to the Group and Company for the year are disclosed in note 32 to the Group financial statements. We confirm that we have not provided any non-audit services prohibited by the FRC's Ethical Standard to the Group or the Company.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

3. Summary of our audit approach

Key audit matters	The key audit matter that we identified in the current year was the appropriateness of revenue recognised in the correct accounting period (revenue 'cut-off').
Materiality	The materiality that we used for the Group financial statements was £2.3m (2025: £2.3m) which was determined on the basis of adjusted profit before tax.
Scoping	We used component auditors to test specific account balances in 25 (2025: 28) reporting units across 13 countries and the Group engagement team performed audits on 7 (2025: 7) reporting units at group level including the Company. This covered 71% (2025: 72%) of Group revenue, 82% (2025: 84%) of profit before tax and 84% (2025: 79%) of net assets.
Changes to our approach	The extent of our audit testing is comparable with the previous year. There are no other significant changes in our approach, as compared to 2025.

4. Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Our evaluation of the directors' assessment of the Group's and Company's ability to continue to adopt the going concern basis of accounting included:

- obtaining an understanding of the processes and controls underpinning the directors' forecasting of financial performance and cash flows;
- assessing the Group's borrowing facilities explained in note 26 to the Group financial statements, including the total amounts available, the repayment dates, and related covenants;
- testing the mechanical and logical accuracy of management's forecasts, and liquidity and sensitivity calculations;
- assessing the forecasts in comparison to historical performance, industry expectations, and external data points;
- challenging the downside scenarios modelled by the Group, including their reverse stress tests, in consideration of recent experience and whether they were sufficiently severe;
- evaluating whether other events or conditions, for example potential trade volatility arising from changing tariff regimes and the conflict in the Middle-East, are appropriately considered in forecasts and downside scenarios;
- assessing the requirements of the financial covenants and the potential risk of a covenant breach; and
- assessing the appropriateness of the disclosures provided in note 2 of the Group financial statements.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's and Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In relation to the reporting on how the Group has applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the directors' statement in the financial statements about whether the directors considered it appropriate to adopt the going concern basis of accounting.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF discoverIE Group plc

CONTINUED

5. Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

5.1. Appropriateness of revenue recognised in the correct accounting period (revenue 'cut-off')

<p>Key audit matter description</p>	<p>The Group recognised revenue of £443.3 million in 2026 (2025: £422.9 million) of which the significant majority is earned through sale of goods in the form of a range of customised electronics for industrial applications. Refer to notes 4 and 5 to the Group financial statements for analysis by nature and operating segment. The Group recognises revenue from sale of goods at a point in time on shipment, on delivery, or when goods are accepted by the customer, depending on the incoterm used for the sale transaction.</p> <p>Revenue should be recognised once control of goods has passed to the customer in line with the relevant incoterms and the Group's revenue recognition policy. The Group is highly disaggregated and operates in a number of different jurisdictions, trading under a range of incoterms, and utilises different IT infrastructure in different businesses. That leads to a risk that revenue is recognised at an inappropriate time due to an incorrect determination of when control has passed. There could be an incentive to recognise revenue in one period or another, in order to meet budgets or targets, and so we consider the cut-off of revenue to represent a key audit matter and a potential fraud risk.</p> <p>Refer to note 2 for the Group's revenue recognition policy and note 5 for the Group's segmental reporting showing revenue by operating segment.</p>
<p>How the scope of our audit responded to the key audit matter</p>	<p>We have performed the following procedures to address this key audit matter:</p> <ul style="list-style-type: none"> ■ obtaining an understanding of the revenue cycle and relevant controls in place to address the risk of inappropriate cut-off; ■ identified a pre- and post- year end 'risk period' for sales transactions for which there may be judgement as to whether control has passed as at the year-end and assessing a sample of those sales transactions against purchase orders, despatch documentation, and sales invoices, as necessary in order to determine whether revenue is recognised in the correct period; and ■ testing credit notes issued post year end and assessing the appropriateness of the reason for the credit note while also evaluating whether it aligns with the Group's revenue recognition policy.
<p>Key observations</p>	<p>We concluded that the revenue recognition policies of the Group, relating to the timing of revenue recognition and the point at which control passes, are reasonable, and that they are applied appropriately.</p>

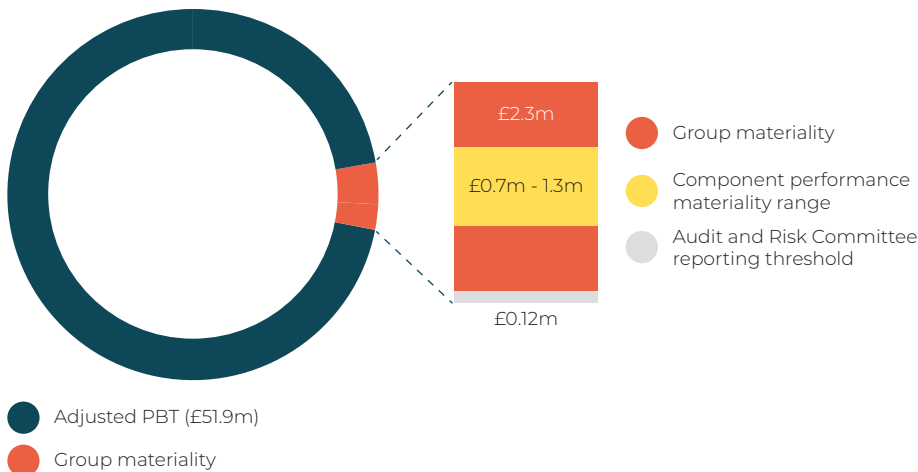
6. Our application of materiality

6.1. Materiality

We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

	Group financial statements	Company financial statements
Materiality	£2.3 million (2025: £2.3 million)	£2.0 million (2025: £2.0 million)
Basis for determining materiality	We determined materiality on the basis of 5% of forecasted adjusted profit before tax, this represents 4.4% of final adjusted profit before tax, as disclosed in note 6 to the financial statements. (2025: represented 4.6% of final adjusted profit before tax).	Company materiality equates to 1% of net assets (2025: 0.5% of net assets), which is capped at 90% of Group materiality.
Rationale for the benchmark applied	We have used adjusted profit before tax for determining materiality. Adjusted profit before tax is defined as profit before tax excluding acquisition and disposal related costs. This is considered to be a key benchmark as this metric is important to the users of the financial statements (investors and analysts being the key users for a listed entity) because it provides a means of evaluating performance of the business on a consistent basis and hence its ability to pay a return on investment to the investors.	As the ultimate holding company of the Group we consider net assets to be an appropriate benchmark for our materiality determination.



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF discoverIE Group plc

CONTINUED

6.2. Performance materiality

We set performance materiality at a level lower than materiality to reduce the probability that, in aggregate, uncorrected and undetected misstatements exceed the materiality for the financial statements as a whole.

	Group financial statements	Company financial statements
Performance materiality	65% of Group materiality (2025: 65%)	65% of Company materiality (2025: 65%)
Basis and rationale for determining performance materiality	In determining performance materiality, we considered the following factors: <ol style="list-style-type: none"> the quality of the control environment and whether we were able to rely on controls; the disaggregated nature of the Group and relative size of individual businesses; the nature, volume and size of misstatements in the previous audit; and low turnover of management and key accounting personnel. 	

6.3. Error reporting threshold

We agreed with the Audit and Risk Committee that we would report to the Committee all audit differences in excess of £115,000 (2025: £115,000), as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the Audit and Risk Committee on disclosure matters that we identified when assessing the overall presentation of the financial statements.

7. An overview of the scope of our audit

7.1. Identification and scoping of components

The Group is highly disaggregated and operates in 20 countries, with 40 manufacturing locations. Our definition of component is aligned to the reporting unit structure within the Group. Our audit was scoped by obtaining an understanding of the Group and its environment, including Group-wide controls, and assessing the risks of material misstatement at the Group and component level.

Our determination of which components to include in our audit scope considered:

- qualitative and quantitative risk factors, in consideration of the Group materiality of £2.3 million;
- the structure of internal reporting within the Group;
- changes to the Group arising from acquisitions, disposals, or restructuring events; and
- the outcome of recent internal audit reports, or other indications of increased risk identified by management or the directors.

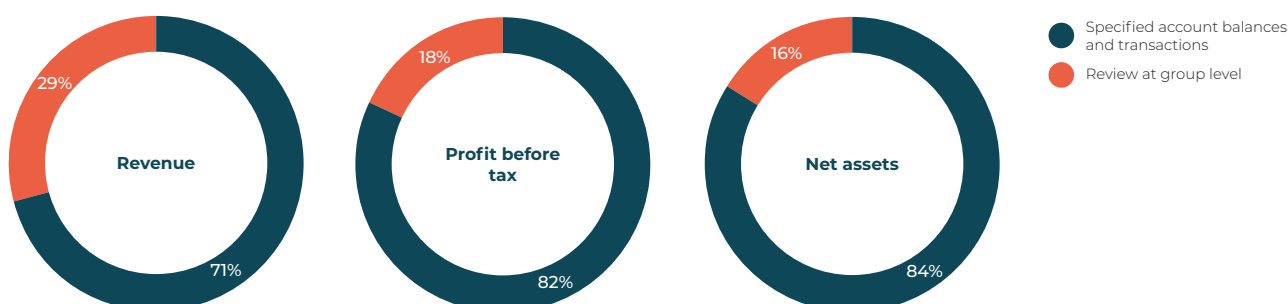
The parent company is located in the UK and is audited directly by the Group audit team. The Group audit team also executed the in-scope component audits in the UK and US. As each of the components maintains separate financial records, we have engaged component auditors from the Deloitte member firms in China, Denmark, France, Germany, India, Norway, Poland, Slovakia, Sri Lanka and Sweden to perform procedures under our direction and supervision as further described in section 7.4 below.

For the purposes of our Group audit we have performed audit procedures on one or more classes of transactions, or account balances, on components which represent 71% (2025: 72%) of revenue, 82% (2025: 84%) of profit before tax, and 84% (2025: 79%) of net assets.

We used component auditors to test specific account balances in 25 (2025: 28) reporting units across 13 countries and the Group engagement team performed audits on 7 (2025: 7) reporting units at group level including the Company.

Our work on the components, including the parent company, was executed at levels of performance materiality applicable to each individual component, which were lower than Group performance materiality and ranged from £0.7 million to £1.3 million (2025: £0.6 million to £1.3 million).

At a Group level we have tested the consolidation processes, and have performed a review at group level on components and balances that were not subject to audit procedures.



7.2. Our consideration of the control environment

The Group operates a range of IT systems which underpin the financial reporting processes. These vary in complexity and can vary by geography and/or reporting entity.

For certain components subject to audit procedures, we identified relevant IT systems for the purpose of our audit work. These were typically the principal Enterprise Resource Planning (ERP) systems for each relevant component that govern the general ledger and transaction accounting balances, and also included the Group's consolidation system. Our approach was principally designed to inform our risk assessment and, as such, with the involvement of our IT specialists we obtained an understanding of relevant IT controls and tested the general IT controls for some operating entities.

Consistent with the prior year, we did not plan to rely on the operating effectiveness of controls (automated or otherwise). This strategy reflected our knowledge of the control environment and in particular the disaggregated nature of the business which brings inherent segregation of duty challenges in certain smaller businesses; limited formality of the control environment with regards to retention of evidence of a control's operation sufficient for our testing purposes; and our understanding of the Group's ongoing programme to upgrade legacy systems.

Management continue to assess and monitor the effectiveness of the Group's control environment, along with reporting to and oversight from the Audit and Risk Committee as explained in their report on page 107. This includes consideration of developments in controls in the context of the FRC guidance and changes to the Corporate Governance Code. As the Group develops, we expect our audit approach to evolve in future years alongside developments in the internal control environment.

7.3. Our consideration of climate-related risks

In planning our audit we considered the potential impact of climate change on the Group's business and on the balances in the financial statements. The Group has assessed the risks and opportunities of climate change and has summarised the outputs of that assessment on pages 60 to 68 of this Annual Report.

We have considered whether the outputs of the assessment, as disclosed in the basis of preparation, on page 155 of the Annual Report, are consistent with our understanding of the business and with the forecasts which are used to support account balances (including goodwill), the use of the going concern assumption, and the explanations given in the viability statement. We did not identify any additional risks of material misstatement as a result of the assessment and have considered it as part of our wider response to forecasts, and audit of related account balances.

In considering the disclosures presented as part of the Strategic Report, we engaged our Environmental, Social and Governance ("ESG") specialists to assist in evaluating whether appropriate disclosures have been made in the financial statements with reference to the Task Force on Climate-Related Financial Disclosures ("TCFD") and Climate-related Financial Disclosure ("CFD") requirements. We have also assessed whether these disclosures are materially consistent with the financial statements and reflect our understanding of the Group's approach to climate.

7.4. Working with other auditors

The audit work completed by our component audit teams was performed under the direction and supervision of the Group audit team. We were directly involved in planning discussions, including holding partner-led discussions related to fraud, and risk assessment conclusions. We provided our component teams with detailed instructions and maintained frequent communication throughout the planning, interim, and final audit stages. We reviewed component audit working papers which were significant to the Group audit conclusions, and challenged findings and observations based on reporting we received.

Senior members of our Group audit team visited seven component locations across the UK, the US, India, Sri Lanka, and Germany. We attended all audit close meetings either in-person or via conference calls.

8. Other information

The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the Annual Report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated.

If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF discoverIE Group plc

CONTINUED

9. Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

10. Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

11. Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

11.1. Identifying and assessing potential risks related to irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the industry and sector, control environment and business performance including the design of the Group's remuneration policies, key drivers for directors' remuneration, bonus levels and performance targets;
- the Group's own assessment of the risks that irregularities may occur either as a result of fraud or error;
- results of our enquiries of management, internal audit, the directors and the Audit and Risk Committee about their own identification and assessment of the risks of irregularities, including those that are specific to the Group's sector;
- any matters we identified having obtained and reviewed the Group's documentation of their policies and procedures relating to:
 - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
 - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
- the matters discussed among the audit engagement team including component audit teams and relevant internal specialists, including tax, valuations, pensions, IT and forensic specialists regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the appropriateness of revenue recognised in the correct accounting period (revenue 'cut-off'). In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory frameworks that the Group operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Companies Act, UK Listing Rules, pensions legislation, and tax legislation.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the Group's ability to operate or to avoid a material penalty.

11.2. Audit response to risks identified

As a result of performing the above, we identified the appropriateness of revenue recognised in the correct accounting period (revenue 'cut-off') as a key audit matter related to the potential risk of fraud. The key audit matters section of our report explains the matter in more detail and also describes the specific procedures we performed in response to that key audit matter.

In addition to the above, our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- enquiring of management, the Audit and Risk Committee and in-house legal counsel concerning actual and potential litigation and claims;

- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance, reviewing internal audit reports and reviewing correspondence with HMRC; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members including internal specialists and component audit teams, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Report on other legal and regulatory requirements

12. Opinions on other matters prescribed by the Companies Act 2006

In our opinion the part of the directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Group and the Company and their environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF discoverIE Group plc

CONTINUED

13. Corporate Governance Statement

The Listing Rules require us to review the directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the Group's compliance with the provisions of the UK Corporate Governance Code specified for our review.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements and our knowledge obtained during the audit:

- the directors' statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on page 114;
- the directors' explanation as to its assessment of the Group's prospects, the period this assessment covers and why the period is appropriate set out on page 85;
- the directors' statement on fair, balanced and understandable set out on page 106;
- the Board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on page 96;
- the section of the Annual Report that describes the review of effectiveness of risk management and internal control systems set out on page 107; and
- the section describing the work of the Audit and Risk Committee set out on page 104.

14. Matters on which we are required to report by exception

14.1. Adequacy of explanations received and accounting records

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Company financial statements are not in agreement with the accounting records and returns.

We have nothing to report in respect of these matters.

14.2. Directors' remuneration

Under the Companies Act 2006 we are also required to report if in our opinion certain disclosures of directors' remuneration have not been made or the part of the directors' remuneration report to be audited is not in agreement with the accounting records and returns.

We have nothing to report in respect of these matters.

15. Other matters which we are required to address

15.1. Auditor tenure

Following the recommendation of the Audit and Risk Committee, we were appointed by the shareholders on 26 July 2024 to audit the financial statements for the year ending 31 March 2025 and subsequent financial periods. The period of total uninterrupted engagement including previous renewals and reappointments of the firm is two years, covering the years ending 31 March 2025 to 31 March 2026.

15.2. Consistency of the audit report with the additional report to the Audit and Risk Committee

Our audit opinion is consistent with the additional report to the Audit and Risk Committee we are required to provide in accordance with ISAs (UK).

16. Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

As required by the Financial Conduct Authority (FCA) Disclosure Guidance and Transparency Rule (DTR) 4.1.15R – DTR 4.1.18R, these financial statements will form part of the Electronic Format Annual Financial Report filed on the National Storage Mechanism of the FCA in accordance with DTR 4.1.15R – DTR 4.1.18R. This auditor's report provides no assurance over whether the Electronic Format Annual Financial Report has been prepared in compliance with DTR 4.1.15R – DTR 4.1.18R.

Jane Makrakis FCA

(Senior statutory auditor)

For and on behalf of Deloitte LLP

Statutory Auditor

Reading, United Kingdom

02 June 2026

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

FOR THE YEAR ENDED 31 MARCH 2026

	Notes	2026 £m	2025 £m
Revenue	4	443.3	422.9
Operating costs	7	(398.1)	(380.5)
Operating profit	7	45.2	42.4
Finance income	9	2.7	3.7
Finance costs	9	(11.8)	(14.1)
Profit before tax		36.1	32.0
Tax expense	10	(7.1)	(7.4)
Profit for the year		29.0	24.6
Earnings per share			
	13		
Basic, profit for the year		30.2p	25.6p
Diluted, profit for the year		29.4p	25.0p

The above consolidated Statement of Profit or Loss should be read in conjunction with the accompanying notes.

SUPPLEMENTARY STATEMENT OF PROFIT OR LOSS INFORMATION

FOR THE YEAR ENDED 31 MARCH 2026

Alternative performance measures	Notes	2026 £m	2025 £m
Operating profit	7	45.2	42.4
Add back: Net acquisition and disposal (credit)/expenses	6	(0.5)	1.9
Amortisation of acquired intangible assets	18	16.3	16.2
Adjusted operating profit		61.0	60.5
Profit before tax		36.1	32.0
Add back: Net acquisition and disposal (credit)/expenses	6	(0.5)	1.9
Amortisation of acquired intangible assets	18	16.3	16.2
Adjusted profit before tax		51.9	50.1
Adjusted earnings per share – diluted	6	40.3p	38.7p
Adjusted earnings per share – basic	6	41.3p	39.7p

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2026

	Notes	2026 £m	2025 £m
Profit for the year		29.0	24.6
Other comprehensive gain/(loss):			
Items that will not be subsequently reclassified to profit or loss:			
Actuarial gain/(loss) on defined benefit pension scheme	31	0.3	(4.7)
Tax (charge)/credit relating to defined benefit pension scheme	10	(0.1)	1.2
		0.2	(3.5)
Items that may be subsequently reclassified to profit or loss:			
Exchange differences on translation of foreign subsidiaries		2.1	(3.7)
		2.1	(3.7)
Other comprehensive income/(loss) for the year, net of tax		2.3	(7.2)
Total comprehensive income for the year, net of tax		31.3	17.4

The above consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2026

	Notes	2026 £m	2025 £m
Non-current assets			
Property, plant and equipment	14	24.0	23.0
Intangible assets – goodwill	16	249.2	244.2
Intangible assets – other	18	81.3	92.2
Right-of-use assets	15	33.3	27.4
Deferred tax assets	10	7.3	10.1
		395.1	396.9
Current assets			
Inventories	19	85.4	82.9
Trade and other receivables	20	85.7	74.4
Current tax assets		3.1	1.5
Cash and cash equivalents	21	125.3	139.3
		299.5	298.1
Total assets		694.6	695.0
Current liabilities			
Trade and other payables	28	(91.9)	(81.1)
Loans and borrowings	22	(95.6)	(95.0)
Lease liabilities	15	(6.5)	(6.2)
Current tax liabilities		(8.4)	(8.2)
Provisions	25	(3.8)	(5.0)
		(206.2)	(195.5)
Non-current liabilities			
Other payables	28	(0.5)	(6.2)
Loans and borrowings	22	(110.2)	(138.6)
Lease liabilities	15	(27.5)	(21.2)
Pension liability	31	(0.2)	(0.5)
Provisions	25	(4.3)	(4.0)
Deferred tax liabilities	10	(17.1)	(21.0)
		(159.8)	(191.5)
Total liabilities		(366.0)	(387.0)
Net assets		328.6	308.0
Equity			
Share capital	29	4.9	4.8
Share premium	29	192.1	192.0
Merger reserve		2.9	2.9
Currency translation reserve		(3.7)	(5.8)
Retained earnings		132.4	114.1
Total equity		328.6	308.0

The above consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

The Financial Statements on pages 150 to 205 were approved by the Board of Directors on 2 June 2026 and signed on its behalf by:

Nick Jefferies
Group Chief Executive

Simon Gibbins
Group Finance Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2026

	Attributable to equity holders of the Company					
	Share capital £m	Share premium £m	Merger reserve £m	Currency translation reserve £m	Retained earnings £m	Total equity £m
At 1 April 2024	4.8	192.0	2.9	(2.1)	104.0	301.6
Profit for the year	-	-	-	-	24.6	24.6
Other comprehensive loss	-	-	-	(3.7)	(3.5)	(7.2)
Total comprehensive (loss)/income	-	-	-	(3.7)	21.1	17.4
Share-based payments including tax	-	-	-	-	0.7	0.7
Dividends (note 12)	-	-	-	-	(11.7)	(11.7)
At 31 March 2025	4.8	192.0	2.9	(5.8)	114.1	308.0
Profit for the year	-	-	-	-	29.0	29.0
Other comprehensive income	-	-	-	2.1	0.2	2.3
Total comprehensive income	-	-	-	2.1	29.2	31.3
Share-based payments including tax	-	-	-	-	1.3	1.3
Shares issued (note 29)	0.1	0.1	-	-	-	0.2
Dividends (note 12)	-	-	-	-	(12.2)	(12.2)
At 31 March 2026	4.9	192.1	2.9	(3.7)	132.4	328.6

The above consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2026

	Notes	2026 £m	2025 £m
Net cash flow from operating activities	24	45.3	46.4
Investing activities			
Acquisition of businesses, net of cash acquired		(4.7)	(27.7)
Contingent consideration related to business acquisitions		(2.8)	(2.3)
Proceeds from business disposals		-	13.3
Shares issued		0.1	-
Purchase of property, plant and equipment		(5.7)	(5.4)
Purchase of intangible assets – software		(0.9)	(0.7)
Interest received		2.7	3.5
Net cash used in investing activities		(11.3)	(19.3)
Financing activities			
Proceeds from borrowings		27.1	37.5
Repayment of borrowings		(57.4)	(33.2)
Payment of lease liabilities		(6.6)	(6.5)
Dividends paid	12	(12.2)	(11.7)
Net cash used in financing activities		(49.1)	(13.9)
Net (decrease)/increase in cash and cash equivalents¹		(15.1)	13.2
Net cash and cash equivalents at 1 April		43.7	31.5
Effect of exchange rate fluctuations		0.4	(1.0)
Net cash and cash equivalents at 31 March		29.0	43.7
Reconciliation to cash and cash equivalents in the consolidated Statement of Financial Position			
Net cash and cash equivalents shown above		29.0	43.7
Add back: bank overdrafts	22	96.3	95.6
Cash and cash equivalents presented in current assets in the consolidated Statement of Financial Position	21	125.3	139.3

¹ Further information on the consolidated Statement of Cash Flows is provided in notes 23 and 24.

The above consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

NOTES TO THE GROUP CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2026

1. Reporting entity and authorisation of Financial Statements

The consolidated Financial Statements, which comprise the results of discoverIE Group plc ("the Company") and its subsidiaries (collectively referred to as "the Group"), for the year ended 31 March 2026 were authorised for issue by the Board of Directors on 2 June 2026. discoverIE Group plc is a public limited company incorporated and domiciled in England, UK and the registered office is disclosed on page 212. The Company's ordinary shares are traded on the London Stock Exchange.

The material accounting policies adopted by the Group are set out in note 2 and have been applied consistently to all years presented in these consolidated Financial Statements.

2. Accounting policies

Statement of compliance

The Group's consolidated Financial Statements have been prepared and approved by the Directors in accordance with UK-adopted International Accounting Standards ("UK-adopted IAS") in conformity with the requirements of the Companies Act 2006 and the Disclosure Guidance and Transparency rules sourcebook of the United Kingdom's Financial Conduct Authority.

The separate Financial Statements of the Company have been prepared and approved by the Directors in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101"). On publishing the Company's Financial Statements here together with the Group's Financial Statements, the Company is taking advantage of the exemption in section 408 of the Companies Act 2006 not to present its individual Statement of Profit or Loss and related notes that form a part of these approved Financial Statements.

The following exemptions from the requirements of the UK-adopted IAS have been applied in the preparation of the Company's Financial Statements, in accordance with FRS 101:

- Cash Flow Statement and respective disclosures and information;
- Disclosures in relation to capital management;
- Disclosures in relation to financial instruments;
- Disclosures in respect of the compensation of key management personnel; and
- Disclosures in respect of transactions between two or more members of the Group.

For the following disclosures, as the Group's consolidated Financial Statements include the equivalent disclosures, the Company has taken the exemptions available under FRS 101:

- IFRS 2 Share-based Payments in respect of Group equity-settled share-based payments;
- Certain disclosures required by IFRS 13 Fair Value Measurement.

Basis of preparation

The Group's consolidated Financial Statements and the Company's Financial Statements are prepared under the historical cost convention, unless otherwise stated.

The Group's and Company's Financial Statements are presented in Pounds Sterling and all values are rounded to the nearest hundred thousand except as otherwise indicated.

Impact of climate change

The Group has engaged in an ongoing review of expected climate change impacts on the business and its assets and liabilities to establish any adjustments required and any reporting necessary in its consolidated Financial Statements for the year ended 31 March 2026. The ongoing risk assessment is detailed within the climate-related risks and opportunities section on page 80 of the Risk Management section and on pages 60 to 63 of the Strategy section within the Climate Analysis Report on pages 57 to 73, in accordance with the requirements of the TCFD.

The process has involved a review of all balance sheet line items and future cash flows, to identify if any of these items are expected to be materially impacted in a negative or positive way by weather, legislative, societal or revenue/cost changes.

The conclusion of the review was that, whilst there will undoubtedly be impacts on the Group, the highly disaggregated nature of the operations of the Group and the target markets in which the Group operates, significantly reduce the risk profile of the Group to impacts from weather-related changes. The changes necessary to achieve the Group's net-zero by 2030 commitment are not expected to have a materially adverse impact on the cash flows of the Group and, indeed, warmer climates may present enhanced opportunities in our target markets as disclosed on pages 22 to 23 of this report. Societal and legislative impacts are not considered to have a material impact on any one segment such that the Group needs to report in a different way to previous years. The related judgements are not considered to be significant, although, clearly, understanding of climate change continues to evolve with time. The area involving the greatest level of judgement is goodwill impairment testing and a description is given in note 17 of the incremental processes undertaken to assess the

NOTES TO THE GROUP CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 31 MARCH 2026

2. Accounting policies continued

climate change impact on the valuations. Management review has concluded that there is no material impact and that no further disclosure is required.

Going concern

In line with IAS 1 Presentation of Financial Statements and revised guidance on risk management, internal control and related financial and business reporting, management has taken into account all available information about the future for a period of at least, but not limited to, 12 months from the date of approval of the Financial Statements when assessing the Group's and Company's ability to continue as a going concern.

The Group's business activities, together with factors which may adversely impact its future development, performance and position, are set out in the Strategic Report on pages 24 to 33. The financial position of the Group, its cash flows, liquidity position and borrowing facilities are described in the Finance Review section of the Strategic Report on pages 34 to 37.

The Group's forecasts and projections, taking account of the sensitivity analysis of changes in trading performance, show that the Group is well placed to operate within its current debt facilities of £240m committed up to May 2030, with options to extend to 2032. In addition, the Group has access to an £80m accordion facility, providing the ability to increase the total committed facility to £320m, subject to bank approval. The Group's financing arrangements are subject to key financial covenants comprising a net leverage covenant of less than 3.5x and an interest cover covenant of greater than 4.0x. As at 31 March 2026, the Group's net leverage was 1.2x and interest cover was 9.6x.

The Viability Base Case, as stated on pages 85 to 86, has been subjected to sensitivity analysis involving flexing a number of the underlying key assumptions, both individually and in conjunction. The sensitivities take into account the principal risks and uncertainties set out on pages 79 to 84, notably instability in the economic environment, under performance of acquired businesses, climate-related risks, loss of key customers and suppliers, major business disruption, liquidity restriction, debt covenants, interest rate increases, the continued impact of US tariffs and counter tariffs, the ongoing impact of the Middle East and Ukraine conflicts and adverse foreign currency movements. Both the viability Base Case and downside sensitivities include the impact of the acquisition of Trival Antene d.o.o completed on 1 April 2026 and 3Gmetalworx announced on 19th May 2026, subject to receipt of regulatory approvals.

The most severe but plausible downside scenario assumes a worsening of the economic environment caused by a number of factors including the ongoing conflict in the Middle East, the continued impact of US tariffs and counter tariffs, and significant reduction in customer demand due to continuing inflationary pressures and elevated interest rates. This downside scenario results in a significant decline in the second half sales of FY 2026/27, with FY 2027/28 sales flat on the reduced FY 2026/27 level, and modest growth in FY 2028/29. Additionally, gross margin was reduced, working capital materially increased, significant one-off expenditures included (product quality and liability, major customer insolvency or litigation, irrecoverable customer debt, climate change, cyber-security incident, inventory and technology obsolescence), interest rates increased and the Group effective tax rate increased.

After factoring in these significant additional downsides to the Viability Base Case, there remains good headroom both in terms of liquidity and our debt covenants. This is supported by the fact that the Group sells a wide portfolio of different products across a diverse set of industries and geographies, has low customer / supplier concentration, a global supply chain network, diverse manufacturing capacity, and has well-established relationships with its customers. These factors are considered important in mitigating many of the risks that could affect the long-term viability of the Group. As a consequence, the Directors believe that the Group is well placed to manage its principal risks and uncertainties as disclosed on pages 79 to 84 of the Strategic Report.

Reverse stress testing has also been applied to the most plausible downside scenario to determine the level of additional downside that would be required before the Group would breach its debt covenants or current liquidity headroom during the assessment period. The reverse stress test was conducted on the basis that certain mitigating actions would be undertaken to reduce overheads and capital expenditure during the period as sales declined and, on that basis, a fall in adjusted operating margin to below 6.3% in FY 2026/27 would be required before such a breach occurred. The Board considers the possibility of such a scenario to be remote and further mitigation, such as hiring freezes, pay and bonus reductions, headcount reductions, reduction in planned capital expenditure, equity raises and suspension of dividend payments, would be available if future trading conditions indicated that such an outcome were possible.

The Company acts as a holding company for investments in the subsidiaries and does not engage in any trading activities directly and thus is dependent on the trading activities of its subsidiaries. The Company holds sufficient net current assets as at 31 March 2026 to continue as a going concern.

The Directors are confident that the Company and the Group have sufficient resources to continue in operational existence for at least 12 months from the date of approval of the Financial Statements. Accordingly, they continue to adopt the going concern basis in preparing the Annual Report and Financial Statements.

2. Accounting policies continued

Basis of consolidation

The Group's consolidated Financial Statements consolidate the results of discoverIE Group plc and entities controlled by the Company (its subsidiaries).

The consolidated Financial Statements comprise the Financial Statements of the Group and its subsidiaries for the year ended 31 March 2026. Subsidiaries are entities controlled by the Group. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its control over it. In assessing control, the Group takes into account: (i) the power over the investee (i.e. existing rights that give it the current ability to direct its relevant activities); (ii) exposure, or rights, to variable returns from its involvement with the investee; and (iii) the ability to use its power over the investee to affect its returns.

The Group reassesses whether or not it controls a subsidiary if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control and ceases when the Group loses control of the subsidiary. Assets, liabilities, profits and losses of a subsidiary acquired or disposed of during the year are included in the consolidated Financial Statements from the date control commences until the date control ceases.

When necessary, adjustments are made to the Financial Statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree.

When the Group acquires a business, it assesses the financial assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and relevant conditions at the acquisition date.

Any contingent consideration payable to the vendor is measured and recognised at fair value through profit and loss ("FVTPL") at the acquisition date. Subsequent changes to the fair value of the contingent consideration are recognised in accordance with IFRS 9 Financial Instruments in the consolidated Statement of Profit or Loss.

Goodwill is initially measured at cost, being the excess of the aggregate of the acquisition-date fair value of the consideration transferred and the amount recognised for the non-controlling interest over the net identifiable amounts of the fair value of assets acquired and the liabilities assumed in exchange for the business combination. Assets acquired and liabilities assumed in transactions separate to the business combinations, such as the settlement of pre-existing relationships or post-acquisition remuneration arrangements, are accounted for separately from the business combination in accordance with their nature and applicable standard. Identifiable intangible assets, meeting either the contractual-legal or separability criterion are recognised separately from goodwill. Contingent liabilities representing a present obligation are recognised if the acquisition-date fair value can be measured reliably.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's four operating units. Within each of these operating units are aggregated businesses (cash-generating units ("CGUs") with similar characteristics) that are expected to benefit from the business combination. Each operating unit to which goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes and shall not be larger than any of the Group's operating segments.

Where goodwill forms part of a CGU, and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the CGU retained.

NOTES TO THE GROUP CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 31 MARCH 2026

2. Accounting policies continued

Investments (Company only)

Investments in subsidiary and associated undertakings are stated initially at cost, being the fair value of the consideration given and including directly attributable transaction costs. The carrying values are reviewed for impairment if events or changes in circumstances indicate the carrying values may not be recoverable.

Intangible assets – other

Other intangible assets that are separately acquired by the Group are stated at cost less accumulated amortisation and impairment losses. Other intangible assets acquired through a business combination are recognised at fair value at the date of acquisition less accumulated amortisation and impairment losses from the date of acquisition. Amortisation is charged to the Statement of Profit or Loss within operating costs on a straight-line basis over the useful economic lives of the intangible assets. The estimated useful economic lives are as follows:

(a) Software (implementation costs of IT systems)	3 to 10 years
(b) Acquired intangible assets:	
▪ Customer relationships	5 to 12 years
▪ Patents	Patent term

(c) Intangible assets – research and development

Expenditure on research activities is recognised as an expense in the period in which it is incurred. An internally generated intangible asset arising from the Group's development activities is capitalised only if all of the following conditions are met: (a) an asset is created that can be identified; (b) it is probable that the asset created will generate future economic benefits; and (c) the development cost of the asset can be measured reliably. Internally generated intangible assets are amortised on a straight-line basis over their useful lives between five and ten years and charged to the Statement of Profit or Loss.

The Group only capitalises costs relating to the configuration and customisation of software-as-a-service arrangements ("SaaS") as intangible assets where control of the asset exists. Costs that are paid to SaaS suppliers in advance of the service provided are recognised in prepayments and amortised over the service period.

All other development expenditure is written-off in the accounting period in which it is incurred.

Property, plant and equipment

Items of owned property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

Cost consists of all those elements that are directly attributable to bringing the asset into working condition for its intended use. Where there has been an indication of impairment in value such that the recoverable amount of an asset falls below its net book value, provision is made for such impairment. Wherever possible, individual assets are tested for impairment. However, impairment can often be tested only for groups of assets because the cash flows upon which the calculation is based do not arise from the use of a single asset. In these cases, impairment is measured for the smallest group of assets ("CGU") that produces a largely independent income stream.

The cost of property, plant and equipment is charged to the Statement of Profit or Loss on a straight-line basis over the assets' estimated useful economic lives, taking into account their estimated residual value. The principal annual rates of depreciation are:

Land and buildings	Freehold property	2% to 4% per annum
	Leasehold buildings	Shorter of lease term and useful life
	Land	Not depreciated
Leasehold improvements		10% to 20% per annum or over the life of the lease if shorter
Plant and equipment		5% to 33% per annum

Impairment of non-financial assets

The carrying amounts of the Group's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If such an indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of the asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the Statement of Profit or Loss.

The recoverable amount of assets is the greater of their net selling price and value-in-use. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market

2. Accounting policies continued

assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the CGU to which the asset belongs. A CGU is the smallest identifiable group of assets that generate cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

When estimating the future cash flows for the value-in-use calculation, the Group includes projections of cash outflows including central costs that are necessarily incurred to generate the cash inflows and that can be directly attributed or allocated on a reasonable and consistent basis to each CGU.

Impairment losses recognised in respect of CGUs are allocated first against the carrying value of any goodwill allocated to that unit, and then against the carrying values of other assets in the unit, on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, an impairment loss is reversed when there is an indication that the impairment loss may no longer exist and there has been a change in the estimates used to determine the recoverable amount.

Financial instruments

Financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

Unconditional receivables and payables are recognised as assets or liabilities when the Group becomes a party to the contract and, as a consequence, has a legal right to receive or a legal obligation to pay cash. However, recognition of financial assets to be acquired and financial liabilities to be incurred as a result of a firm commitment to purchase or sell goods or services, such as trade receivables and trade payables, is usually delayed until at least one of the parties has performed under the agreement and the ordered goods or services have been shipped, delivered or rendered.

A forward contract that is within the scope of IFRS 9, such as a forward foreign exchange contract, is recognised as an asset or a liability on the commitment date at which point the fair values of the right and obligation are usually equal and the net fair value of the forward contract on initial recognition is zero. If the net fair value of the right and obligation is not zero, the contract is recognised as an asset or liability.

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred, or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or have expired. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value. On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid is recognised in the Statement of Profit or Loss.

Offsetting financial instruments

Financial assets and liabilities are only offset, and the net amount reported in the Statement of Financial Position, when there is a legally enforceable right to offset and there is an intention to settle on a net basis or realise the asset and the liability simultaneously.

Allowance for expected credit losses

The Group measures loss allowances for financial assets, including trade receivables, at an amount equal to lifetime expected credit losses ("ECL"). This requires consideration of both historical and forward-looking information when considering potential impairment of trade receivables. A provision matrix is used to calculate the expected credit loss, which is based upon historical observed default rates adjusted for forward-looking information to create an adjusted default rate, which is applied to the outstanding invoices at the balance sheet date.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Credit-impaired financial assets

At each reporting date the Group assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred, such as a significant change in the credit risk profile of a customer, a debt has become significantly overdue or a contract default.

Write-off of financial assets

The gross carrying amount of a financial asset is written down to its recoverable amount when the Group has no reasonable expectation of recovering a financial asset in its entirety or a portion thereof.

NOTES TO THE GROUP CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 31 MARCH 2026

2. Accounting policies continued

Derivative financial instruments

The Group uses derivative financial instruments to hedge its exposure to foreign exchange risks arising from operational activities. It principally employs forward foreign exchange contracts to hedge the risks associated with foreign currency fluctuations relating to certain firm commitments and highly probable forecast transactions. The fair value of derivative foreign exchange instruments is determined on initial recognition at forward market exchange rates at inception of the contract and subsequently remeasured based on forward market exchange rates at the balance sheet date.

Inventories

Inventories comprise finished goods, goods held for resale, raw materials and work in progress and are stated at the lower of cost and net realisable value after making allowance for any obsolete or slow-moving items. Cost comprises direct materials, inward carriage and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and short-term deposits with an original maturity of three months or less. Bank overdrafts represent short-term borrowings repayable on demand and are shown within other financial liabilities in the Statement of Financial Position.

The cash balances are separately presented gross in the consolidated Statement of Financial Position, rather than netted off against overdrafts held either by the same entity, or other Group entities, with the same bank. Refer to note 21 for further details.

Borrowings

Borrowings are recognised initially at fair value less directly attributable transaction costs. Subsequent to initial recognition, borrowings are stated at amortised cost with any difference between cost and redemption value being recognised in the Statement of Profit or Loss over the period of the borrowings on an effective interest basis.

Provisions

A provision is recognised when the Group has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. Where the effect is material, provisions are discounted to present value. The unwinding of the discount is recognised as a finance cost in the Statement of Profit or Loss.

A provision for restructuring is recognised when the Group has approved a detailed and formal restructuring plan, and the restructuring has either commenced or has been publicly announced. Future operating costs are not provided for.

The Group also recognises provisions for dilapidation, warranty, retirement indemnity and severance.

Leasing

The Group assesses at contract inception whether a contract is, or contains, a lease, that is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Separating components of a contract

Contracts usually combine different kinds of obligation of the supplier, which may be formed by lease components or lease and non-lease components, such as maintenance or services. The Group identifies the lease and non-lease components and accounts for those separately, applying the relevant standard to each one. Consideration is allocated to each lease component on the basis of the relative standalone price of the lease component and the aggregate standalone price of the non-lease component.

Lease term

The Group considers the lease term as the non-cancellable period of the lease plus periods covered by an option to extend or an option to terminate if the lessee is reasonably certain to exercise the extension option or not exercise the termination option.

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, any lease payments made at or before the commencement date, provision for decommissioning the asset at the end of the contract, less any lease incentives received.

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets. If ownership of the leased asset transfers to the Group at the end of the lease term, or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

2. Accounting policies continued

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees, where applicable.

The lease payments also include, when applicable, the exercise price of a purchase option which is reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are usually recognised as expenses in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. The incremental borrowing rate is a combination of country-specific government bond yields, used as a proxy for a risk-free rate, calculated over various periods linked to existing lease terms. This rate is adjusted for borrowing costs and risks specific to each entity of the Group.

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, such as a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

Any adjustment of the lease liability is reflected as an adjustment to the right-of-use asset. If the carrying amount of the right-of-use asset has already been reduced to zero, the remaining remeasurement is recognised in the Statement of Profit or Loss.

The Group has adopted the practical expedient under IFRS 16 not to recognise right-of-use assets and lease liabilities for short-term leases, with a lease term of 12 months or less, and leases in which the underlying asset is of low value. Lease payments relating to these leases are expensed to the Statement of Profit or Loss on a straight-line basis over the lease term.

Borrowing costs

Borrowing costs are recognised as an expense in the period in which they are incurred, in accordance with the effective interest rate method.

Pensions

Payments to defined contribution pension schemes are charged as an expense as they fall due.

In respect of defined benefit pension schemes, the position recognised in the consolidated Statement of Financial Position represents the present value of the defined benefit obligation, reduced by the fair value of the scheme assets.

Obligations to provide future benefits to employees earned through prior service are estimated and discounted to present value. Plan assets are measured at fair value. The cost of providing benefits under the defined benefit plans is determined by actuarial valuation, using the projected unit credit method.

Any pension asset surplus would be fully recoverable by the Group in line with the rules of the scheme. Therefore, the IAS 19 surplus is recognised in full under current accounting standards.

Actuarial remeasurement of the net defined benefit asset or liability comprises: (a) actuarial gains and losses, (b) the return on plan assets in excess of the amount included in net interest on the net defined benefit asset or liability, and (c) any change in the effect of the asset ceiling (where applicable), excluding any amount included in net interest on the net defined benefit asset or liability; and is recognised immediately in the Statement of Financial Position with a corresponding entry in retained earnings through Other Comprehensive Income in the period in which it occurs. Remeasurement gains or losses are not reclassified to profit or loss in subsequent periods.

Share-based payments

Certain employees of the Group receive remuneration in the form of share-based payments, whereby employees render services as a consideration for equity instruments (equity-settled transactions). The Group operates a "Long Term Incentive Plan" – ("LTIP"), a "Deferred Share Bonus Plan" – ("DSBP") and an "Approved and unapproved executive share option scheme" – ("CSOP").

The cost of equity-settled transactions with employees is measured by reference to the fair value at the date the grant is made, calculated using an option pricing model, and is recognised as an expense over the three-year vesting period, which ends on the date on which the relevant employees become fully entitled to the award. In valuing equity-settled transactions, no account is taken of non-market vesting conditions.

NOTES TO THE GROUP CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 31 MARCH 2026

2. Accounting policies continued

For the LTIP, at each reporting date before vesting, the cumulative expense is calculated, representing the extent to which the vesting period has expired and management's best estimate of the achievement or otherwise of non-market conditions and hence the number of equity instruments that will ultimately vest, also taking into consideration the impact of forfeitures and cancellations during the year. The movement in cumulative expense since the previous reporting date is recognised in the Statement of Profit or Loss, with a corresponding entry in equity.

The CSOP awards are subject only to continuing service of the employee. At each reporting date, the cumulative expense, calculated on a straight-line basis over the three-year vesting period, and taking into consideration forfeitures and cancellations during the year, is recognised in the Statement of Profit or Loss, with a corresponding entry in equity.

The issuance by the Company to its subsidiaries' employees of these awards over the Company's shares represents additional capital contributions by the Company in its subsidiaries. The additional capital contribution is based on the fair value of the award issued, allocated over the underlying award's vesting period.

Taxation

Income tax comprises current tax and deferred tax.

Current tax represents the expected tax payable or recoverable on the taxable profit or loss for the period, together with any adjustments in respect of prior periods. Current tax assets and liabilities are measured at the amounts expected to be recovered from or paid to the tax authorities, using tax rates and laws that have been enacted or substantively enacted by the reporting date.

The Group evaluates uncertain tax positions in accordance with IFRIC 23. Where tax treatments are subject to interpretation, the Group assesses whether it is probable that the tax authority will accept the position. Tax balances are measured using either the most likely amount or the expected value method, depending on which provides the best prediction of the outcome.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Financial Statements and their respective tax bases, except where:

- the temporary difference arises on the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit at the time;
- the temporary difference relates to investments in subsidiaries or associates and the Group can control the timing of the reversal and it is probable that the difference will not reverse in the foreseeable future; and
- deferred tax assets are recognised only to the extent that it is probable that future taxable profits will be available to utilise the deductible temporary differences, tax losses or tax credits.

Deferred tax is measured at the tax rates expected to apply when the asset is realised or the liability settled, based on tax rates and laws enacted or substantively enacted at the reporting date. Deferred tax is not discounted.

Income tax is recognised in equity or Other Comprehensive Income when it relates to items recognised in those statements; otherwise, it is recognised in the Statement of Profit or Loss.

The Group has assessed the potential impact of the OECD Pillar Two rules. As the Group's annual consolidated revenue is below the €750m threshold, no Pillar Two disclosures or top-up tax amounts have been recognised for the period.

Foreign currency translation

Transactions in foreign currencies are initially recorded in the functional currency at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date and gains or losses on translation are included in the Statement of Profit or Loss.

The Group recognises currency gains and losses arising from the retranslation of the opening net assets of foreign operations as a movement on reserves, net of tax. The differences that arise from translating the results of overseas businesses at average rates of exchange, and their assets and liabilities at closing rates, are dealt with in a separate currency translation reserve. All other currency gains and losses are dealt with in the consolidated Statement of Profit or Loss.

Revenue recognition

The Group realises revenue from its principal activities through the sale of highly differentiated electronic products into five target markets: renewable energy, transportation, medical, industrial & connectivity, and security.

2. Accounting policies continued

Revenue is recognised in a way that depicts the transfer of promised goods or services to customers in an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services, excluding value added tax and other sales-related taxes. Transaction price is allocated to each performance obligation on the basis of the relative standalone selling prices of each distinct good or service promised in the contract. If a standalone selling price is not observable, the Group estimates it.

The transaction price may include a discount or a variable amount of consideration that relates to all or part of the contract. The Group reviews the requirements and determines when the variable amount should be allocated to one or more, but not all, performance obligations in the contract.

Control of a good or service is obtained when the customer has the ability to direct the use of and obtain substantially all the benefits from the good or service. The Group recognises revenue from product sales at a point in time on shipment, on delivery or when goods are accepted by the customer, depending on the Incoterm used for the sale transaction.

Product support and maintenance services are recognised over the period of the service delivery as the customer receives the benefit of the service over time; progress is measured by reference to service periods.

When another party is involved in providing goods or services to the customer, the Group determines whether the nature of its promise is a performance obligation to provide the specified goods or services itself (principal) or to arrange for those goods or services to be provided by the other party (agent) and recognises revenue accordingly.

Contract balances

Receivables

Receivables are billed under the terms of the contract for delivered goods and services that are not conditional on anything other than the passage of time. They are recognised initially at the amount of consideration that is unconditional and are subsequently measured at amortised cost using the effective interest method, less loss allowance. These assets are classified as trade receivables.

Certain businesses participate in receivables working capital programmes and have the ability to choose whether to receive payment earlier than the normal due date, for specific customers on a non-recourse basis. As at 31 March 2026, eligible receivables under these programmes have been factored and derecognised in line with the derecognition criteria of IFRS 9 Financial Instruments.

Contract liabilities

Contract liabilities represent the Group's unsatisfied obligation(s) for the transfer of goods or services to the customer for which consideration has been received from the customer; and/or advance payments received from a customer in consideration of future performance obligations.

Segment reporting

Operating segments are reported in a manner consistent with internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board.

Dividends paid

Dividends are recognised when they meet the criteria for recognition as a liability. In relation to final dividends, this is when the dividend is approved by the Shareholders in the Annual General Meeting, and in relation to interim dividends, when paid.

Dividend income

Dividend income is recognised in the Statement of Profit or Loss on the date on which the Group's right to receive payment is established.

Reserves

Share premium: Proceeds received in excess of the nominal value of shares issued, net of any transaction costs.

Merger reserves: Relates to historic equity transactions.

Currency translation reserve: Gains and losses arising on retranslating net assets of overseas operations into Sterling.

Retained earnings: All other net gains and losses and transactions with owners not recognised elsewhere.

NOTES TO THE GROUP CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 31 MARCH 2026

2. Accounting policies continued

Critical accounting judgements and key sources of estimation uncertainty

The preparation of the Financial Statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and other applicable factors, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are reviewed on an ongoing basis. Actual results may differ from these estimates and any revisions to estimates are recognised prospectively.

Information about judgements, assumptions and estimation uncertainties as at 31 March 2026 that could result in a material adjustment to the carrying amount of assets and liabilities in the next financial year is addressed as follows:

Key sources of estimation uncertainty

- **Fair value of contingent consideration in a business combination (Group only):** Estimates are made in the assessment of the fair value of the contingent consideration for its initial recognition and its subsequent measurement. Estimates used include discount rate and trading forecasts. Note 27 provides details on the sensitivity of contingent consideration to changes in these estimates.

3. New accounting standards and financial reporting requirements

New standards applied

The Group has applied the following standards and amendments for the first time for its annual reporting period commencing 1 April 2025:

- Amendments to IAS 21 – Lack of Exchangeability

These and other amendments, changes and improvements to IFRS issued by the International Accounting Standards Board ("IASB") have had no material impact on the Group's and Company's current financial results or financial position.

New standards not yet applied

Certain new accounting standards, amendments to accounting standards and interpretations have been published that are not mandatory for the 31 March 2026 reporting period and have not been early adopted by the Group. The impact of IFRS 18 Presentation and Disclosure in Financial Statements is currently being assessed and it is not yet practicable to quantify the effect. IFRS 18 will be applicable for the Group for the year ending 31 March 2028, with 31 March 2027 comparatives restated.

4. Revenue

Group revenue is analysed below:

	2026 £m	2025 £m
Sale of goods	437.8	417.7
Rendering of services	5.5	5.2
Total revenue	443.3	422.9

5. Operating segment information

The reportable operating segments of the Group include two distinct divisions, Magnetics & Controls (“M&C”) and Sensing & Connectivity (“S&C”). Operating segments are reported in a manner consistent with internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board.

Within each of these reportable operating segments are aggregated business units with similar characteristics such as the nature of customers, products, risk profile and economic characteristics. Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is reported and evaluated based on adjusted operating profit earned by each segment.

During the year, to enhance alignment and commonality across our businesses, one business was reclassified from M&C to S&C and one business from S&C to M&C. Prior year figures have been restated to reflect these reclassifications. There is no impact on the Group results.

Segment revenue and results

	Magnetics & Controls £m	Sensing & Connectivity £m	Unallocated Costs £m	Total £m
2026				
Revenue	267.0	176.3	-	443.3
Result				
Adjusted operating profit/(loss)	41.7	31.4	(12.1)	61.0
Net acquisition and disposal (expenses)/credit	(0.7)	1.6	(0.4)	0.5
Amortisation of acquired intangible assets	(9.2)	(7.1)	-	(16.3)
Operating profit/(loss)	31.8	25.9	(12.5)	45.2

	Magnetics & Controls £m	Sensing & Connectivity £m	Unallocated Costs £m	Total £m
2025 (restated)				
Revenue	260.8	162.1	-	422.9
Result				
Adjusted operating profit/(loss)	43.0	29.3	(11.8)	60.5
Net acquisition and disposal (expenses)/credit	(2.1)	0.2	-	(1.9)
Amortisation of acquired intangible assets	(9.3)	(6.9)	-	(16.2)
Operating profit/(loss)	31.6	22.6	(11.8)	42.4

NOTES TO THE GROUP CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 31 MARCH 2026

5. Operating segment information continued

Segment assets and liabilities

For the purposes of monitoring segment performance and allocating resources between segments, the Directors monitor the net assets attributable to each segment. Assets and liabilities are allocated to reportable segments, with the exception of the pension liability, tax assets and liabilities, cash, borrowings and overdrafts, central assets (Head Office assets) and central liabilities (Head Office liabilities), as shown below:

2026	Magnetics & Controls	Sensing & Connectivity	Unallocated	Total
Assets and liabilities	£m	£m	£m	£m
Segment assets (excluding goodwill and other intangible assets)	145.3	79.3		224.6
Goodwill and other intangible assets	154.1	176.4		330.5
	299.4	255.7		555.1
Central assets			3.8	3.8
Cash and cash equivalents			125.3	125.3
Current and deferred tax assets			10.4	10.4
Total assets	299.4	255.7	139.5	694.6
Segment liabilities	(84.9)	(39.7)		(124.6)
Central liabilities			(9.9)	(9.9)
Pension liability			(0.2)	(0.2)
Loans and borrowings			(205.8)	(205.8)
Current and deferred tax liabilities			(25.5)	(25.5)
Total liabilities	(84.9)	(39.7)	(241.4)	(366.0)
Net assets/(liabilities)	214.5	216.0	(101.9)	328.6

2025 (restated)	Magnetics & Controls	Sensing & Connectivity	Unallocated	Total
Assets and liabilities	£m	£m	£m	£m
Segment assets (excluding goodwill and other intangible assets)	123.7	80.4		204.1
Goodwill and other intangible assets	155.1	181.3		336.4
	278.8	261.7		540.5
Central assets			3.6	3.6
Cash and cash equivalents			139.3	139.3
Current and deferred tax assets			11.6	11.6
Total assets	278.8	261.7	154.5	695.0
Segment liabilities	(66.4)	(49.2)		(115.6)
Central liabilities ¹			(8.1)	(8.1)
Pension liability			(0.5)	(0.5)
Loans and borrowings			(233.6)	(233.6)
Current and deferred tax liabilities			(29.2)	(29.2)
Total liabilities	(66.4)	(49.2)	(271.4)	(387.0)
Net assets/(liabilities)	212.4	212.5	(116.9)	308.0

¹ Central liability and segment liabilities for the S&C division have been restated by £5.8m, from £13.9m to £8.1m and from £43.4m to £49.2m, respectively, to correctly present liabilities that relate to the S&C division.

5. Operating segment information continued

Other segment information

	Depreciation and amortisation ^(a)		Additions to non-current assets ^(b)	
	2026 £m	2025 (restated) £m	2026 £m	2025 (restated) £m
Magnetics & Controls	16.2	16.3	21.3	12.4
Sensing & Connectivity	12.5	11.7	5.6	37.0
Central	0.4	0.4	0.5	0.1
	29.1	28.4	27.4	49.5

^a Includes depreciation and amortisation of right-of-use assets, property, plant and equipment, and intangibles.

^b Magnetics & Controls additions to non-current assets comprised intangible assets £5.4m (2025: £0.5m), goodwill £2.9m (2025: £nil), right-of-use assets £9.6m (2025: £8.0m) and tangible assets £3.4m (2025: £3.9m). Sensing & Connectivity additions to non-current assets comprised intangible assets £0.3m (2025: £11.9m), goodwill £nil (2025: £15.5m), right-of-use assets £2.9m (2025: £6.5m) and tangible assets £2.4m (2025: £3.1m). Central additions to non-current assets comprised right-of-use assets of £0.4m (2025: £0.1m) and intangible assets of £0.1m (2025: £nil).

Geographical information

The Group's revenue from external customers based on customer locations and information about its non-current segment assets by geographical location are detailed below:

	Revenue from external customers		Non-current assets	
	2026 £m	2025 £m	2026 £m	2025 £m
UK	45.2	52.8	126.2	137.0
Europe	229.0	199.4	145.9	135.5
North America, Asia and Rest of world	169.1	170.7	123.0	124.4
	443.3	422.9	395.1	396.9

In the year ended 31 March 2026, the Group had no single customer that represented 10% or more of total Group revenue (2025: no customer).

6. Adjusted performance measures

These Financial Statements include adjusted performance measures that are not prepared in accordance with IFRS. These alternative performance measures have been selected by management to assist them in making operating decisions as they represent the underlying operating performance of the Group and facilitate internal comparisons of performance over time.

Adjusted performance measures are presented in these Financial Statements as management believes they provide investors with a means of evaluating performance of the Group on a consistent basis, similar to the way in which management evaluates performance, that is not otherwise apparent on an IFRS basis, given that certain strategic non-recurring and acquisition-related items that management does not believe are indicative of the underlying operating performance of the Group are included when preparing financial measures under IFRS. The trading results of acquired businesses are included in adjusted performance.

The Directors consider there to be the following key adjusted performance measures:

Adjusted operating profit

"Adjusted operating profit" is defined as operating profit excluding acquisition and disposal-related costs.

Acquisition and disposal-related costs include "acquisition and disposal expenses" which comprise transaction costs relating to acquisitions and disposals, fair value adjustment on acquired inventory and costs related to integration and restructuring of acquired businesses into the Group; "contingent consideration relating to the retention of former owners of acquired businesses and adjustments to previously estimated contingent consideration" and "amortisation of acquired intangible assets".

NOTES TO THE GROUP CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 31 MARCH 2026

6. Adjusted performance measures continued

Adjusted operating costs

"Adjusted operating costs" is defined as operating costs excluding acquisition and disposal-related costs.

Adjusted EBITDA

"Adjusted EBITDA" is defined as adjusted operating profit excluding the impact of IFRS16 and with depreciation, amortisation, equity-settled share-based payment expense and IAS 19 pension cost added back.

Adjusted operating margin

"Adjusted operating margin" is defined as adjusted operating profit divided by revenue.

Adjusted profit before tax

"Adjusted profit before tax" is defined as profit before tax excluding acquisition and disposal-related costs.

Adjusted tax charge / Adjusted effective tax rate ("ETR")

"Adjusted tax charge" is defined as the tax charge adjusted for the tax effect of the acquisition and disposal-related costs.

"Adjusted ETR" is defined as adjusted tax charge divided by adjusted profit before tax.

Adjusted profit after tax

"Adjusted profit after tax" is defined as adjusted profit before tax less adjusted tax charge.

Adjusted earnings per share

"Adjusted earnings per share – diluted" is calculated as adjusted profit after tax, divided by the weighted average number of ordinary shares (for diluted earnings per share purposes) in issue during the period.

"Adjusted earnings per share – basic" is calculated as adjusted profit after tax, divided by the weighted average number of ordinary shares (for basic earnings per share purposes) in issue during the period.

Adjusted operating cash flow / Adjusted operating cash conversion

"Adjusted operating cash flow" is defined as adjusted EBITDA, plus/minus the investment in, or release of, working capital and less the cash cost of capital expenditure.

"Adjusted operating cash conversion" is defined as adjusted operating cash flow divided by adjusted operating profit.

Free cash flow / Free cash flow conversion

"Free cash flow" is defined as net cash flow before dividend payments, the cost of acquisitions and proceeds from business disposals.

"Free cash conversion" is free cash flow divided by adjusted profit after tax.

Return on capital employed ("ROCE") / Return on tangible capital employed ("ROTCE")

"ROCE" is defined as adjusted operating profit, including the annualisation of profits of acquired businesses, as a percentage of net assets excluding net debt, deferred consideration related to discontinued operations and legacy defined benefit pension liability.

"ROTCE" is defined as ROCE excluding the value of acquired goodwill and intangibles, lease liabilities, provisions and tax balances.

Organic and CER revenue growth

"CER revenue growth" is defined as growth rates at constant exchange rates.

"Organic revenue growth" is defined as CER revenue growth excluding the first 12 months of acquisitions post completion, and adjusted for disposals.

Gearing ratio

Gearing ratio is defined as net debt divided by adjusted EBITDA, including the annualisation of acquired businesses.

6. Adjusted performance measures continued

The tables below show the reconciliation to the IFRS reporting measures, for the main adjusted performance measures used by the Group.

Adjusted operating profit / Adjusted EBITDA

Adjusted operating profit and EBITDA are calculated as follows:

		2026 £m	2025 (restated) ¹ £m
Operating profit		45.2	42.4
Add back:			
Net acquisition and disposal expenses	(a)	5.3	3.6
Contingent consideration	(b)	(5.8)	(1.7)
Amortisation of acquired intangibles		16.3	16.2
Adjusted operating profit		61.0	60.5
Add back:			
Depreciation and amortisation		12.6	12.4
Share-based payment and IAS 19 pension cost		1.9	2.7
Less:			
Lease payments		(7.9)	(7.5)
Adjusted EBITDA		67.6	68.1

¹ Prior year Adjusted EBITDA restated to exclude the impact of IFRS16.

(a) Net acquisition and disposal expenses comprise £2.3m of transaction costs in relation to the acquisitions of Storm Interface, Trival, 3G and ongoing transactions, £0.4m of integration and restructuring expenses across the Group, £2.2m related to changes in fair value of inventory and £0.4m equalisation of Guaranteed Minimum Pensions ("GMPs") in the legacy Sedgemoor Group Pension Fund.

During the prior year, net acquisition and disposal expenses of £3.6m comprised £1.4m of transaction costs in relation to the acquisitions of Burster, Hivolt and ongoing transactions, and £3.1m of integration and restructuring expenses related to the establishment of our operating clusters mainly associated with removing duplicate positions in our Magnetics & Sensing clusters, £1.2m related to changes in fair value of inventory, offset by £2.1m gain on disposal of the Santon solar business.

(b) Movement in fair value of contingent consideration on past acquisitions.

Adjusted profit before tax

Adjusted profit before tax is calculated as follows:

		2026 £m	2025 £m
Profit before tax		36.1	32.0
Add back:			
Net acquisition and disposal expenses		5.3	3.6
Contingent consideration		(5.8)	(1.7)
Amortisation of acquired intangible assets		16.3	16.2
Adjusted profit before tax		51.9	50.1

Adjusted effective tax rate

Adjusted effective tax rate ("ETR") is calculated as follows

		2026 £m	2025 £m
Adjusted profit before tax		51.9	50.1
Total tax charge		7.1	7.4
Add back tax effect of net acquisition and disposal-related costs		5.1	4.6
Adjusted tax charge		12.2	12.0
Adjusted effective tax rate		23.5%	24.0%

NOTES TO THE GROUP CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 31 MARCH 2026

6. Adjusted performance measures continued

Adjusted profit after tax / Adjusted earnings per share

Adjusted profit after tax and earnings per share are calculated as follows:

	2026 £m	2025 £m
Profit for the year	29.0	24.6
Add back:		
Net acquisition and disposal expenses	5.3	3.6
Contingent consideration	(5.8)	(1.7)
Amortisation of acquired intangible assets	16.3	16.2
Tax charge relating to the above adjustments	(5.1)	(4.6)
Adjusted profit after tax	39.7	38.1

	2026 Number	2025 Number
Weighted average number of shares for basic earnings per share	96,108,648	96,028,934
Effect of dilution – share options	2,405,124	2,398,601
Weighted average number of shares for diluted earnings per share	98,513,772	98,427,535
Adjusted earnings per share – diluted	40.3p	38.7p
Adjusted earnings per share – basic	41.3p	39.7p

Adjusted operating cash flow / Free cash flow

	2026 £m	2025 £m
Adjusted EBITDA	67.6	68.1
Changes in working capital	(5.5)	0.3
Capital expenditure	(6.6)	(6.1)
Adjusted operating cash flow	55.5	62.3
Net interest paid	(7.2)	(9.0)
Tax payments	(10.7)	(10.6)
Legacy pension scheme funding	(1.0)	(2.3)
Free cash flow	36.6	40.4

6. Adjusted performance measures continued

ROCE / ROTCE

ROCE and ROTCE are calculated as follows:

	2026 £m	2025 £m
Net assets	328.6	308.0
Less: Deferred consideration in relation to disposed businesses	–	(0.3)
Net debt	80.5	94.3
IAS 19 pension liability	0.2	0.5
Capital employed	409.3	402.5
Less: Goodwill	(249.2)	(244.2)
Acquired intangible assets	(79.1)	(90.4)
Deferred tax assets and liabilities	9.8	10.9
Current tax assets and liabilities	5.3	6.7
Lease liabilities	34.0	27.4
Provisions	8.1	9.0
Trading capital employed	138.2	121.9
Adjusted operating profit	61.0	60.5
Add: Annualisation of acquired businesses	1.3	3.0
Annualised operating profit	62.3	63.5
ROCE	15.2%	15.8%
ROTCE	45.1%	52.1%

Organic and CER revenue growth

Organic and CER revenue growth are calculated as follows:

	2026 £m	2025 £m
Revenue	443.3	422.9
FX translation impact	–	0.4
Adjusted (CER) revenue	443.3	423.3
Acquisitions and disposals	(16.0)	(3.9)
Organic revenue	427.3	419.4

Organic growth for the Group compared with last year is calculated at constant exchange rates (“CER”) and is shown excluding the first 12 months of acquisitions post completion (Hivolt in August 2024, Burster in January 2025 and Storm in December 2025) and the results of the Santon solar business unit disposal.

Gearing ratio

Gearing ratio is calculated as follows:

	2026 £m	2025 £m
Net debt	80.5	94.3
Adjusted EBITDA	67.6	68.1
Annualisation of acquired businesses	1.3	3.0
Covenant EBITDA	68.9	71.1
Gearing ratio	1.2	1.3

NOTES TO THE GROUP CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 31 MARCH 2026

7. Operating profit

	2026 £m	2025 £m
Revenue	443.3	422.9
Direct materials/direct labour	(244.5)	(236.8)
Other cost of goods sold	(6.3)	(4.6)
Selling and distribution costs	(41.6)	(40.9)
Administrative expenses	(105.7)	(98.2)
Operating profit	45.2	42.4

Operating costs are as follows:

	2026 £m	2025 £m
Employee costs (note 8)	130.4	118.8
Depreciation of property, plant and equipment (note 14)	5.1	4.5
Depreciation of right-of-use assets (note 15)	7.4	7.3
Amortisation of other intangible assets (note 18)	16.6	16.6
Gain related to disposal group	-	(2.1)
Expected credit losses (note 20)	(0.3)	0.2
Net foreign exchange differences	(0.7)	(0.4)
Inventories:		
Cost of inventories	200.2	196.0
Write-down of inventories to net realisable value	0.2	0.5
Other expenses	39.2	39.1
Operating costs	398.1	380.5

	2026 £m	2025 £m
Operating costs	398.1	380.5
Less:		
Net acquisition and disposal expenses	(5.3)	(3.6)
Contingent consideration	5.8	1.7
Amortisation of acquired intangibles	(16.3)	(16.2)
Adjusted operating costs	382.3	362.4

8. Employee costs and Directors' emoluments

	2026 £m	2025 £m
Wages and salaries	109.9	99.6
Social security costs	15.1	13.1
Other pension costs	4.0	4.1
Share-based payments (note 30)	1.4	2.0
	130.4	118.8

The average monthly number of employees (including Executive Directors) during the year was as follows:

	2026	2025 (restated)
Sales and marketing	515	471
Manufacturing and services	3,287	3,350
Administration	368	345
	4,170	4,166

The average monthly number of employees for the prior year has been restated by 229, decreasing from 4,395 to 4,166, to reflect headcount on an average basis rather than full-time equivalent (FTE).

At 31 March 2026 the Group had 4,200 employees (2025: 4,176).

	2026 £	2025 £
Directors' emoluments		
Aggregate emoluments in respect of qualifying services	1,522,570	1,580,707
Aggregate employer contribution to a defined contribution pension scheme and pay in lieu of pension for two Directors	74,840	70,165
	1,597,410	1,650,872
Highest paid Director		
Emoluments in respect of qualifying services	934,021	985,059
Employer contribution to a defined contribution pension scheme and pay in lieu of pension	45,160	42,407
	979,181	1,027,466

Aggregate emoluments for the Non-Executive Directors were £398,170 (2025: £415,325). Further details of all Directors' emoluments are provided in the Remuneration Report on pages 116 to 137.

9. Finance income/(costs)

	2026 £m	2025 £m
Interest receivable and similar income	2.7	3.7
Finance income	2.7	3.7
Finance costs on bank loans and overdrafts	(9.9)	(12.5)
Finance costs on lease liabilities	(1.3)	(1.0)
Amortisation of borrowing costs	(0.6)	(0.6)
Finance costs	(11.8)	(14.1)

NOTES TO THE GROUP CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 31 MARCH 2026

10. Tax expense

The major components of the corporation tax expense are summarised below:

	2026 £m	2025 £m
Current taxation:		
UK adjustments in respect of prior years	0.2	(0.5)
	0.2	(0.5)
Overseas tax	11.1	11.3
Overseas adjustments in respect of prior years	(1.6)	(0.6)
	9.5	10.7
Total current taxation expense	9.7	10.2
Deferred taxation		
Origination and reversal of temporary differences within the UK	(1.4)	(0.4)
Origination and reversal of temporary differences overseas	(0.8)	(1.9)
Adjustment in respect of prior years	(0.4)	(0.2)
Increased recognition of historical losses	-	(0.5)
Impact of tax rate changes	-	0.2
Total deferred taxation credit	(2.6)	(2.8)
Tax expense reported in the consolidated Statement of Profit or Loss	7.1	7.4

	2026 £m	2025 £m
Tax recognised in other comprehensive income		
Decrease in deferred tax liability on pension	(0.1)	1.2
Tax reported in other comprehensive income	(0.1)	1.2

	2026 £m	2025 £m
Tax recognised in equity		
Decrease in deferred tax asset on share-based payments	(0.1)	(1.3)
Tax reported in equity	(0.1)	(1.3)

The effective rate of taxation for the year is lower (2025: lower) than the standard rate of taxation in the UK of 25% (2025: 25%). A reconciliation of the tax expense applicable to the profit before tax, at the statutory tax rate, to the actual tax expense at the Group's effective tax rate for the years ended 31 March 2026 and 31 March 2025 respectively is presented below:

	2026 £m	2025 £m
Profit before tax	36.1	32.0
Profit before taxation multiplied by standard rate of corporation tax in the UK of 25% (2025: 25%)	9.0	8.0
Effect of:		
Differences in overseas tax rates	(0.2)	(0.2)
Tax losses not recognised	(0.1)	(0.1)
Non-deductible expenses	0.1	1.3
Increased recognition of historical losses	-	(0.5)
Impact of tax rate changes on deferred tax	-	0.2
Adjustments to deferred taxation expense in respect of prior years	(0.4)	(0.2)
Adjustments to current taxation expense in respect of prior years	(1.3)	(1.1)
Total tax reported in the consolidated Statement of Profit or Loss	7.1	7.4

10. Tax expense continued**Deferred tax**

	2026 £m	2025 £m
Deferred tax liabilities		
Accelerated capital allowances	(0.6)	(0.7)
Intangibles	(15.5)	(17.5)
Other temporary differences	(1.0)	(2.8)
Gross deferred tax liabilities	(17.1)	(21.0)
Deferred tax assets		
Decelerated capital allowances	0.2	0.2
Pensions	0.5	0.6
Tax losses	0.8	0.9
Share-based payment plans	3.0	3.0
Other temporary differences	2.8	5.4
Gross deferred tax assets	7.3	10.1

£1.9m of deferred tax assets (2025: £5.0m) and £4.1m of deferred tax liabilities (2025: £4.9m) are expected to be recovered or settled no more than 12 months after the reporting period. £5.4m of deferred tax assets (2025: £5.1m) and £13.0m of deferred tax liabilities (2025: £16.1m) are expected to be recovered or settled more than 12 months after the reporting period.

Movements in deferred tax

	Accelerated capital allowances £m	Intangibles £m	Pensions £m	Tax losses £m	Share- based payments £m	Other temporary differences £m	Total £m
At 1 April 2024	(0.5)	(20.2)	0.4	1.8	4.2	1.2	(13.1)
(Charged)/credited							
– to profit and loss	–	3.1	(1.0)	(0.9)	0.1	1.5	2.8
– to other comprehensive income	–	–	1.2	–	–	–	1.2
– directly to equity	–	–	–	–	(1.3)	–	(1.3)
Exchange differences on translation of foreign subsidiaries	–	0.3	–	–	–	(0.1)	0.2
Acquisition-related movements	–	(0.7)	–	–	–	–	(0.7)
At 31 March 2025	(0.5)	(17.5)	0.6	0.9	3.0	2.6	(10.9)
(Charged)/credited							
– to profit and loss	0.1	3.4	–	(0.1)	0.1	(0.9)	2.6
– to other comprehensive income	–	–	(0.1)	–	–	–	(0.1)
– directly to equity	–	–	–	–	(0.1)	–	(0.1)
Exchange differences on translation of foreign subsidiaries	–	(0.1)	–	–	–	0.1	–
Acquisition-related movements	–	(1.3)	–	–	–	–	(1.3)
At 31 March 2026	(0.4)	(15.5)	0.5	0.8	3.0	1.8	(9.8)

At 31 March 2026, £nil (2025: £nil) of the deferred tax asset in respect of tax losses relates to tax jurisdictions in which tax losses were incurred in the current or preceding period. The recognition of the deferred tax asset is supported by forecasts of sufficient future taxable profits in the relevant jurisdictions.

At 31 March 2026, the Group had not recognised any deferred tax asset in respect of tax losses of approximately £22.8m (2025: £23.2m). Deferred tax assets are not recognised where there is insufficient evidence that losses will be utilised.

At 31 March 2026, a £0.8m deferred tax liability (2025: £1.8m) has been recognised for withholding taxes payable on the remittance of certain of the Group's overseas subsidiaries' unremitted earnings. The aggregate amount of unremitted earnings on which deferred tax has not been recognised is £27.6m (2025: £21.4m). No deferred tax has been recognised on this amount as the Group is able to control the timing of these distributions and is not expecting to distribute these profits in the foreseeable future.

NOTES TO THE GROUP CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 31 MARCH 2026

11. Business combinations

Acquisitions in the year ended 31 March 2026

Acquisition of Keymat Technology Limited ("Storm")

On 18 December 2025, the Group completed the acquisition of 100% of the share capital of Keymat Technology Limited operating under the trading name Storm Interface ("Storm"), a company incorporated in the United Kingdom. Storm is a UK-based designer and manufacturer of differentiated assistive HMI products. These are primarily tactile and audible content navigation devices for visually impaired people, for sale in the UK and internationally. The need for such products is being driven by the roll out of legislation in Europe, UK and Americas that requires assistive interfaces in electronic equipment.

Storm was acquired for an initial consideration of £5.5m on a cash-free, debt-free basis, before expenses, funded from the Group's existing debt facilities. The initial cash consideration paid of £7.7m includes a net adjustment of £2.2m (cash acquired offset by other debt-like items). In addition, a contingent payment of up to £2.2m will be payable subject to Storm achieving certain financial performance conditions over the period between 1 April 2025 and 31 March 2026.

The fair values of the identifiable assets and liabilities of Storm at the date of acquisition were:

	Fair value recognised at acquisition £m
Intangible assets – other (incl. customer relationships)	4.8
Property, plant and equipment	0.2
Right-of-use assets	0.2
Inventories	1.3
Trade and other receivables	0.2
Cash acquired	3.8
Trade and other payables	(0.9)
Current and deferred tax liabilities	(1.9)
Lease liabilities	(0.2)
Total identifiable net assets	7.5
Goodwill arising on acquisition	2.9
Total investment	10.4
Discharged by	
Initial cash consideration	7.7
Purchase price adjustment	0.5
Contingent consideration	2.2
	10.4

Net cash outflows in respect of the acquisition comprise:

	Total £m
Cash consideration	7.7
Transaction costs	0.4
Net cash acquired	(3.8)
	4.3

Transaction costs of £0.4m related to acquisition expenses and were expensed as incurred in the period ended 31 March 2026. These were included within operating costs and operating cash flows.

Included in cash flow from investing activities is the cash consideration of £7.7m, offset by the net cash acquired of £3.8m.

From the date of acquisition to 31 March 2026, Storm contributed £1.9m to revenue and a profit of £0.1m to profit after tax of the Group. If the business combination had taken place at the beginning of the year, the consolidated revenue for the Group would have been £448.2m and the consolidated profit after tax for the Group would have been £29.9m.

11. Business combinations continued

The goodwill is attributable to the workforce and the high profitability of the acquired business. It will not be deductible for tax purposes. Included in the £2.9m of goodwill recognised above are certain intangible assets that cannot be individually separated and reliably measured, due to their nature. These include the value of expected operational benefits. All the acquired receivables are expected to be collected.

Acquisitions in the year ended 31 March 2025

There have been no changes to the provisional fair values of the assets and liabilities acquired in the prior year.

Acquisition of Hivolt

On 1 August 2024, the Group completed the acquisition of 100% of the outstanding ordinary shares of Hivolt Capacitors Limited ("Hivolt"), a company incorporated in the United Kingdom. Hivolt is a designer and manufacturer of custom-built capacitors for specialised applications involving high voltages and the acquisition has strengthened the Group's position in the electronics market and enhanced its offering across key target sectors, including medical and transportation.

Hivolt was acquired for an initial consideration of £3.8m on a cash-free, debt-free basis, before expenses, funded from the Group's existing debt facilities. The cash consideration paid of £8.5m includes cash acquired of £5.0m net of deductions for accrued tax and other liabilities and adjustments of £0.3m. In addition, during the year ended 31 March 2026, the contingent payment of £0.9m was paid based on the performance of the business for the period between 1 April 2024 and 31 March 2025.

The fair values of the identifiable assets and liabilities of Hivolt at the date of acquisition were:

	Fair value recognised at acquisition £m
Intangible assets – other (incl. customer relationships)	2.6
Property, plant and equipment	0.1
Right-of-use assets	0.2
Inventories	0.6
Trade and other receivables	0.2
Cash acquired	5.0
Trade and other payables	(0.4)
Current and deferred tax liabilities	(0.8)
Lease liabilities	(0.2)
Total identifiable net assets	7.3
Goodwill arising on acquisition	2.1
Total investment	9.4
Discharged by	
Initial cash consideration	8.5
Contingent consideration	0.9
	9.4

Net cash outflows in respect of the acquisition comprise:

	Total £m
Cash consideration	8.5
Transaction costs	0.1
Net cash acquired	(5.0)
	3.6

Transaction costs of £0.1m related to acquisition expenses and were expensed as incurred in the period ended 31 March 2025. These were included within operating costs and operating cash flows.

NOTES TO THE GROUP CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 31 MARCH 2026

11. Business combinations continued

Included in cash flow from investing activities is the cash consideration of £8.5m, offset by the net cash acquired of £5.0m.

From the date of acquisition to 31 March 2025, Hivolt contributed £2.0m to revenue and a profit of £0.3m to profit after tax of the Group. If the business combination had taken place at the beginning of the year, the consolidated revenue for the Group would have been £423.9m and the consolidated profit after tax for the Group would have been £24.7m.

The goodwill was attributable to the workforce and the high profitability of the acquired business. It will not be deductible for tax purposes. Included in the £2.1m of goodwill recognised above were certain intangible assets that cannot be individually separated and reliably measured, due to their nature. These include the value of expected operational benefits. All the acquired receivables are expected to be collected.

Acquisition of Burster

On 15 January 2025, the Group completed the acquisition of the Burster Group ("Burster"), by acquiring the limited partnership interest in burster präzisionsmesstechnik GmbH & Co. KG. Burster is a German-based designer and manufacturer of specialist sensors.

Burster was acquired for an initial consideration of £25.6m on a cash-free, debt-free basis, before expenses, funded from the Group's existing debt facilities. The cash consideration paid of £25.5m includes cash acquired of £1.3m net of deductions for accrued tax and other liabilities and adjustments of £1.4m. The contingent consideration of £5.8m recognised on acquisition has been subsequently measured and released based on the performance of the business for its year ended 31 December 2025.

The fair values of the identifiable assets and liabilities of Burster at the date of acquisition were:

	Fair value recognised at acquisition £m
Intangible assets – other (incl. customer relationships)	9.1
Property, plant and equipment	1.5
Right-of-use assets	2.8
Inventories	6.8
Trade and other receivables	0.9
Cash acquired	1.3
Trade and other payables	(1.3)
Current tax liabilities	(0.4)
Lease liabilities	(2.8)
Total identifiable net assets	17.9
Goodwill arising on acquisition	13.4
Total investment	31.3
Discharged by	
Initial cash consideration	25.5
Contingent consideration	5.8
	31.3

Net cash outflows in respect of the acquisition comprise:

	Total £m
Cash consideration	25.5
Transaction costs	0.7
Net cash acquired	(1.3)
	24.9

11. Business combinations continued

Transaction costs of £0.7m related to acquisition expenses and were expensed as incurred in the period ended 31 March 2025. These were included within operating costs and operating cash flows.

Included in cash flow from investing activities is the cash consideration of £25.5m, offset by the net cash acquired of £1.3m.

From the date of acquisition to 31 March 2025, Burster contributed £4.8m to revenue and a loss of £0.9m to profit after tax of the Group. If the business combination had taken place at the beginning of the year, the consolidated revenue for the Group would have been £435.4m and the consolidated profit after tax for the Group would have been £24.5m.

The goodwill was attributable to the workforce and the high profitability of the acquired business. It will be deductible for tax purposes. Included in the £13.4m of goodwill recognised above were certain intangible assets that cannot be individually separated and reliably measured, due to their nature. These include the value of expected operational benefits. All the acquired receivables are expected to be collected.

12. Dividends

	2026 £m	2025 £m
Dividends recognised in equity as distributions to equity holders in the year:		
Equity dividends on ordinary shares:		
Final dividend for the year ended 31 March 2025 of 8.60p (2024: 8.25p)	8.3	7.9
Interim dividend for the year ended 31 March 2026 of 4.05p (2025: 3.90p)	3.9	3.8
Total amounts recognised as equity distributions during the year	12.2	11.7

	2026 £m	2025 £m
Proposed for approval at AGM:		
Equity dividends on ordinary shares:		
Final dividend for the year ended 31 March 2026 of 8.95p (2025: 8.60p)	8.6	8.3
Summary		
Dividends per share declared in respect of the year	13.0p	12.50p
Dividends per share paid in the year	12.65p	12.15p
Dividends paid in the year	£12.2m	£11.7m

13. Earnings per share

Basic earnings per share is calculated by dividing the net profit for the year attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share is the basic earnings per share after allowing for the dilutive effect of the conversion into ordinary shares of the weighted average number of options outstanding during the year.

The following reflects the income and share data used in the basic and diluted earnings per share calculations.

	2026 £m	2025 £m
Profit after tax for the year	29.0	24.6

	2026 Number	2025 Number
Weighted average number of shares for basic earnings per share	96,108,648	96,028,934
Effect of dilution – share options	2,405,124	2,398,601
Weighted average number of shares for diluted earnings per share	98,513,772	98,427,535
Basic earnings per share	30.2p	25.6p
Diluted earnings per share	29.4p	25.0p

At the year-end, there were 2,622,432 ordinary share options in issue that could potentially dilute earnings per share in the future, of which 2,405,124 are currently dilutive (2025: 2,648,415 in issue and 2,398,601 dilutive).

NOTES TO THE GROUP CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 31 MARCH 2026

14. Property, plant and equipment

	Land and buildings £m	Leasehold improvements £m	Plant and equipment £m	Total £m
Cost				
At 1 April 2024	7.3	5.2	41.3	53.8
Additions	0.5	1.3	3.6	5.4
Disposals	–	–	(2.4)	(2.4)
Business acquired (note 11)	–	–	1.6	1.6
Exchange adjustments	(0.5)	–	(0.8)	(1.3)
At 31 March 2025	7.3	6.5	43.3	57.1
Additions	0.1	0.4	5.2	5.7
Disposals	–	(0.3)	(2.0)	(2.3)
Business acquired (note 11)	–	0.1	0.1	0.2
Exchange adjustments	–	0.2	(0.1)	0.1
At 31 March 2026	7.4	6.9	46.5	60.8
Accumulated depreciation				
At 1 April 2024	3.4	2.4	27.5	33.3
Charge for the year	0.3	0.6	3.6	4.5
Disposals	–	–	(2.4)	(2.4)
Exchange adjustments	(0.5)	–	(0.8)	(1.3)
At 31 March 2025	3.2	3.0	27.9	34.1
Charge for the year	0.3	0.6	4.2	5.1
Disposals	–	(0.3)	(1.8)	(2.1)
Exchange adjustments	(0.2)	0.3	(0.4)	(0.3)
At 31 March 2026	3.3	3.6	29.9	36.8
Net book value at 31 March 2026	4.1	3.3	16.6	24.0
Net book value at 31 March 2025	4.1	3.5	15.4	23.0

Land and buildings includes land with a cost of £1.1m (2025: £1.0m) that is not subject to depreciation.

At 31 March 2026 the Group had contractual capital expenditure commitments for plant and equipment and leasehold improvements of £nil (2025: £0.4m) for which no provision has been made.

15. Leases

15.1 Leasing arrangements

The Group leases manufacturing and warehousing facilities, offices and various items of plant, machinery, equipment and vehicles.

Manufacturing and warehouse facilities generally have lease terms between three and ten years. Lease contracts generally include extension and termination options.

15. Leases continued

15.2 Carrying value of right-of-use assets

Set out below are the carrying amounts of right-of-use assets recognised and movements during the year:

	Land and buildings £m	Plant and machinery £m	Total £m
At 1 April 2024	18.2	2.4	20.6
Exchange adjustments	(0.1)	–	(0.1)
Additions/modifications	10.6	1.0	11.6
Depreciation charge	(6.2)	(1.1)	(7.3)
Terminations	(0.1)	(0.3)	(0.4)
Business acquired (note 11)	2.9	0.1	3.0
At 31 March 2025	25.3	2.1	27.4
Exchange adjustments	0.4	–	0.4
Additions/modifications	11.5	1.2	12.7
Depreciation charge	(6.3)	(1.1)	(7.4)
Business acquired (note 11)	0.2	–	0.2
At 31 March 2026	31.1	2.2	33.3

15.3 Carrying value of lease liabilities

Set out below are the carrying amounts of lease liabilities and the movements during the year:

	Total £m
At 1 April 2024	(20.1)
Exchange adjustments	0.2
Additions/modifications	(11.4)
Interest for the year	(1.0)
Lease payments	7.5
Terminations	0.4
Business acquired (note 11)	(3.0)
At 31 March 2025	(27.4)
Exchange adjustments	(0.5)
Additions/modifications	(12.5)
Interest for the year	(1.3)
Lease payments	7.9
Business acquired (note 11)	(0.2)
At 31 March 2026	(34.0)

	2026 £m	2025 £m
Current liabilities	6.5	6.2
Non-current liabilities	27.5	21.2
	34.0	27.4

Payment of lease liabilities is shown under Financing Activities in the consolidated Statement of Cash Flows.

NOTES TO THE GROUP CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 31 MARCH 2026

15. Leases continued

15.4 Amounts recognised in the consolidated Statement of Profit or Loss

	2026 £m	2025 £m
Depreciation of right-of-use assets	7.4	7.3
Interest expense (included in finance costs)	1.3	1.0
	8.7	8.3

During the year ended 31 March 2026, a total of £0.2m was recognised in the consolidated Statement of Profit or Loss relating to payments under short-term and low-value leases (2025: £0.1m).

15.5 Extension and termination options

Extension and termination options are included in a number of property and equipment leases across the Group. These terms are used to maximise operational flexibility in terms of managing contracts. Extension and termination options which are reasonably certain not to be exercised are considered in the measurement of the lease liability and right-of-use asset.

There are no lease contracts in place as at 31 March 2026 which include variable lease payments (2025: none).

16. Intangible assets – goodwill

Cost	£m
At 1 April 2024	233.4
Business acquired (note 11)	15.5
Disposal	(1.7)
Exchange adjustments	(3.0)
At 31 March 2025	244.2
Business acquired (note 11)	2.9
Exchange adjustments	2.1
At 31 March 2026	249.2
Impairment	
At 31 March 2025 and 31 March 2026	–
Net book value at 31 March 2026	249.2
Net book value at 31 March 2025	244.2

17. Impairment testing of goodwill

The Group's operations are organised into two distinct divisions, Magnetics & Controls ("M&C") and Sensing & Connectivity ("S&C"). Each of these divisions comprises two operating units. Within each operating unit are aggregated business units ("CGUs") that share similar characteristics such as the nature of customers, products, risk profile and economic characteristics.

With the increased number of acquisitions and the anticipated synergies across the Group's businesses in particular within an operating unit, the Group's management has transitioned from monitoring individual CGUs separately to aggregating the performance outputs of each of the four operating units. This approach is adopted to facilitate the assessment of performance, resource allocation and strategic decision-making.

The Group's management has determined that the lowest level within the Group at which the goodwill is monitored for internal management purposes consists of the operating units, each comprising a number of CGUs. Therefore, according to IAS 36.82, goodwill is tested for impairment at the level that reflects the way the Group manages its operations and with which the goodwill would naturally be associated.

17. Impairment testing of goodwill continued

The carrying value of goodwill is analysed as follows:

	2026 £m	2025 (restated) ¹ £m
Magnetics	39.5	38.2
Controls	81.7	79.7
Magnetics & Controls	121.2	117.9
Sensing	46.0	45.6
Connectivity	82.0	80.7
Sensing & Connectivity	128.0	126.3
Total	249.2	244.2

¹ During the year, to enhance alignment and commonality across our businesses, one business was reclassified from M&C to S&C and one business from S&C to M&C. Prior year figures have been restated to reflect these reclassifications. There is no impact to the Group position.

The movement in goodwill compared to prior year relates mainly to the movement in foreign exchange rates and to Storm Interface which was acquired in the year into the Magnetics & Controls division (note 11).

The recoverable amount of each operating unit is based on value-in-use calculations. The key assumptions used in these calculations relate to future revenue growth (being the five-year sales Compound Annual Growth Rate – “CAGR”), discount rates and long-term growth rates beyond the first five years. Cash flow forecasts for the five-year period from the reporting date are based on the FY 2026/27 Board approved budget and management projections thereon, which are based on historical experience and market outlook.

Cash flow projections included in the impairment review models include management's view of the impact of climate change, including costs related to the effects of climate change, as well as the future costs of the Group's commitment to achieve net-zero Scope 1 and 2 carbon emissions by 2030.

A long-term growth rate (“LTGR”) beyond the five-year period of 2% has been applied consistently in the value-in-use calculations (2025: 2%) and is based on the average long-term inflation targets.

Discount rates reflect the current market assessment of the risks specific to each of the four sub-divisions and were estimated based on the average percentage weighted average cost of capital for the industry and then further adjusted for country-specific risk.

The table below discloses the discount rates and growth rates:

	Pre-tax discount rate		5-year sales CAGR	
	2026 %	2025 (restated) %	2026 %	2025 (restated) %
Magnetics	14.2	14.2	6.1	5.5
Controls	12.5	12.5	7.5	8.3
Sensing	12.5	12.6	9.0	6.7
Connectivity	12.6	12.5	10.2	7.4

The pre-tax discount rate and the 5-year CAGR for the prior year have been restated and are now calculated on a weighted average basis for the Group of CGUs included in each operating unit, in line with current year.

Sensitivity to changes in assumptions

The Group's forecast is based on a range of assumptions to determine the value of expected future cash flows. Deviations against those plans and assumptions in terms of revenue and margin projections, operating and capital costs and successful achievement of strategic objectives are all inherently uncertain. Headroom in the impairment test for each of the four operating units has been tested for sensitivity to reasonably possible adverse changes in forecast cash flows, discount rates and long-term growth rates. Adequate headroom is available against material impairment risk.

NOTES TO THE GROUP CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 31 MARCH 2026

18. Intangible assets – other

	Acquired intangibles			Total £m
	Software & development £m	Customer relationships £m	Patents & brands £m	
Cost				
At 1 April 2024	4.9	170.9	3.7	179.5
Business acquired (note 11)	–	11.7	–	11.7
Additions	0.7	–	–	0.7
Disposals	(0.2)	–	–	(0.2)
Exchange adjustment	(0.1)	(2.2)	(0.1)	(2.4)
At 31 March 2025	5.3	180.4	3.6	189.3
Business acquired (note 11)	–	4.8	–	4.8
Additions	0.9	–	–	0.9
Disposals	(0.2)	–	–	(0.2)
Exchange adjustment	–	0.8	–	0.8
At 31 March 2026	6.0	186.0	3.6	195.6
Accumulated amortisation				
At 1 April 2024	3.3	75.9	2.5	81.7
Charge for the year	0.4	15.8	0.4	16.6
Disposals	(0.1)	–	–	(0.1)
Exchange adjustment	(0.1)	(0.9)	(0.1)	(1.1)
At 31 March 2025	3.5	90.8	2.8	97.1
Charge for the year	0.3	16.0	0.3	16.6
Disposals	(0.2)	–	–	(0.2)
Exchange adjustment	0.2	0.7	(0.1)	0.8
At 31 March 2026	3.8	107.5	3.0	114.3
Net book value at 31 March 2026	2.2	78.5	0.6	81.3
Net book value at 31 March 2025	1.8	89.6	0.8	92.2

19. Inventories

	2026 £m	2025 £m
Finished goods and goods for resale	26.6	29.2
Raw materials and work in progress	58.8	53.7
Total inventories	85.4	82.9

At 31 March 2026, the provision for realisable value included within total inventories was £11.2m (2025: £11.5m).

20. Trade and other receivables

Current	2026 £m	2025 £m
Trade receivables	73.4	63.5
Other receivables	6.1	5.1
VAT receivable	2.8	3.0
Prepayments	3.4	2.8
	85.7	74.4

Trade receivables are non-interest bearing, are generally on 30 to 60 days' terms and are shown net of expected credit losses.

Current year other receivables includes £nil (2025: £0.3m) related to the current portion of the deferred consideration receivable for the disposal of the Vertec Scientific business.

All of the Group's trade and other receivables are regularly reviewed for indicators of impairment. The credit risk exposure inherent in the Group's trade receivables is measured and recognised as an impairment provision on initial recognition, based on the expected credit loss method, as required by IFRS 9. Specific provision for impairment may also be required where a specific increase in credit risk is identified, or a credit event has occurred. Provisions for general credit risk exposure are measured with reference to the age of a receivable as debts that are overdue present a specific impairment risk indicator regarding recoverability.

In total, the Group has recognised impairment provisions of £1.9m (2025: £2.2m), against trade receivables. This includes a total of £1.2m (2025: £1.4m) of specific provisions for impairment due to increased default risk and unresolved disputes, as well as a provision for expected credit losses of £0.7m (2025: £0.8m). Across the Group, general expected credit loss risk has been assessed to be low due to the size, nature and diversification of customers across the divisions.

The movements in the impairment provisions for trade receivables during the year were as follows:

	2026 £m	2025 £m
At 1 April	2.2	2.3
Net (release)/charge in the year	(0.3)	0.2
Exchange adjustments	-	(0.3)
At 31 March	1.9	2.2

Details of the net trade receivables ageing are set out below:

	Total £m	Not yet due £m	Overdue				
			<30 days £m	30-60 days £m	60-90 days £m	90-120 days £m	>120 days £m
2026							
Gross	75.3	61.7	8.7	1.8	0.4	0.6	2.1
Provision	(1.9)	-	-	-	-	(0.1)	(1.8)
Net	73.4	61.7	8.7	1.8	0.4	0.5	0.3
2025							
Gross	65.7	54.0	6.3	3.0	0.7	0.2	1.5
Provision	(2.2)	(0.2)	-	-	(0.3)	(0.2)	(1.5)
Net	63.5	53.8	6.3	3.0	0.4	-	-

NOTES TO THE GROUP CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 31 MARCH 2026

21. Cash and cash equivalents

	2026 £m	2025 £m
Cash at bank and in hand	125.3	139.3

The cash balances are separately presented gross in the consolidated Statement of Financial Position, rather than netted off against overdrafts held either by the same entity, or other Group entities, with the same bank. The net cash position as at 31 March 2026 after netting off against overdrafts is £29.0m (2025: £43.7m). Refer to note 23 for analysis of movements.

Cash at bank earns interest at floating rates, based on daily bank deposit rates. The Group only deposits cash surpluses with major banks of high credit standing (£110.6m with financial institutions with credit rating of AA- (2025: £118.8m), £6.1m with financial institutions with credit rating of A+ (2025: £13.0m), and the remaining balance of £8.6m with various financial institutions with credit rating of A- or higher (2025: £7.5m)) in line with its treasury policy. The fair value of cash and cash equivalents is £125.3m (2025: £139.3m).

22. Other financial liabilities

	Effective interest rate %	Maturity	Current		Non-current	
			2026 £m	2025 £m	2026 £m	2025 £m
Bank overdrafts	Variable	On demand	96.3	95.6	–	–
Unsecured bank loans	Variable		–	–	0.1	0.1
Revolving Credit Facility ("RCF")	Variable		–	–	111.9	139.3
Capitalised debt costs			(0.7)	(0.6)	(1.8)	(0.8)
Loans and borrowings			95.6	95.0	110.2	138.6
Lease liabilities			6.5	6.2	27.5	21.2
Trade and other payables (note 28)			80.0	70.7	0.5	6.2
Total other financial liabilities			182.1	171.9	138.2	166.0

Interest on overdrafts is based on floating rates linked to SONIA, SOFR and EURIBOR.

Included in unsecured bank loans is a Euro-denominated loan of £0.1m (2025: £0.1m).

At 31 March 2026, the RCF drawdowns of £111.9m (2025: £139.3m) were denominated in Sterling, US Dollar and Euro which bear interest based on SONIA, SOFR and EURIBOR, plus a facility margin.

Trade and other payables above include only contractual obligations.

The maturity of the gross contractual financial liabilities is as follows:

	Within 1 year £m	2–5 years £m	>5 years £m	Total £m
At 31 March 2026				
Floating rate	95.6	110.2	–	205.8
Lease liabilities	8.0	25.5	14.7	48.2
Trade and other payables	80.0	0.5	–	80.5
	183.6	136.2	14.7	334.5
At 31 March 2025				
Floating rate	95.0	138.6	–	233.6
Lease liabilities	7.2	16.1	8.5	31.8
Trade and other payables	70.7	6.2	–	76.9
	172.9	160.9	8.5	342.3

22. Other financial liabilities continued

The carrying amount of the Group's financial liabilities excluding lease liabilities is denominated in the following currencies:

	2026 £m	2025 £m
Sterling	96.4	98.7
Euro	97.7	116.8
US Dollar	57.0	65.6
Other currencies	35.2	29.4
	286.3	310.5

23. Movements in cash and net debt

	1 April 2025 £m	Cash flow £m	Non-cash changes £m	31 March 2026 £m
Year to 31 March 2026				
Bank loans over one year	(139.4)	28.8	(1.4)	(112.0)
Capitalised debt costs	1.4	1.5	(0.4)	2.5
Lease liability	(27.4)	7.9	(14.5)	(34.0)
Liabilities arising from financing activities	(165.4)	38.2	(16.3)	(143.5)
Cash and cash equivalents	139.3	(16.0)	2.0	125.3
Bank overdrafts	(95.6)	0.9	(1.6)	(96.3)
Net cash	43.7	(15.1)	0.4	29.0
Net debt (incl. lease liability)	(121.7)	23.1	(15.9)	(114.5)
Remove: lease liability	27.4	(7.9)	14.5	34.0
Net debt¹	(94.3)	15.2	(1.4)	(80.5)

¹ Net debt is an alternative performance measure as it is not defined in IFRS. The most directly comparable IFRS measure is the aggregate of loans and borrowings (current and non-current) and cash and cash equivalents.

Bank loans over one year above include £111.9m (2025: £139.3m) drawn down against the Group's revolving credit facility.

Bank overdrafts reflect the aggregated gross overdrawn balances of Group companies (even if those companies have other positive cash balances). The overdrafts and cash and cash equivalents are held with the Group's relationship banks.

	1 April 2024 £m	Cash flow £m	Non-cash changes £m	31 March 2025 £m
Year to 31 March 2025				
Bank loans over one year	(137.5)	(4.3)	2.4	(139.4)
Capitalised debt costs	2.0	-	(0.6)	1.4
Lease liability	(20.1)	7.5	(14.8)	(27.4)
Liabilities arising from financing activities	(155.6)	3.2	(13.0)	(165.4)
Cash and cash equivalents	110.8	29.6	(1.1)	139.3
Bank overdrafts	(79.3)	(16.4)	0.1	(95.6)
Net cash	31.5	13.2	(1.0)	43.7
Net debt (incl. lease liability)	(124.1)	16.4	(14.0)	(121.7)
Remove: lease liability	20.1	(7.5)	14.8	27.4
Net debt	(104.0)	8.9	0.8	(94.3)

NOTES TO THE GROUP CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 31 MARCH 2026

24. Reconciliation of cash flows from operating activities

	2026 £m	2025 £m
Profit for the year	29.0	24.6
Tax expense	7.1	7.4
Net finance costs	9.1	10.4
Depreciation of property, plant and equipment	5.1	4.5
Depreciation of right-of-use assets	7.4	7.3
Amortisation of intangible assets – other	16.6	16.6
Loss on disposal of property, plant and equipment	0.1	–
Loss on disposal of intangible assets	–	0.1
Change in provisions	(1.0)	0.1
Pension scheme funding	(1.0)	(2.3)
IAS 19 pension charge	0.9	0.7
Gain on disposal of business	–	(2.1)
Impact of equity-settled share-based payment expense and associated taxes	1.4	2.0
Operating cash flows before changes in working capital	74.7	69.3
(Increase)/Decrease in inventories	(0.2)	5.4
(Increase)/Decrease in trade and other receivables	(10.3)	5.8
Increase/(Decrease) in trade and other payables	3.0	(10.0)
Changes in working capital	(7.5)	1.2
Cash generated from operations	67.2	70.5
Interest paid	(9.9)	(12.5)
Interest paid on lease liabilities	(1.3)	(1.0)
Income taxes paid	(10.7)	(10.6)
Net cash flow from operating activities	45.3	46.4
	2026 £m	2025 £m
Net cash flow from operating activities	45.3	46.4
Working capital	1.8	1.0
Gain on disposal	–	2.1
Payment of lease liabilities	(6.6)	(6.5)
Capital expenditure	(6.6)	(6.1)
Interest received	2.7	3.5
Free cash flow	36.6	40.4

25. Provisions

	Retirement and severance indemnity £m	Dilapidation £m	Other £m	Total £m
At 1 April 2024	2.1	3.3	3.4	8.8
Arising during the year	0.5	0.2	1.6	2.3
Arising from business combinations	0.6	–	0.2	0.8
Utilised/released	(0.6)	–	(2.2)	(2.8)
Exchange difference	(0.1)	–	–	(0.1)
At 31 March 2025	2.5	3.5	3.0	9.0
Arising during the year	1.0	0.2	0.5	1.7
Utilised/released	(1.1)	–	(1.5)	(2.6)
At 31 March 2026	2.4	3.7	2.0	8.1

Analysis of total provisions:	2026 £m	2025 £m
Current	3.8	5.0
Non-current	4.3	4.0
	8.1	9.0

The retirement indemnity provision of £2.3m (2025: £2.4m), relates to retirement and leaving indemnity schemes in Sri Lanka £1.0m (2025: £0.9m), India £0.5m (2025: £0.6m), France £0.1m (2025: £0.2m), Germany £0.6m (2025: £0.6m) and Denmark £0.1m (2025: £0.1m). The schemes are unfunded. The service cost, representing deferred salaries accruing to employees, is included as an operating expense and determined by reference to local laws and actuarial assumptions where applicable.

The key actuarial assumptions used in relation to valuation of the Sri Lankan scheme comprise mortality rates, staff turnover (12% up to age of 54 and zero thereafter) (2025: 16% up to the age of 54 and zero thereafter), retirement age (60 years) (2025: 60 years), discount rate (9.5% p.a.) (2025: 11% p.a.) and salary increases (9% p.a.) (2025: 9% p.a.).

The severance provision of £0.1m (2025: £0.1m) relates to severance costs payable to employees.

The dilapidation provision of £3.7m (2025: £3.5m) relates to exit costs to be incurred at the end of leasehold contracts for properties within the Group.

Other provisions relates primarily to warranty provisions £1.0m (2025: £0.9m), restructuring provisions of £0.4m (2025: £1.3m) and other provisions of £0.6m (2025: £0.8m). The provisions greater than one year are expected to be utilised within one to three years.

26. Financial risk management

Management of financial risk

The main financial risks faced by the Group are credit risk, liquidity risk and market risk, which include interest rate risk and currency risk. The Board regularly reviews these risks and has approved written policies covering the use of financial instruments to manage these risks.

The Group Finance Director retains the overall responsibility and management of financial risk for the Group. Most of the Group's financing and interest rate and foreign currency risk management is carried out centrally at Group head office. The Board approves policies and procedures setting out permissible funding and hedging instruments, exposure limits and a system of authorities for the approval of transactions.

Management of interest rate risk

The Group has exposure to interest rate risk arising principally from changes in Euro, Sterling and US Dollar interest rates. The Group does not have any hedges in place at the year-end against exposure to interest rate risk.

A 1% decrease in interest rates on the Group's debt position during the year ended 31 March 2026, would have increased the Group's profit before tax by approximately £1.2m (2025: £1.3m).

NOTES TO THE GROUP CONSOLIDATED FINANCIAL STATEMENTS

CONTINUED

FOR THE YEAR ENDED 31 MARCH 2026

26. Financial risk management continued

Management of foreign exchange risk

The Group's Shareholders' equity, earnings and cash flows are exposed to foreign exchange risks, due to the mismatch between the currencies in which it purchases inventory and the final currency of sale to its customers.

It is Group policy to hedge identified significant foreign exchange exposure on its committed operating cash flows. This is carried out centrally based on forecast orders and sales.

The US Dollar and Euro represent the main foreign exchange translational exposures for the Group. The following table demonstrates the sensitivity of the Group's profit before tax to a 10% strengthening of Sterling against US Dollar and Euro.

	2026 £m	2025 £m
Impact on profit before tax – (loss)		
10% strengthening of Sterling against Euro	(2.6)	(1.9)
10% strengthening of Sterling against US Dollar	(1.9)	(1.1)

Management of credit risk

Credit risk exists in relation to customers, banks and insurers. Exposure to credit risk is mitigated by maintaining credit control procedures across a wide customer base.

The Group is exposed to credit risk that is primarily attributable to its trade and other receivables. This is minimised by dealing with recognised creditworthy third parties who have been through a credit verification process. The maximum exposure to credit risk is limited to the carrying value of trade and other receivables.

As well as credit risk exposures inherent within the Group's outstanding receivables, the Group is exposed to counterparty credit risk arising from the placing of deposits and entering into derivative financial instrument contracts with banks and financial institutions. The Group manages exposure to this credit risk by entering into financial instrument contracts only with highly credit-rated authorised counterparties, which are reviewed and approved annually by the Board.

Counterparties' positions are monitored on a regular basis to ensure that they are within the approved limits and that there are no significant concentrations of credit risks. The Group's largest customer is approximately 6% (2025: 7%) of Group sales.

Management of liquidity risk

The Group manages its exposure to liquidity risk and maximises its flexibility in meeting changing business needs through the cash generation of its operations, combined with bank borrowings and access to long-term debt. In its funding strategy, the Group's objective is to maintain a balance between the continuity of funding and flexibility through the use of overdrafts, bank loans and facilities.

At 31 March 2026, the Group had net cash of £29.0m (2025: £43.7m). The Group had total working capital facilities available of £246.8m (2025: £245.6m) with a number of major UK and overseas banks, of which £240m (2025: £240m) were committed facilities. The Group had drawn £111.9m against total facilities at 31 March 2026 (2025: £139.3m). In addition, the Group has an £80m accordion facility that it can use to extend the total facility up to £320m. The syndicated facility is available both for acquisitions and for working capital purposes. The facilities are subject to certain financial covenants, which had significant headroom at 31 March 2026.

Management of capital

The Group's objective when managing capital is to safeguard its ability to continue as a going concern and to maintain robust capital ratios to support the development of the business with a view to providing strong returns to Shareholders. In order to maintain or adjust the capital structure, the Group increases bank borrowings, issues new shares or changes the amount of dividends paid to Shareholders. In respect of this objective, the Group had a target gearing range last year of between 1.5x and 2.0x. During this year, as part of the Group's banking facility extension, the associated gearing covenant was increased from 3.0x to 3.5x. This provides us with additional flexibility to operate temporarily our gearing range above 2.0x to optimise execution of our acquisition pipeline. Proforma gearing at 31 March 2026 (assuming the acquisitions of Trival and 3G had been completed before the year-end) was 2.2x and this is expected to reduce to 1.8x by the end of the year ending 31 March 2027.

The capital structure of the Group consists of debt, which includes the borrowings disclosed in note 22, cash and cash equivalents in note 21 and equity attributable to Shareholders.

27. Financial assets and liabilities

Fair values

The Group's principal non-derivative financial instruments comprise bank loans and overdrafts, cash and short-term borrowings. The Group also holds other financial instruments such as trade receivables and trade payables that arise directly from the Group's trading operations.

Derivative financial instruments are represented by short-term foreign currency forward contracts placed by the Group with external banks as part of the Group's cash management and foreign currency risk management activities. The fair value of derivative foreign exchange instruments is determined on initial recognition at forward market exchange rates at inception of the contract and subsequently remeasured based on forward market exchange rates at the balance sheet date. As at 31 March 2026, the gross value of these contracts was £29.6m, mainly in Euro and US Dollar (2025: £31.9m). The fair value of these derivatives included within trade and other receivables was an asset of £0.2m (2025: £nil) and included within trade and other payables was a liability of £0.2m (2025: £0.2m).

The carrying values of the Group's trade and other receivables and trade and other payables are disclosed in notes 20 and 28. The carrying value of these items approximates book value due to the short maturity of these instruments.

The carrying values of the Group's other financial assets and financial liabilities are set out below by category. Carrying values for all financial assets and liabilities are equivalent to fair values.

	Carrying amount 2026 £m	Fair value 2026 £m	Carrying amount 2025 £m	Fair value 2025 £m
Financial assets at amortised cost				
Cash at bank and in hand	125.3	125.3	139.3	139.3
Deferred consideration	–	–	0.3	0.3
Financial liabilities at amortised cost				
Bank overdrafts and short-term borrowings	(96.3)	(96.3)	(95.6)	(95.6)
Non-current interest-bearing loans and borrowings:				
Floating rate borrowings	(109.5)	(109.5)	(138.0)	(138.0)
Lease liabilities	(34.0)	(34.0)	(27.4)	(27.4)
Financial liabilities at fair value through profit and loss ("FVTPL")				
Contingent consideration	(3.0)	(3.0)	(9.3)	(9.3)

The methods and assumptions used to determine the fair value of financial assets and liabilities are set out below.

All material changes in fair value of financial instruments as at the balance sheet date have been recognised in the consolidated Statement of Profit or Loss. Impairment reviews did not identify any material impairment of financial assets from carrying values as reported at the balance sheet date and, as such, no material impairments are included in the consolidated Statement of Profit or Loss.

Fair value methods and assumptions

Forward foreign exchange contracts ("forwards") – the fair value of forward foreign currency contracts is determined with reference to observable yield curves and foreign exchange rates at the reporting date. The FX contracts outstanding with banks at the year-end had a maturity of one year or less.

Loans and borrowings – the fair value of loans and borrowings has been calculated by discounting future cash flows, where material, at prevailing market interest rates.

Fair value hierarchy

For financial assets and financial liabilities measured at fair value, as set out in the tables above, the fair value measurement techniques are based upon applying unadjusted, quoted market rates or prices or inputs other than quoted prices that are observable for the assets or liabilities either directly or indirectly.

IFRS 13 Fair Value Measurement requires financial instruments measured at fair value to be analysed into a fair value hierarchy based upon the valuation technique used to determine fair value. The highest level in this hierarchy is Level 3 within which inputs that are not based on observable market data for the asset or liability are applied.

The valuation techniques used by the Group for the measurement of derivative financial instruments, loans and deferred consideration are considered to be within Level 2, which includes inputs other than quoted prices included within Level 1 that are observable either directly or indirectly.

NOTES TO THE GROUP CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 31 MARCH 2026

27. Financial assets and liabilities continued

Contingent consideration is included in Level 3 of the fair value hierarchy. The fair value is determined considering the expected payment, discounted to present value using a risk-adjusted discount rate. The expected payment is determined separately in respect of each individual earn-out agreement, taking into consideration the expected level of profitability of each acquisition. The unobservable inputs are the projected forecast measures that are assessed on an annual basis. Changes in the fair value of contingent consideration relating to updated projected forecast performance measures are recognised in the consolidated Statement of Profit or Loss in the period that the change occurs.

Reconciliation of Level 3 fair value of contingent consideration payable on acquisitions:

	2026 £m	2025 £m
At 1 April	9.3	6.7
Contingent consideration arising from current year acquisitions payable in future years	2.2	6.7
Contingent consideration paid in the current year relating to previous years' acquisitions	(2.8)	(2.3)
Costs (credited)/charged to the consolidated Statement of Profit or Loss:		
Subsequent adjustments on acquisitions	(5.8)	(1.7)
Exchange difference	0.1	(0.1)
At 31 March	3.0	9.3

Subsequent adjustments on acquisitions of £5.8m credit (2025: £1.7m credit) and exchange differences of £0.1m loss (2025: £0.1m credit) are included within operating costs.

For the year ended 31 March 2026, contingent consideration is not materially sensitive to forecast operating profits of the relevant acquired businesses. At 31 March 2026, the estimated fair value of contingent consideration payable on acquisitions would increase by £nil (2025: £5.0m) if projected forecast profits were higher by c.20% and decrease by £nil (2025: £5.7m) if projected forecast profits were lower by c.20%.

28. Trade and other payables

Current

	2026 £m	2025 £m
Trade payables	49.4	42.3
Other payables	29.0	26.7
Accrued expenses and contract liabilities	13.5	12.1
	91.9	81.1

Trade payables are non-interest-bearing and are settled in accordance with credit terms. Other payables and accrued expenses are non-interest-bearing and are settled throughout the year. Included in current year other payables is contingent consideration of £2.6m relating to acquisitions in the current and prior years (2025: £3.1m), employee-related payable of £15.3m (2025: £13.5m), VAT payable of £4.3m (2025: £4.2m), a total of £3.4m of customers' deposits (2025: £3.5m) and £3.4m of other payables (2025: £2.4m).

Contract liabilities relate to contracts with customers, recognised and measured in accordance with the requirements of IFRS 15, and relate to either advance payments received for goods to be delivered in the future or amounts invoiced in respect of performance obligations which are not yet satisfied in full and due to be satisfied within a period of 12 months from the reporting date.

Contract liabilities as at 31 March 2026 amounted to £1.7m (2025: £1.7m). Revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the period amounted to £1.3m (2025: £1.3m).

Certain businesses in the Group participate in supply chain finance arrangements whereby suppliers may elect to receive early payment of their invoices from a bank by factoring their receivable from discoverIE entities. Under this arrangement, the payment term of invoices can be extended by 30–45 days from the original invoice due date, which impacts the timing of payment but does not alter the value of the recognised liability. Included within trade payables is £2.0m (2025: £2.1m) subject to such an arrangement.

28. Trade and other payables continued

Non-current

	2026 £m	2025 £m
Other payables	0.5	6.2

Included in non-current trade and other payables is contingent consideration of £0.4m relating to acquisitions in the current and prior years (2025: £6.2m).

29. Share capital and Share Premium

Allotted, called-up and fully paid	2026 Number	2026 £m	2025 Number	2025 £m
Ordinary shares of 5p each	97,356,109	4.9	96,356,109	4.8

During the year to 31 March 2026, 1,000,000 shares of 5p each were issued to the Group's Employee Benefit Trust (2025: nil). At 31 March 2026 the Trust held 1,229,297 shares (2025: 299,219). During the year to 31 March 2026, employees exercised 69,922 share options under the terms of the various share option schemes (2025: 115,381).

During the year to 31 March 2026, a number of share options were exercised by employees under the CSOP scheme (note 30). £0.1m related to the exercise price paid by the employees to the Company was posted to the Share Premium account.

30. Share-based payment plans

The Group operates various share-based payment plans. The various schemes are explained below and have been separated into two separate disclosures. The charge to the consolidated Statement of Profit or Loss in respect of each of these schemes is:

	2026 £m	2025 £m
a) discoverIE Group plc long-term incentive plan ("the LTIP")	1.4	2.0
b) Deferred Share Bonus Plan ("DSBP")	-	-
c) Approved and unapproved executive share option schemes ("CSOP")	-	-
	1.4	2.0

a) The LTIP

The LTIP involves a conditional award of shares on a grant of a nil-cost option. The award of shares to Executive Directors and senior management is recommended by the Remuneration Committee on the basis of various factors such as their contribution to the Group's success. The LTIPs are equity-settled and there are no cash-settled alternatives. The vesting of an award is dependent on the individual's continued employment for a three-year period from the date of grant and the satisfaction by the Company of certain performance conditions. For Executive Directors and certain senior management, the exercise of the awards is also subject to a two-year holding period from the date of vesting.

For awards made in the year ended 31 March 2026, the performance conditions are as follows:

LTIPs for Executive Directors and certain senior management:

- 50% of the award is based on the Company's comparative total shareholder return ("TSR") against a comparator group made up of the constituents of the FTSE250 Index; and
- 50% of the award is based on the Company's absolute earnings per share ("EPS") performance.

LTIPs for certain operational management:

- 75% of the award is based on local earnings targets; and
- 25% of the award is based on the Company's EPS performance.

LTIPs for certain other employees:

- 100% of the award has no performance conditions.

NOTES TO THE GROUP CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 31 MARCH 2026

30. Share-based payment plans continued

b) DSBP

In accordance with the Remuneration Policy, 20% of the bonus awarded to Executive Directors for FY2025/26 was deferred and provided in the form of LTIPs with no performance conditions.

Awards are valued using the Monte Carlo model and Black-Scholes model. No non-market performance conditions were included in the fair value calculations. The fair value per award granted and the assumptions used in the calculation are as follows:

Awards granted in the year ended 31 March 2026:

Grant date	11 June 2025 TSR	11 June 2025 EPS	11 June 2025 EPS/Local	11 June 2025 No performance conditions
Share price at grant date	£6.71	£6.71	£6.71	£6.71
Exercise price	nil	nil	nil	nil
Number of employees	13	13	32	12
Shares under option	272,869	272,869	197,965	43,611
Vesting period (years)	3	3	3	3
Expected volatility	36.95%	36.95%	36.95%	36.95%
Option life (years)	10	10	10	10
Expected life (years)	5	5	5	5
Risk-free rate of return	3.92%	3.92%	3.92%	3.92%
Expected dividend yield	nil	nil	nil	nil
Fair value ¹	£4.45	£6.71	£6.71	£6.71

¹ The TSR and EPS FV for the two Executive Directors where the holding period is applicable are £4.11 and £6.19, respectively.

Awards granted in the year ended 31 March 2025:

Grant date	12 June 2024 TSR	12 June 2024 EPS	12 June 2024 ESG	12 June 2024 EPS/Local
Share price at grant date	£7.17	£7.17	£7.17	£7.17
Exercise price	nil	nil	nil	nil
Number of employees	15	15	15	36
Shares under option	235,229	235,229	52,273	178,744
Vesting period (years)	3	3	3	3
Expected volatility	39.36%	39.36%	39.36%	39.36%
Option life (years)	10	10	10	10
Expected life (years)	5	5	5	5
Risk-free rate of return	4.37%	4.37%	4.37%	4.37%
Expected dividend yield	nil	nil	nil	nil
Fair value	£3.81	£6.56	£6.56	£6.72

The expected volatility is based on historical volatility over the period of time commensurate with the expected term immediately prior to the date of grant. The expected life is the average expected period to exercise. The risk-free rate of return used in the valuation is the rate of interest obtainable from government securities over a period commensurate with the expected term of the equity incentive.

The total charge for the year relating to the LTIP and DSBP schemes was £1.4m (2025: £2.0m).

30. Share-based payment plans continued

Outstanding LTIP and DSBP

A summary of the awards that have been granted under the LTIP and DSBP and remain outstanding is given below:

At 31 March 2026

Outstanding at 1 April 2025	Granted during the year	Forfeited during the year	Exercised during the year	Outstanding at 31 March 2026	Exercise dates
452,990	–	–	(13,710)	439,280	2023–2027
312,508	–	–	–	312,508	2023–2028
510,654	–	–	(8,175)	502,479	2024–2029
503,030	–	–	(37,387)	465,643	2025–2030
286,124	–	–	(741)	285,383	2026–2031
560,455	–	(368,299)	(719)	191,437	2027–2032
477,633	–	(19,081)	–	458,552	2028–2033
701,475	–	(36,548)	–	664,927	2029–2034
–	787,314	(37,977)	–	749,337	2030–2035
3,804,869	787,314	(461,905)	(60,732)	4,069,546	

At 31 March 2025

Outstanding at 1 April 2024	Granted during the year	Forfeited during the year	Exercised during the year	Outstanding at 31 March 2025	Exercise dates
5,500	–	–	(5,500)	–	2022–2026
452,990	–	–	–	452,990	2023–2027
312,508	–	–	–	312,508	2023–2028
614,531	–	–	(103,877)	510,654	2024–2029
506,328	–	(2,619)	(679)	503,030	2025–2030
358,925	–	(72,456)	(345)	286,124	2026–2031
574,015	–	(13,560)	–	560,455	2027–2032
488,500	–	(10,867)	–	477,633	2028–2033
–	701,475	–	–	701,475	2029–2034
3,313,297	701,475	(99,502)	(110,401)	3,804,869	

The weighted average remaining contractual life for the share options outstanding at 31 March 2026 is 5.5 years (2025: 5.9 years) and the weighted average share price for the exercises during the year ended 31 March 2026 was £6.53 (2025: £6.85).

The range of exercise prices for options outstanding at the end of the year was £nil (2025: £nil).

c) CSOP

The Group operates an approved and an unapproved executive share option scheme, the rules of which are similar in all material respects. The grant of options to senior management is recommended by the Remuneration Committee on the basis of their contribution to the Group's success. The options vest after three years. The exercise price of the options is equal to the closing mid-market price of the shares on the trading day prior to the date of the grant. Exercise of all options is subject to continued employment. The life of each option granted is ten years. There are no cash settlement alternatives. Options are valued using the Black-Scholes model. No non-market performance conditions were included in the fair value calculations.

No options under the approved and unapproved executive share option scheme were granted during the year ended 31 March 2026.

The expected volatility is based on historical volatility over the period of time commensurate with the expected term immediately prior to the date of grant. The expected life is the average expected period to exercise. The risk-free rate of return used in the valuation is the rate of interest obtainable from government securities over a period commensurate with the expected term of the equity incentive.

The total charge for the year relating to the approved and unapproved share option schemes was £30,000 (2025: £35,000).

NOTES TO THE GROUP CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 31 MARCH 2026

30. Share-based payment plans continued

Outstanding share options under the executive share option schemes

A summary of the options over ordinary shares that have been granted under the approved and unapproved executive share option schemes and remain outstanding is given below:

At 31 March 2026

Outstanding at 1 April 2025	Granted during the year	Forfeited during the year	Exercised during the year	Outstanding at 31 March 2026	Exercise price (pence)	Exercise dates
6,144	–	–	(6,144)	–	421.17	2022–2029
6,582	–	–	–	6,582	603.60	2023–2030
5,183	–	–	–	5,183	803.00	2024–2031
8,381	–	–	–	8,381	686.80	2025–2032
12,204	–	–	–	12,204	918.00	2026–2033
20,555	–	(967)	–	19,588	724.00	2027–2034
59,049	–	(967)	(6,144)	51,938		

At 31 March 2025

Outstanding at 1 April 2024	Granted during the year	Forfeited during the year	Exercised during the year	Outstanding at 31 March 2025	Exercise price (pence)	Exercise dates
6,144	–	–	–	6,144	421.17	2022–2029
11,374	–	(4,792)	–	6,582	603.60	2023–2030
11,731	–	(6,548)	–	5,183	803.00	2024–2031
13,855	–	(5,474)	–	8,381	686.80	2025–2032
17,882	–	(5,678)	–	12,204	918.00	2026–2033
–	28,285	(7,730)	–	20,555	724.00	2027–2034
60,986	28,285	(30,222)	–	59,049		

Changes in share options

A reconciliation of option movements over the year to 31 March 2026 is shown below:

	2026		2025	
	Number	Weighted average exercise price	Number	Weighted average exercise price
Outstanding at 1 April	59,049	£7.21	60,986	£7.35
Granted	–	–	28,285	£7.24
Exercised	(6,144)	£4.21	–	–
Forfeited	(967)	£7.24	(30,222)	£7.52
Outstanding at 31 March	51,938	£7.56	59,049	£7.21
Exercisable at 31 March	20,146	£6.90	29,249	£5.99

The weighted average remaining contractual life for the share options outstanding at 31 March 2026 is 6.9 years (2025: 7.5 years).

The range of exercise prices for options outstanding at the end of the year was £6.03 to £9.18 (2025: £4.21 to £9.18).

31. Pension

Defined contribution schemes

The Group makes payments to various defined contribution pension schemes, the assets of which are held in separately administered funds. In the United Kingdom, the main scheme is the discoverIE Group plc Employee Pension Scheme ("the discoverIE scheme"). Contributions by both employees and Group companies are held in externally invested trustee-administered funds.

The Group contributes a specified percentage of earnings for members of the discoverIE scheme and, thereafter, has no further obligations in relation to the discoverIE scheme. At 31 March 2026, 94 employees were active members of the discoverIE scheme (2025: 99). The total cost charged to the consolidated Statement of Profit or Loss in relation to the UK-based discoverIE scheme was £487,000 (2025: £491,000). Employer contributions in respect of other UK-based schemes and overseas pension schemes were £849,000 (2025: £906,000) and £2,383,000 (2025: £2,673,000) respectively. Total contributions payable in the next financial year are expected to be at rates broadly similar to those in FY 2025/26 but based on actual salary levels in FY 2026/27.

Defined benefit schemes

The acquisition of the Sedgemoor Group in June 1999 brought with it certain defined benefit pension schemes, together "the Sedgemoor Scheme". The Sedgemoor Scheme is funded by the Group, provides retirement benefits based on final pensionable salary and its assets are held in a separate trustee-administered fund.

Following the acquisition of the Sedgemoor Group, the Sedgemoor Scheme was closed to new members. Shortly thereafter, employees were given the opportunity to join the discoverIE scheme and future service benefits ceased to accrue to members under the Sedgemoor Scheme.

Contributions to the Sedgemoor Scheme are determined in accordance with the advice of independent, professionally qualified actuaries and are set based upon funding valuations carried out every three years.

On 21 January 2025, the Trustee entered into a bulk annuity "buy-in" policy with an insurance company. This policy covers all known current members of the Scheme and its fair value matches the present value of the benefits insured. The Group paid cash contributions to the Scheme of £0.9m over the year to March 2026, of which £0.3m was paid from the escrow account. This is to support the expenses of running the Scheme and payments required to members related to the data cleanse.

As part of the buy-in process, the Trustee is carrying out a data cleanse. At the end of the process, a true-up premium or refund to the Company will be calculated by the insurer to cover any changes in data and benefits relative to those currently insured.

Other than the Trustee bank account, the buy-in policy is the only asset now held by the Trustee as part of the Scheme's investment strategy. Under the terms of the policy, the Trustee will receive income equal to the pension benefits that have been insured. This largely removes exposure to the Group from pension scheme investment, inflation and longevity risks. Residual differences between the benefits currently insured under the buy-in policy and those paid out by the Fund are allowed for within the IAS19 figures.

For the year ended 31 March 2026, a total of £0.4m (2025: £0.8m) was paid into the escrow account and £0.6m was paid directly into the Scheme (2025: £1.5m). The estimated amount of employer contribution expected to be paid to the Sedgemoor Scheme over the year to 31 March 2027 is £0.8m, of which £0.4m is to be paid into escrow.

The main actuarial assumptions used are set out as follows:

	2026	2025
Rate of increase of pensions in payment	2.5%	2.4%
Discount rate	5.9%	5.6%
Inflation assumption – RPI	3.6%	3.3%
Inflation assumption – CPI ¹	2.5%	2.2%

¹ 3.5% from 2030.

The discount rate is based on the yields on AA-grade Sterling corporate bonds at the reporting date.

Pensioner mortality assumptions are based on 110% of the rates in the "S4NA" table, projected from 2013 and with long-term improvement rates in line with CMI 2023 projections based on each member's actual date of birth with a long-term annual rate of improvement of 1.25% p.a. These projections are the "core" projections released by the CMI, other than allowing for a 20% weighting of 2022 and 2023 mortality data reflecting our best estimate of the impact on long-term mortality trends.

The weighted average duration of the defined benefit obligation at 31 March 2026 was 9 years (2025: 9 years).

NOTES TO THE GROUP CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 31 MARCH 2026

31. Pension continued

The Directors consider that were a pension asset to be realised in respect of this Scheme after all member benefits have been paid and after the Scheme is wound up, this would be fully recoverable by the Group in line with the rules of the Scheme.

The charges recognised in the consolidated Statement of Profit or Loss in respect of defined benefit schemes are as follows:

	2026 £m	2025 £m
Pension charge (recognised in operating costs)	0.9	0.7

Past service cost

The charges recognised in the consolidated Statement of Comprehensive Income are as follows:

	2026 £m	2025 £m
Remeasurement (losses)/gains:		
Return on plan assets (excluding amounts included in net interest expense)	(0.2)	(7.6)
Actuarial changes arising from changes in actuarial assumptions	0.5	2.9
Actuarial gain/(loss) recorded in the consolidated Statement of Comprehensive Income	0.3	(4.7)

There was £0.1m (2025: £nil) additional actuarial gain relating to the unfunded retirement and leaving indemnity schemes (note 25) recorded in the consolidated Statement of Comprehensive Income.

The fair value of assets and expected rates of return used to determine the amounts recognised in the consolidated Statement of Financial Position are as follows:

	2026 £m	2025 £m
Cash	0.1	0.2
Accruals for payment	(0.3)	–
Bulk annuity policy	22.0	23.3
Fair value of scheme assets	21.8	23.5
Present value of funded defined benefit obligations	(22.0)	(24.0)
Liability recognised in the consolidated Statement of Financial Position	(0.2)	(0.5)

Over the year to 31 March 2026, the deficit reduced from £0.5m to £0.2m. The movement related to pension administration costs of £1.1m (2025: £0.7m), offset by past service credit of £0.2m, actuarial gain of £0.3m (2025: £4.7m loss) recognised in the consolidated Statement of Comprehensive Income and employer contributions to the Scheme of £0.9m (2025: £4.5m).

Changes in the present value of the defined benefit obligation are as follows:

	2026 £m	2025 £m
Opening defined benefit obligations	24.0	27.8
Net interest cost	1.3	1.3
Actuarial gains due to:		
Experience on benefit obligation	(0.2)	(0.7)
Changes in financial assumptions	(0.3)	(1.9)
Changes in demographic assumptions	–	(0.4)
Benefit payments	(2.6)	(2.1)
Past service credit	(0.2)	–
Closing defined benefit obligations	22.0	24.0

Changes in the fair value of the scheme assets are as follows:

31. Pension continued

	2026 £m	2025 £m
Opening fair value of scheme assets	23.5	28.1
Interest on scheme assets	1.3	1.3
Actual return on plan assets less interest on plan assets	(0.2)	(7.6)
Pension administration costs	(1.1)	(0.7)
Contributions	0.9	4.5
Benefit payments	(2.6)	(2.1)
Closing fair value of scheme assets	21.8	23.5

Sensitivities

The sensitivity of the 2026 pension liabilities to changes in assumptions are as follows:

Assumption	Change in assumption	Increase in scheme deficit £m
Discount rate	Decrease by 0.5%	1.0
Inflation	Increase by 0.5%	0.3
Life expectancy	Increase by 1 year	1.0

Following the buy-in, any such changes above would result in a corresponding change in the asset and no net impact on the balance sheet position.

32. Auditors' remuneration

During the year the Group paid fees for the following services from the auditors:

	2026 £m	2025 £m
Auditors' remuneration:		
Audit of the Group Financial Statements (including the Company)	0.7	0.7
Audit of local subsidiary Financial Statements	0.9	0.8
Total audit fees	1.6	1.5
Audit-related assurance services:		
Review of the half-year interim statement	-	0.1
Total audit and non-audit fees	1.6	1.6

The fee for non-audit services was £6,500 (2025: £83,500), of which £nil (2025: £80,000) relates to interim review and £6,500 (2025: £3,500) relates to reporting required by regulators in overseas countries.

NOTES TO THE GROUP CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 31 MARCH 2026

33. Related party disclosures

As at 31 March 2026 the Group's subsidiaries are set out below. Unless otherwise stated, the Group holds (directly or indirectly) 100% of the total voting rights of all subsidiaries.

Except where noted, all material subsidiaries have a 31 March year-end and the shares carry the same voting rights as their effective interest.

UK-registered subsidiaries that qualify to take the statutory audit exemption as set out within Section 479A of the Companies Act 2006 for the year ended 31 March 2026 are listed below. discoverIE Group plc will guarantee the debts and liabilities of those companies at the balance sheet date in accordance with Section 479C of the Companies Act 2006.

Audit exempt entities within Section 479A of Companies Act 2006

Name	Company Number
2J Antennas UK Limited	08356756
Antenova Limited	03835617
CDT 123 Limited	09637514
Contour Electronics Limited	02773976
Contour Holdings Limited	06846542
Cursor Controls Holdings Limited	09472278
Cursor Controls Limited	04105605
CustomDesignTechnologies Limited	02081576
discoverIE Electronics Limited	06556285
discoverIE Holdings Limited	01618416
discoverIE Management Services Limited	02036196
discoverIE Nordic Holdings Limited	09056483
Herga Technology Limited	00533707
Hivolt Capacitors Limited	N1029851
Keymat Technology Limited	01981733
Noratel UK Limited	04136659
Santon Switchgear Limited	03207845
Sens-Tech Limited	00668759
Silver Telecom Limited	03434576
SLV Holdings Limited	09943868
Stortech Electronics Limited	02217300
Variohm Holdings Limited	05783452
Variohm-Eurosensor Limited	02736925
Vertec Scientific Limited	01677833
Xi-Tech Limited	07068708

With the exception of Hivolt Capacitors Limited, the country of incorporation and registration for the entities above is England and Wales and the registered address is 2 Chancellor Court, Occam Road, Surrey Research Park, Guildford, Surrey, GU2 7AH. The country of incorporation and registration for Hivolt Capacitors Limited is Northern Ireland, and the registered address is Maydown Industrial Estate, Derry, BT47 6UQ.

33. Related party disclosures continued

Name and nature of business	Registered address	Country of incorporation and registration
Management Services - Head Office		
discoverIE Management Services Limited	2 Chancellor Court, Occam Road, Surrey Research Park, Guildford, Surrey, GU2 7AH	England & Wales
Operating Companies		
2J Antennas s.r.o	Štefánikova 61, 085 01 Bardejov	Slovakia
2J Antennas UK Limited	2 Chancellor Court, Occam Road, Surrey Research Park, Guildford, Surrey, GU2 7AH	England & Wales
2J Antennas USA Corporation	2020 W Guadalupe Rd, Suite 8, Gilbert, Arizona, 85233	USA
Antenova Limited	2 Chancellor Court, Occam Road, Surrey Research Park, Guildford, Surrey, GU2 7AH	England & Wales
burster Inc.	850 New Burton Road, Suite 201, Dover, DE 19904	USA
burster präzisionsmesstechnik GmbH & Co KG	Talstraße 1-5, 76593 Gernsbach	Germany
Calculagraph Company (trading as Control Products Inc)	850 New Burton Road, Suite 201, Dover, DE 19904	USA
Coil-Tran de Mexico, S.A. de C. V. ^{1,2}	Calle Matamoros 124, Colonia Centro, Municipio Agualeguas, Nuevo Leon, CP 65800	Mexico
Contour Electronics Asia Limited	Room 601, 6/F Shing Yip Industrial Building, 19-21 Shing Yip Street, Kwun Tong, Kowloon	Hong Kong
Contour Electronics Limited	2 Chancellor Court, Occam Road, Surrey Research Park, Guildford, Surrey, GU2 7AH	England & Wales
Cursor Controls Limited	2 Chancellor Court, Occam Road, Surrey Research Park, Guildford, Surrey, GU2 7AH	England & Wales
CustomDesignTechnologies Limited	2 Chancellor Court, Occam Road, Surrey Research Park, Guildford, Surrey, GU2 7AH	England & Wales
Danselbud Noratel Transformator sp. z o.o.	ul. Szczecinska 1K, Dobra Szczecinska PL-72-003	Poland
Diamond Technologies, Inc.	43 Broad Street, Unit C103, Hudson, MA 01749	USA
EMC Innovation Limited ¹	Woolim Lions Valley B-909 & 910, 283 Bupyeong-daero, Bupyeong-gu, Incheon	South Korea
Flux A/S	Industrivangen 5, 4550 Asnaes	Denmark
Flux International Limited	41/27, 23 Village No. 6, Phuncharoen Lane, Bangna-Trad K.M. 16.5 Road, Bang Chalong Sub-district, Bang Phli District, Samut Prakan Province, 10540	Thailand
Foshan Noratel Electric Co Limited ¹	Building A10-1, Plainvim (Foshan Nanhai) International Intelligent Industrial Park, No.12-1, Huasha Road, Shishan Town, Nanhai District, Foshan City, Guangdong Province	China
Foss Fiber Optics AS	Dansrudveien 45, N-3036 Drammen	Norway
Foss Fibre Optics s.r.o	Odborárska 52, 831 02 Bratislava	Slovakia
Hectronic AB	Åkaregatan 2, 754 54 Uppsala	Sweden
Hivolt Capacitors Limited	Maydown Industrial Estate, Derry, BT47 6UQ	Northern Ireland
Keymat Technology Limited (trading as Storm Interface)	2 Chancellor Court, Occam Road, Surrey Research Park, Guildford, Surrey, GU2 7AH	England & Wales
Limitor GmbH	Dieselstraße 22, 73660 Urbach	Germany
Limitor Hungaria Kft	Pécs, Makay István út 13/b, 7634	Hungary
Limitor Solutions GmbH	Dieselstraße 22, 73660 Urbach	Germany
Logic PD, Inc. (trading as Beacon EmbeddedWorks)	850 New Burton Road, Suite 201, Dover, DE 19904	USA

NOTES TO THE GROUP CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 31 MARCH 2026

33. Related party disclosures continued

Operating Companies

Magnasphere Corporation	850 New Burton Road, Suite 201, Dover, DE 19904	USA
MTC Micro Tech Components GmbH	Josef-Krätz-Straße 13, 89407 Dillingen a.d. Donau	Germany
Myrra Deutschland GmbH	Marie-Curie-Str. 4/1, D – 71083 Herrenberg	Germany
Myrra Hong Kong Limited	42/F Central Plaza, 18 Harbour Road, Wanchai	Hong Kong
Myrra Power sp. z o.o.	ul. Warszawska 1, 05-310 Kaluszyn	Poland
Myrra SAS	2 Boulevard de La Haye, 77600 Bussy-Saint-Georges	France
Noratel AS	Elektroveien 7, 3300 Hokksund	Norway
Noratel Canada Inc	267 Matheson Boulevard East, Unit 2, Mississauga, ON L4Z 1X8	Canada
Noratel Denmark A/S	Metalvej 7F, 4000 Roskilde	Denmark
Noratel Finland Oy	Kiertokatu 5, PB 11, 24280, Salo	Finland
Noratel Germany AG	Elsenthal 53, DE-94481, Grafenau	Germany
Noratel India Power Components Pvt Limited	Nila Technopark, Trivandrum, Kerala, 695581	India
Noratel International (Private) Limited	P.O Box 15, Phase II, KEPZ, Katunayake	Sri Lanka
Noratel sp. z o.o.	ul. Szczecinska 1K, Dobra Szczecinska, PL-72-003	Poland
Noratel Sweden AB	Lars Lindahlsväg 2, Box 108, Laxå 69522	Sweden
Noratel UK Limited	2 Chancellor Court, Occam Road, Surrey Research Park, Guildford, Surrey, GU2 7AH	England & Wales
Noratel US, LLC	850 New Burton Road, Suite 201, Dover, DE 19904	USA
NSI bvba	Kapittelstraat 18, 3740 Bilzen	Belgium
Phoenix America LLC	850 New Burton Road, Suite 201, Dover, DE 19904	USA
Santon GmbH	Oberstrasse 1, Altes Rathaus Hinsbeck, Postfach 5217, 41334 Nettetal	Germany
Santon Holland B.V.	Willem Beukelszstraat 1, 3261 LV Oud-Beijerland	Netherlands
Sens-Tech Limited	2 Chancellor Court, Occam Road, Surrey Research Park, Guildford, Surrey, GU2 7AH	England & Wales
Shape LLC	850 New Burton Road, Suite 201, Dover DE 19904	USA
Silver Telecom Limited	2 Chancellor Court, Occam Road, Surrey Research Park, Guildford, Surrey, GU2 7AH	England & Wales
Stortech Electronics Limited	2 Chancellor Court, Occam Road, Surrey Research Park, Guildford, Surrey, GU2 7AH	England & Wales
Variohm-Eurosensor Limited	2 Chancellor Court, Occam Road, Surrey Research Park, Guildford, Surrey, GU2 7AH	England & Wales
Vertec Scientific Limited	2 Chancellor Court, Occam Road, Surrey Research Park, Guildford, Surrey, GU2 7AH	England & Wales
Zhongshan Myrra Electronic Co Limited ¹	39-2 Industrial Road, Xiaolan Industrial Park, Xiaolan Town, 528400, Zhongshan, Guangdong Province	China

¹ Coil-Tran de Mexico SA de C.V., EMC Innovation Co. Limited, Foshan Noratel Electric Co Limited, and Zhongshan Myrra Electronic Co Limited have 31 December year-ends.

² 15% of Coil-Tran de Mexico SA de C.V. is owned by local management.

33. Related party disclosures continued

Holding Companies

Aramys SAS	2 Boulevard de la Haye, Parc Gustave Eiffel, 77600 Bussy-Saint-Georges	France
CDT 123 Limited	2 Chancellor Court, Occam Road, Surrey Research Park, Guildford, Surrey, GU2 7AH	England & Wales
Cursor Controls Holdings Limited	2 Chancellor Court, Occam Road, Surrey Research Park, Guildford, Surrey, GU2 7AH	England & Wales
discoverIE Electronics Limited	2 Chancellor Court, Occam Road, Surrey Research Park, Guildford, Surrey, GU2 7AH	England & Wales
discoverIE Europe Holding B.V.	Willem Beukelszstraat 1, 3261LV Oud-Beijerland	Netherlands
discoverIE France Holdings SAS	2 Boulevard de la Haye, Parc Gustave Eiffel, 77600 Bussy-Saint-Georges	France
discoverIE General Partner GmbH	Talstraße 1-5, 76593 Gernsbach	Germany
discoverIE German Acquisition Company GmbH	Talstraße 1-5, 76593 Gernsbach	Germany
discoverIE German Holdings GmbH	Dieselstraße 22, 73660 Urbach	Germany
discoverIE Holdings Limited	2 Chancellor Court, Occam Road, Surrey Research Park, Guildford, Surrey, GU2 7AH	England & Wales
discoverIE Nordic Holdings Limited	2 Chancellor Court, Occam Road, Surrey Research Park, Guildford, Surrey, GU2 7AH	England & Wales
discoverIE US Holdings Inc.	850 New Burton Road, Suite 201, Dover, DE 19904	USA
Sedgemoor Limited	2 Chancellor Court, Occam Road, Surrey Research Park, Guildford, Surrey, GU2 7AH	England & Wales
SLV Holdings Limited	2 Chancellor Court, Occam Road, Surrey Research Park, Guildford, Surrey, GU2 7AH	England & Wales
Trafo Holding AS	Elektroveien 7, 3300 Hokksund	Norway
Variohm Holdings Limited	2 Chancellor Court, Occam Road, Surrey Research Park, Guildford, Surrey, GU2 7AH	England & Wales
Xi-Tech Limited	2 Chancellor Court, Occam Road, Surrey Research Park, Guildford, Surrey, GU2 7AH	England & Wales

Dormant Companies

Acal Electronics Limited	2 Chancellor Court, Occam Road, Surrey Research Park, Guildford, Surrey, GU2 7AH	England & Wales
ACTECH Holdings Limited	2 Chancellor Court, Occam Road, Surrey Research Park, Guildford, Surrey, GU2 7AH	England & Wales
Advanced Crystal Technology Limited	2 Chancellor Court, Occam Road, Surrey Research Park, Guildford, Surrey, GU2 7AH	England & Wales
Amega Electronics Limited	2 Chancellor Court, Occam Road, Surrey Research Park, Guildford, Surrey, GU2 7AH	England & Wales
Amega Group Limited	2 Chancellor Court, Occam Road, Surrey Research Park, Guildford, Surrey, GU2 7AH	England & Wales
Bosunmark Limited	2 Chancellor Court, Occam Road, Surrey Research Park, Guildford, Surrey, GU2 7AH	England & Wales
Coil-Mag LLC (dba Imag Electronics)	160 South Illinois Street, Hobart, Indiana 46342-4512	USA
Contour Holdings Limited	2 Chancellor Court, Occam Road, Surrey Research Park, Guildford, Surrey, GU2 7AH	England & Wales
Gothic Crellon Limited	2 Chancellor Court, Occam Road, Surrey Research Park, Guildford, Surrey, GU2 7AH	England & Wales
Herga Technology Limited	2 Chancellor Court, Occam Road, Surrey Research Park, Guildford, Surrey, GU2 7AH	England & Wales

NOTES TO THE GROUP CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 31 MARCH 2026

33. Related party disclosures continued

Dormant Companies

Noratel Power Engineering LLC	3780 Kilroy Airport Way, Suite 200, Long Beach, CA 90822	USA
Radiatron Components Limited	2 Chancellor Court, Occam Road, Surrey Research Park, Guildford, Surrey, GU2 7AH	England & Wales
Radiatron Holdings Limited	2 Chancellor Court, Occam Road, Surrey Research Park, Guildford, Surrey, GU2 7AH	England & Wales
Santon Switchgear Limited	2 Chancellor Court, Occam Road, Surrey Research Park, Guildford, Surrey, GU2 7AH	England & Wales
Sedgemoor Group Pension Trustees Limited	2 Chancellor Court, Occam Road, Surrey Research Park, Guildford, Surrey, GU2 7AH	England & Wales
Sedgemoor Group Supplementary Pension Trustees Limited	2 Chancellor Court, Occam Road, Surrey Research Park, Guildford, Surrey, GU2 7AH	England & Wales
Sedgemoor Holdings Limited	2 Chancellor Court, Occam Road, Surrey Research Park, Guildford, Surrey, GU2 7AH	England & Wales
Townsend-Coates Limited	2 Chancellor Court, Occam Road, Surrey Research Park, Guildford, Surrey, GU2 7AH	England & Wales

Related parties

Remuneration of key management personnel

The Group considers key management personnel as defined in IAS 24 Related Party Disclosures to be the members of the Group Management Committee as set out on page 99. Remuneration is set out below in aggregate. The charge for share-based payments of £1.2m (2025: £1.8m) relates to the Group's LTIP as detailed in note 30.

	2026 £m	2025 £m
Short-term employee benefits	4.3	4.6
Pension benefits	0.2	0.2
Share-based payments	1.2	1.8
	5.7	6.6

Terms and conditions of transactions with related parties

All transactions with related parties were on an arm's length basis. Outstanding balances at year-end are unsecured and settlement occurs in cash.

Transactions with other related parties

There were no transactions with Directors (other than the payment of salaries and fees and the provision of employee benefits as outlined in the Remuneration Report) during the year.

34. Exchange rates

The Statement of Profit or Loss of overseas subsidiaries are translated into Sterling at average rates of exchange for the year and the Statements of Financial Position are translated at year-end rates. The main currencies are the US Dollar, the Euro and the Norwegian Krone. Details of the exchange rates used are as follows:

	Year to 31 March 2026		Year to 31 March 2025	
	Closing rate	Average rate	Closing rate	Average rate
US Dollar	1.3242	1.3400	1.2947	1.2754
Euro	1.1516	1.1562	1.1971	1.1883
Norwegian Krone	12.9127	13.4760	13.6624	13.8861

35. Events after the reporting date

There were no matters arising, between the balance sheet date and the date on which these Financial Statements were approved by the Board of Directors, requiring adjustment in accordance with IAS 10 Events after the Reporting Period. The following important non-adjusting events should be noted:

Dividends

A final dividend of 8.95p per share (2025: 8.60p), amounting to a dividend of £8.6m (2025: £8.3m) and bringing the total dividend for the year to 13.0p (2025: 12.50p), was declared by the Board on 2 June 2026. The Group Financial Statements do not reflect this dividend.

Acquisition of Trival Antene d.o.o (“Trival”)

On 1 April 2026, following receipt of regulatory approvals, the Group completed the acquisition of Trival Antene d.o.o (“Trival”), a Slovenian-based designer and manufacturer of communication antennae and masts for defence applications, for an initial cash consideration of €45.5m (£39.9m) on a debt free, cash free basis, before expenses. In addition, deferred consideration of up to €1.65m (£1.45m) will be payable subject to certain conditions twelve months from completion and an earn-out of up to €5.5m (£4.8m) will be payable subject to Trival achieving certain growth and performance conditions in the period up to 31 March 2028.

Due to the timing of acquisition completion, and its proximity to the results announcement, the assessment of the fair value of identifiable assets and liabilities is not yet finalised and is not disclosed.

Acquisition of 3Gmetalworx (“3G”)

On 19 May 2026, the Group announced the acquisition, subject to regulatory approval, of 90% of 3Gmetalworx (“3G”), a North American designer and manufacturer of electromagnetic shielding and thermal management products, for a cash consideration of \$67.5m (£49.6m) on a debt free, cash free basis. Ongoing management will continue to hold 10% of 3G. These management shares will be subject to a put / call option exercisable between the third and fifth anniversary of the date of completion. Once exercised, the Group will own 100% of the business.

COMPANY STATEMENT OF FINANCIAL POSITION

FOR THE YEAR ENDED 31 MARCH 2026

	Notes	2026 £m	2025 £m
Non-current assets			
Investments	5	192.7	191.3
Deferred tax assets	6	1.0	0.8
Debtors	6	90.5	88.7
		284.2	280.8
Current assets			
Debtors	6	3.2	4.1
Cash at bank and in hand		48.9	55.8
		52.1	59.9
Total assets		336.3	340.7
Current liabilities			
Creditors: amounts falling due within one year	7	(44.2)	(48.5)
		(44.2)	(48.5)
Total liabilities		(44.2)	(48.5)
Net assets		292.1	292.2
Capital and reserves			
Called-up share capital	8	4.9	4.8
Share premium account		192.1	192.0
Merger reserve		2.9	2.9
Profit and loss account		92.2	92.5
Total Shareholders' funds		292.1	292.2

The profit of the Company for the financial year ended 31 March 2026 was £10.6m (2025: £15.4m).

These Financial Statements on pages 206 to 209 were approved by the Board of Directors on 2 June 2026 and signed on its behalf by:

Nick Jefferies
Group Chief Executive

Simon Gibbins
Group Finance Director

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2026

	Share capital £m	Share premium £m	Merger reserve £m	Profit and loss account £m	Total £m
At 1 April 2024	4.8	192.0	2.9	86.8	286.5
Profit for the year	–	–	–	15.4	15.4
Share-based payments	–	–	–	2.0	2.0
Dividends	–	–	–	(11.7)	(11.7)
At 31 March 2025	4.8	192.0	2.9	92.5	292.2
Profit for the year	–	–	–	10.6	10.6
Shares issued	0.1	0.1	–	–	0.2
Share-based payments including tax	–	–	–	1.3	1.3
Dividends ¹	–	–	–	(12.2)	(12.2)
At 31 March 2026	4.9	192.1	2.9	92.2	292.1

¹ Refer to note 12 of the consolidated Financial Statements.

At 31 March 2026, an amount of £65.3m (2025: £66.9m) out of the total £92.2m (2025: £92.5m) in the profit and loss account is available for distribution, subject to filing these Financial Statements with Companies House. When making a distribution to Shareholders, the Directors determine profits available for distribution by reference to guidance on realised and distributable profits under the Companies Act 2006 issued by the Institute of Chartered Accountants in England and Wales and the Institute of Chartered Accountants of Scotland in April 2017. The profits of the Company have been received in the form of dividends from subsidiary companies which have been paid to the Company in cash. The availability of distributable reserves in the Company is dependent on dividends received from subsidiary companies meeting the definition of qualifying consideration within the guidance referred to above, and on the available cash resources of the Group and other accessible sources of funds. The level of distributable reserves is subject to any future restrictions or limitations at the time such distribution is made.

NOTES TO THE COMPANY FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 31 MARCH 2026

1. Basis of preparation

The separate Financial Statements of the Company have been prepared for all periods presented, in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101") and in accordance with the Companies Act 2006. These Financial Statements are prepared on the going concern basis and under the historical cost convention modified for fair values, as described in note 2 to the consolidated Financial Statements.

2. Summary of material accounting policies

The summary of material accounting policies for the Company is described in note 2 to the consolidated Financial Statements.

There are no judgements, assumptions and estimation uncertainties as at 31 March 2026 that could result in a material adjustment to the carrying amount of the Company's assets and liabilities in the next financial year.

3. Profit of the Company

The profit of the Company for the financial year was £10.6m (2025: £15.4m). Dividend income received from subsidiary undertakings amounted to £18.6m (2025: £24.9m). By virtue of section 408(3) of the Companies Act 2006, the Company is exempt from presenting a separate Statement of Profit or Loss.

4. Employees

The Directors also provide services to other Group undertakings and received remuneration from a subsidiary Group undertaking, discoverIE Management Services Limited, in respect of services to the Group. Directors' emoluments are disclosed in note 8 to the consolidated Financial Statements.

5. Investments

	Subsidiary undertakings £m
At 1 April 2024	189.3
Share-based payments	2.0
At 31 March 2025	191.3
Share-based payments	1.4
At 31 March 2026	192.7

Details of all direct and indirect holdings in subsidiaries are provided in note 33 of the consolidated Financial Statements.

Equity investments in subsidiary undertakings are reviewed annually for indicators of impairment of the carrying value, measured at cost less accumulated impairment losses. Where the net assets of a subsidiary fall below the carrying amount of the investment, an impairment test is performed. The impairment test compares the carrying amount to the estimated recoverable amount, calculated based on value in use of the forecast business cash flows, discounted at the Company's pre-tax discount rate.

6. Debtors

	2026 £m	2025 £m
Amounts falling due within one year:		
Corporation tax	1.3	2.0
Other debtors	1.8	2.0
Prepayments	0.1	0.1
	3.2	4.1
Amounts falling due over one year:		
Other debtors	1.8	–
Amounts owed by subsidiary undertakings	88.7	88.7
	90.5	88.7

Amounts owed by subsidiary undertakings bore interest at a Sterling base rate plus a margin of 1.75% (2025: 1.75%). All amounts are repayable on demand. There are no material expected credit losses recognised for these receivables.

6. Debtors continued

At 31 March 2026, the Company has recognised a deferred tax asset of £1.0m (2025: £0.8m) in respect of losses. Deferred tax assets are recognised to the extent that there are sufficient forecast future taxable profits against which the Company's losses can be offset. At 31 March 2026, the Company had not recognised a deferred tax asset in respect of tax losses of £2.1m (2025: £2.1m).

7. Creditors: amounts falling due within one year

	2026 £m	2025 £m
Bank loans and overdrafts	20.6	6.3
Amounts owed to subsidiary undertakings	20.7	40.2
Other payables	0.7	0.7
Accruals	2.2	1.3
	44.2	48.5

Amounts owed to subsidiary undertakings bore interest at a nil rate (2025: nil rate) and are repayable on demand.

8. Called-up share capital

Allotted, called-up and fully paid	2026 Number	2026 £m	2025 Number	2025 £m
Ordinary shares of 5p each	97,356,109	4.9	96,356,109	4.8

During the year to 31 March 2026, 1,000,000 shares were issued to the Group's Employee Benefit Trust (2025: nil).

At 31 March 2026, there were outstanding options for employees of subsidiaries to purchase up to 4,121,484 (2025: 3,863,918) ordinary shares of 5p each between 2022 and 2035 at prices ranging from £nil per share to £9.18 per share. These are subject to certain performance conditions as disclosed in note 30 of the consolidated Financial Statements. During the year to 31 March 2026, employees exercised 69,922 share options under the terms of the various schemes (2025: 115,381). The shares exercised during the year ended 31 March 2026 were settled by the Trust.

9. Related parties

The Company is exempt under the terms of FRS 101 from disclosing related-party transactions with wholly owned entities that are part of the Group as these transactions are fully eliminated on consolidation.

10. Financial guarantees

The Company has issued corporate guarantees to banks for bank borrowings of its subsidiaries. These guarantees are financial guarantees as they require the Company to reimburse the banks if the subsidiaries fail to make principal or interest payments when due in accordance with the terms of their borrowings. Borrowings by subsidiary undertakings totalling £111.9 (2025: £139.3m) which are included in the Group's borrowings (note 22) have been guaranteed by the Company.

11. Share-based payments

For detailed disclosures of share-based payments granted to the employees of subsidiaries, refer to note 30 of the consolidated Financial Statements.

12. Post balance sheet events

There were no matters arising, between the Statement of Financial Position date and the date on which these Financial Statements were approved by the Board of Directors, requiring adjustment in accordance with IAS 10 Events after the Reporting Period. The following important non-adjusting events should be noted:

Dividends

A final dividend of 8.95p per share (2025: 8.60p), amounting to a dividend of £8.6m (2025: £8.3m) and bringing the total dividend for the year to 13.0p (2025: 12.50p), was declared by the Board on 2 June 2026.

FIVE-YEAR RECORD

	2026 £m	2025 £m	2024 £m	2023 £m	2022 £m
Consolidated Statement of Profit or Loss					
Revenue	443.3	422.9	437.0	448.9	379.2
Adjusted operating profit	61.0	60.5	57.2	51.8	41.4
Adjusted profit before tax	51.9	50.1	48.2	46.3	37.6
Profit before tax	36.1	32.0	22.2	29.1	17.1
Profit for the year	29.0	24.6	15.5	21.3	9.7
Earnings per share					
Adjusted earnings per share	40.3p	38.7p	36.8p	35.2p	29.4p
Diluted earnings per share	29.4p	25.0p	15.8p	21.7p	10.1p
Dividend per share	13.0p	12.5p	12.0p	11.45p	10.8p
Consolidated Statement of Financial Position					
Net debt	(80.5)	(94.3)	(104.0)	(42.7)	(30.2)
Non-current assets	395.1	396.9	381.0	335.9	326.5
Net assets	328.6	308.0	301.6	303.6	290.4

PRINCIPAL LOCATIONS

Group head office

Location	Company	City
United Kingdom	discoverIE Group plc	Guildford
	discoverIE Management Services	Guildford

Operating companies

Location	Company	City
United Kingdom	2J Antennas UK	Waterlooville
	Antenova	Waterlooville
	CDT	Brackley
	Contour Electronics	Hook
	Cursor Controls	Newark
	Heason Technology	Horsham
	Herga Technology	Bury St. Edmunds
	Hivolt Capacitors	Derry
	Noratel UK	Nantwich
	Positek	Cheltenham
	Sens-Tech	Egham
	Silvertel	Newport
	Storm Interface	Langley and Maldon
Belgium	Stortech Electronics	Hook
	Variohm-Eurosensor	Towcester
Canada	Vertec Scientific	Reading
	NSI	Bilzen
Canada	Noratel Canada	Toronto
China Mainland	Antenova China	Shanghai
	Foshan Noratel Electric	Foshan City
	Zhongshan Myrra Electronic	Zhongshan
Denmark	Flux	Asnaes
	Noratel Denmark	Roskilde
Finland	Noratel Finland	Salo
France	Myrra	Bussy St Georges
Germany	Burster	Gernsbach
	Limitor	Urbach
	MTC Micro Tech Components	Dillingen
	Noratel Germany	Bremen and Grafenau
	Variohm-Eurosensor	Heidelberg
Hong Kong	Contour Asia	Kowloon
	Myrra Hong Kong	Wanchai
Hungary	Limitor Hungaria	Pécs
India	Noratel India Power Components	Bangalore and Trivandrum
Mexico	Noratel	Agualeguas and Nogales
Netherlands	Santon	Rotterdam
Norway	Foss	Drammen
	Noratel Norway	Hokksund
Poland	Myrra Poland	Warsaw
	Noratel Poland	Szczecińska
Slovakia	2J Antennas	Bardejov
	Foss Fibre Optics	Bratislava
Slovenia	Trival Antene	Mengeš
South Korea	EMC Innovation	Incheon
Sri Lanka	Noratel International	Katunayake
Sweden	Hectronic	Uppsala
	Noratel Sweden	Laxå and Växjö
Taiwan	Antenova Asia	Taipei
Thailand	Flux International	Samut Prakan
USA	2J Antennas	Gilbert, AZ
	Beacon EmbeddedWorks	Eden Prairie, MN
	Burster	Twinsberg, OH
	Control Products (CPI)	East Hanover, NJ
	Diamond Technologies	Hudson, MA
	Noratel US	Hobart, IN
	Magnasphere	Goshen, IN and Waukesha, WI
	Phoenix America	Fort Wayne, IN
	Shape	Addison, IL

FINANCIAL CALENDAR 2026/27

Annual General Meeting

24 July 2026

Results

Interim results for the six months to 30 September 2026	Early December 2026
Preliminary announcement for the year to 31 March 2027	Early June 2027
Annual Report 2027	Late June 2027

CORPORATE INFORMATION

Registered office

discoverIE Group plc

2 Chancellor Court, Occam Road,
Surrey Research Park, Guildford,
Surrey, GU2 7AH

Telephone: 01483 544500

Incorporated in England and Wales
with registered number: 02008246

Auditors

Deloitte LLP

Corporate solicitors

White & Case LLP

Principal bankers

AIB Group (UK) plc
Clydesdale Bank plc
Citibank NA Inc
Danske Bank A/S
Crédit Industriel et Commercial
London Branch
HSBC Bank UK plc
KBC Bank NV

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BN99 3HH
www.shareview.co.uk

Stockbrokers

Peel Hunt LLP
Investec Bank plc



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