volution

Volution Group plc
Annual Report 2026

Healthy air, sustainably

Strategic Report
01 2026 Highlights
02 Our Business at a Glance
03 Our Products
04 Megatrends
05 Investment Case
06 Our Strategy
07 Our Business Model
08 Chair's Statement
10 Chief Executive Officer's Review
16 In Conversation with our CEO and CFO
18 Financial Review
22 Regional Review – UK
26 Regional Review – Continental Europe
30 Regional Review – Australasia
34 Key Performance Indicators
38 Stakeholder Engagement
42 Section 172 Statement
44 Risk Management and Principal Risks
53 Non-Financial and Sustainability Information Statement
54 Sustainability

Governance Report
79 Chair's Introduction to Governance
82 Compliance with the Code
83 Board Diversity Dashboard
84 Board of Directors
86 Governance Framework
89 Board Engagement
93 Governance Report
99 Nomination Committee Report
102 Audit Committee Report
112 Directors' Remuneration Report
116 Directors' Remuneration Policy
123 Annual Report on Remuneration
133 Directors' Report
136 Directors' Responsibilities Statement

Financial Statements
137 Independent Auditors' Report
144 Consolidated Statement of Comprehensive Income
145 Consolidated Statement of Financial Position
146 Consolidated Statement of Changes in Equity
147 Consolidated Statement of Cash Flows
148 Notes to the Consolidated Financial Statements
179 Parent Company Statement of Financial Position
180 Parent Company Statement of Changes in Equity
181 Parent Company Statement of Cash Flows
182 Notes to the Parent Company Financial Statements

Additional Information
186 ESG Annex
199 Glossary of Technical Terms
200 Shareholder Information

Our purpose is to provide healthy air, sustainably.

Who we are

Volution is a leading international designer and manufacturer of energy efficient ventilation and air quality solutions. The Group consists of more than 30 principal brands and operates across 17 countries, organised into three geographic regions: the UK, Continental Europe and Australasia. Our markets, which span a broad range of residential, commercial and industrial applications, are supported by three primary long-term megatrends: Decarbonisation and Electrification, Health and Air Quality, and Overheating.

Read more about mega trends on page 04

What we do

We believe in the value of being 'pure play' ventilation and air quality specialists. Through our deep knowledge of our markets, our long-term customer relationships and our engineering expertise, we look to bring to market a leading range of product solutions which enhance our customers' air quality, health and comfort whilst optimising energy consumption. Our residential applications address the needs of both new build and refurbishment, whether in houses, apartments, care environments, hotels or elsewhere. Our commercial and industrial solutions cover a breadth of applications including healthcare, schools, offices, car parks, data centres, infrastructure and copper/gold mining.

Read more about our businesses and products on pages 3 and 22 to 33

How we do it

Volution's operating model is built around our values of Customer Excellence, Ownership, Collaboration and Continuous Improvement. We adopt a decentralised, agile, customer-centric, local approach in how we interact with and service our customers. We then overlay this with a co-ordinated and collaborative approach to critical functional capabilities, principally engineering, sourcing and product cross selling, ensuring all of our local brands and customers can benefit from the scale and expertise of the Group.

Read more about our values on page 73

Sustainability highlights

Sales revenue from low-carbon products

72.1%

73.9% organic

(FY25: 71.2%)

Scope 1 & 2 carbon intensity (location)

10.5

tCO_2e/£m revenue

(FY25: 12.0)

Recycled plastic in our products

81.3%

(FY25: 83.9%)

Reportable accident frequency rate

0.29

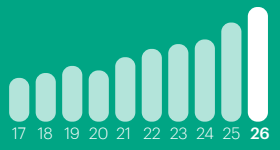
per 100,000 hours worked

(FY25: 0.17)

2026 Highlights
Strong, sustainable compounding growth

Sustained compounding growth

Revenue growth



12.1% Ten-year CAGR

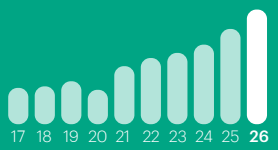
Adjusted basic earnings per share

11.7% Ten-year CAGR

Adjusted operating cash flow

14.6% Ten-year CAGR

Adjusted operating profit



13.2% Ten-year CAGR

Financial highlights

Revenue £m
£484.8m
+13.8% cc[2]

Adjusted operating profit[1] £m
£112.4m
+20.2%

Adjusted profit before tax[1] £m
£99.2m
+18.2%

Adjusted basic earnings per share[1] pence
38.2p
+15.4%

Dividend pence
12.8p
+18.5%

Reported operating profit £m
£95.9m
+42.5%

Reported profit before tax £m
£82.1m
+50.6%

Reported basic earnings per share pence
31.5p
+50.0%

Financial model

Organic revenue growth (cc)[2]
+2.8%

Adjusted operating profit margin[1]
23.2%

Adjusted operating cash conversion[1]
107%

Return On Invested Capital (ROIC)[1]
25.4%

Note:
1. The Group uses some alternative performance measures (APMs) to track and assess the underlying performance of the business; see more details on page 19.
2. Constant currency is abbreviated to 'cc'.

Our Business at a Glance

Our increasing geographic diversity

UK

Revenue £m
£176.3m

Colleague numbers
1,027

Adjusted operating profit
£49.9m

Locations
6

Adjusted operating profit margin
28.3%

Read more on pages 22 to 25

Continental Europe

Revenue £m
£150.3m

Colleague numbers
771

Adjusted operating profit
£36.5m

Locations
15

Adjusted operating profit margin
24.3%

Read more on pages 26 to 29

Australasia

Revenue £m
£158.2m

Colleague numbers
514

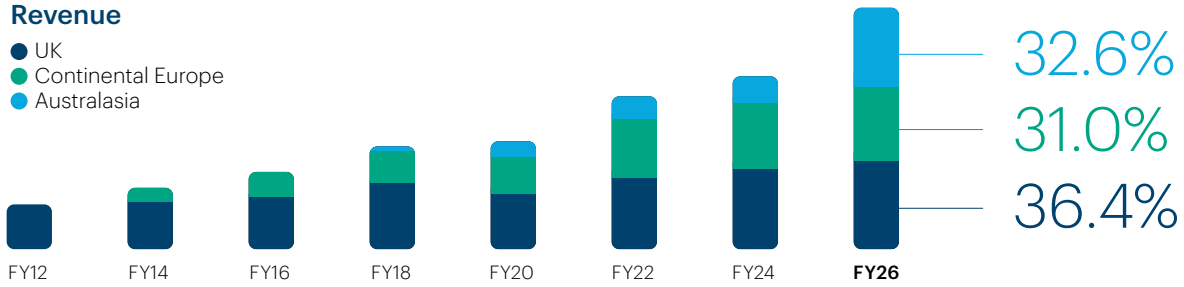
Adjusted operating profit
£35.1m

Locations
19

Adjusted operating profit margin
22.2%

Read more on pages 30 to 33

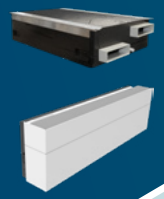
Revenue



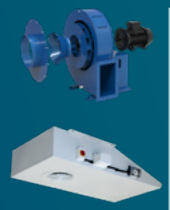
Our Products

One business, many markets

Residential RMI
Heat recovery solutions for home refurbishments, supplied with expert support through our extensive distributor and retail network.



New-Build Apartments
Centralised and decentralised heat recovery and cooling solutions, designed to meet the demands of modern apartment developments.



Car Parks
Efficient, automated ventilation and smoke-control solutions, engineered for seamless integration with building management systems.

Education
Energy efficient ventilation and cooling solutions that improve indoor air quality and create healthier, more comfortable learning environments.

Residential

Commercial and industrial

Hotels
Flexible ventilation and cooling solutions that save space, reduce noise and create more comfortable hotel rooms.

New-Build Housing
Energy efficient ventilation and heat recovery solutions that help housing developers maximise performance and optimise home design.

See more on page 24

Mining and Industry
Robust above-ground and underground ventilation solutions, delivering dependable air distribution in demanding mining and industrial environments.

See more on page 32

Commercial Applications
Energy-efficient ventilation, cooling and acoustic solutions that create healthier, quieter and more comfortable buildings across the built environment.

Megatrends

Long-term growth tailwinds

Decarbonisation and Electrification

What it means for Volution

Significant increases in energy costs for both householders and businesses combined with long-term legislative decarbonisation frameworks will continue to drive demand for products and solutions that help reduce energy consumption.

How Volution is responding

Volution's energy efficient ventilation solutions help reduce energy consumption in both residential and commercial applications. Our recently acquired AC Industries in Australia supplies high-efficiency ducting systems, helping our energy-transition-aligned copper and gold mining customers reduce their energy cost.

Health and Air Quality

What it means for Volution

Improved air quality is increasingly recognised as a critical health and comfort issue at home, in the community and in the workplace – from the acute focus on the health risk of mould in housing to the need to keep industrial workplaces free of particulates and toxic gases.

How Volution is responding

In our residential markets, we supply a wide array of products that address the problems of mould and condensation, such as positive input ventilation products in UK and France. In our commercial markets, our solutions range from particulate filtering systems in fire stations in Australia to natural and hybrid systems that reduce CO_2 in schools in the UK.

Overheating

What it means for Volution

As global temperatures increase and as buildings become well-insulated and airtight, there is an increasing risk of overheating and a need for solutions that help maintain comfortable indoor environments.

How Volution is responding

Our broad product portfolio includes a range of energy efficient solutions that cater to this need, from ceiling fans in Australia and integrated cooling within mechanical ventilation with heat recovery (MVHR) systems in the UK, integrated room-based solutions for ventilation, heating and cooling in ClimaRad in the Netherlands to fan coil solutions across the UK and Australasia.

Investment Case

Investing in a compounding growth story

Growing markets supported by long-term structural tailwinds

Decarbonisation, health and overheating megatrends will continue to drive growing long-term demand for our products, as well as an increasing shift towards more sophisticated and higher-value solutions in many markets.

Increasingly diversified geographic and end market application exposure

With three broadly balanced geographic regions (UK, Europe, Australasia) and a breadth across both new build and repair, maintenance and improvement (RMI) and residential and commercial/industrial end markets, our portfolio gives us resilience and consistency as well as the opportunity to share and collaborate to improve performance.

Pure play specialists, combining local customer intimacy with Group expertise

We are ventilation and air quality specialists and use Group-wide focus and knowledge to constantly improve and enhance the range of solutions and products we bring to our markets. We combine an empowered, decentralised approach to customers with clear and robust performance management.

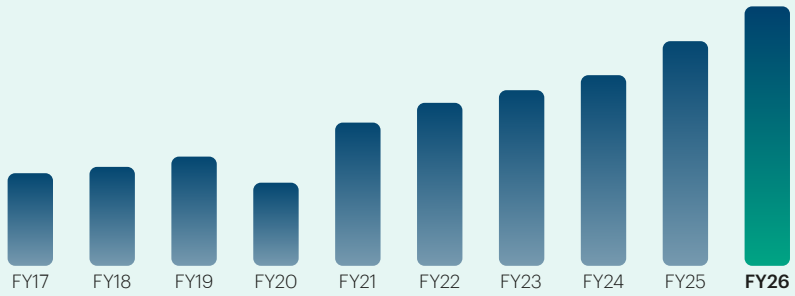
Capital-light model, strong margins, highly cash-generative

Our operational excellence focus means we consistently deliver leading margins across the breadth of the Group. Combined with generally capital-light 'assembly'-based manufacturing and disciplined working capital management, the model delivers very strong and very consistent cash generation.

Disciplined capital allocation and M&A capability

Our capital-light model means that, after investing in capacity, efficiency and new product focused capital expenditure, we generate significant cash that we look to deploy into value-adding M&A. Our M&A process is rigorous and disciplined, and our approach to delivering post-acquisition synergies delivers strong returns and compounding growth.

Adjusted basic earnings per share



FY26 growth
15.4%
Ten-year CAGR
11.7%

Our Strategy

Clear growth focus

Organic growth

What this means and how we do it

We grow through a customer focused sales strategy relevant to each of our market sectors.

We continually enhance our product portfolio through innovation and cross selling.

We work with regulators to influence building regulations that drive adoption of low-carbon ventilation solutions.

Our breadth and diversity of both geographies and end-market applications give resilience to our organic growth.

Progress in year

+2.8%

Organic revenue growth (constant currency)

Read more on pages 28 and 29

Value-adding acquisitions

What this means and how we do it

We acquire brands and businesses that broaden our market access and positions.

We target businesses that are aligned with our purpose and are focused on ventilation and air quality.

We have a well-established approach to integration and a proven record of driving synergies post acquisition.

Our disciplined approach to pricing and our ability to improve and add value to businesses we acquire result in strong returns on invested capital.

Progress in year

+11.0%

Inorganic growth from the acquisition of ACI in FY26 and a portion of Fantech acquired in FY25

Read more on pages 32 and 33

Operational excellence

What this means and how we do it

We strive to achieve product cost leadership through our joined-up approach to sourcing, engineering and manufacturing.

We constantly look for incremental efficiency and cost opportunities across our operations and support processes, reducing waste.

We support and develop our people and organisational capability, helping our teams to drive performance.

Our asset-light model and our constant focus on identifying and delivering improvements and efficiencies result in leading operating margins.

Progress in year

23.2%

Adjusted operating profit margin (FY25: 22.3%)

Read more on pages 24 and 25

Sustainability at our core

We are part of the Green Economy. We are committed to a low-carbon future, with the health and wellbeing of people and the planet at its core. Our commitment to sustainability is deeply embedded in both our purpose and strategy. We are focused on improving our operations, our product proposition and how we fit into the circular economy.

Our Business Model

Delivering for our stakeholders

Healthy air, sustainably – our purpose guides how we deploy our capabilities to create long-term value for shareholders, customers, communities, the environment and other stakeholders.

Our capabilities

Purpose and culture
Together, our dedicated colleagues deliver our purpose.

Brands
Our trusted brands across the Group, strong customer relationships and deep local market knowledge.

Product portfolio
A broad and deep product portfolio of innovative air quality solutions.

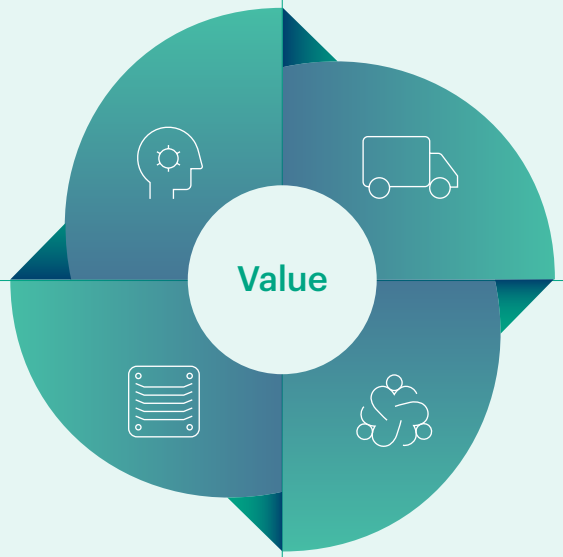
Financial capital
Our strong balance sheet allows continued investment and facilitates value-adding acquisitions.

Natural capital
Sustainability is at our core, utilising recycled materials in our products and reducing our emissions.

Creating value

Leveraging Group capabilities and scale

Investing to strengthen our portfolio



Deep customer focus and alignment

Manufacturing and service execution

Delivering for our stakeholders

Shareholders
Delivering attractive, compounding returns

+11.7%

adjusted basic EPS Ten-year CAGR

Suppliers
Long-term partnerships to grow together

c.2,000

suppliers

Customers
Solutions to support our customers

>20,000

customers

Environment
Reducing impact along our value chain

81.3%

recycled plastic in our products

Employees
A working environment where our colleagues can grow with the business

75

employee engagement score (latest survey FY25)

Government and communities
Support regulatory change through the continued development of clean air ventilation systems

Read more on pages 40 to 41

Chair's Statement
A year of continued strategic progress

"Strong results, disciplined execution and strategic progress have made this another successful year for Volution."

Nigel Lingwood
Chair

Dear shareholder,

I am pleased to report another strong year of progress for Volution in the financial year ended 31 July 2026 (FY26). The Group has continued to demonstrate the resilience of its geographically diversified end markets, the strength of its operating model and the benefits of disciplined commercial execution. Against a backdrop of generally challenging market conditions, particularly in the UK, Volution has delivered resilient organic growth, broad-based margin expansion and further strategic progress through acquisition.

Purpose and strategy

Volution's purpose, to provide 'healthy air, sustainably', continues to sit at the heart of the Group's strategy and guides our ambition to deliver value for all stakeholders. Our strategy to deliver long term earnings growth remains anchored in three core pillars: organic growth, value-adding acquisitions and operational excellence, all underpinned by our commitment to sustainability. Regulations aimed at improving indoor air quality and driving the decarbonisation of buildings continue to evolve and remain important structural drivers for demand across our markets.

Strategic growth through acquisition

The acquisition of AC Industries (ACI) in Australasia has further strengthened the Group's platform in the region and provided exposure to new and fast-growing end markets, including the gold and copper mining sector. ACI has performed well since acquisition and the early integration work has progressed positively. We are excited by the growth outlook for ACI and the opportunities it brings to broaden the Group's reach, capabilities and end-market exposure.

Following the year end, we were delighted to welcome getAir and its colleagues to the Group, further strengthening our position in Germany and the attractive, growing market for decentralised heat recovery ventilation in Europe.

Performance and results

Group revenue was £484.8 million (2025: £419.1 million), with total revenue growth of 15.7%, supported by the acquisition of ACI, and organic growth of 2.8% at constant currency ("cc"). Adjusted operating profit was £112.4 million (2025: £93.5 million), giving an adjusted operating margin of 23.2% (2025: 22.3%). Adjusted basic earnings per share (adjusted basic EPS) for FY26 was 38.2 pence (2025: 33.1 pence), representing adjusted basic EPS growth of 15.4% compared with the prior year. This continues Volution's track record of strong and consistent compounding earnings growth, with an adjusted EPS compound annual growth rate (CAGR) of 13.0% over the 12 years since listing.

Reported profit before tax was £82.1 million (2025: £54.5 million) and reported basic earnings per share for the year was 31.5 pence (2025: 21.0 pence). Adjusted operating cash flow was £122.8 million (2025: £104.5 million), with operating cash conversion above the Group's targeted level of 90%, reflecting disciplined inventory control and good working capital management. Net debt, excluding lease liabilities, at the year-end was £184.2 million (2025: £126.0 million), representing leverage of 1.5x (2025: 1.2x) on an ex-leases basis and preserving balance sheet flexibility to support continued inorganic investment and disciplined growth initiatives.

Chair's Statement continued

Dividends
Recognising the Group's strong performance in the year and the Board's continued confidence in the business, the Board has recommended a final dividend of 8.8 pence per share, giving a total dividend for the financial year of 12.8 pence per share (2025: 10.8 pence per share), an increase of 18.5% on the previous year. This is consistent with the Board's ambition to progressively grow dividends each year. The adjusted earnings dividend cover for the year was 3.0 times (2025: 3.1 times). Subject to approval by shareholders at the Annual General Meeting (AGM) on 9 December 2026, the final dividend will be paid on 15 December 2026 to shareholders on the register at 20 November 2026.

Sustainability and responsible growth
The Group remains committed to responsible business conduct and active engagement with our global workforce. During the year, we progressed initiatives supporting our environmental objectives, including energy efficiency, the transition to renewable electricity across principal sites, product innovation and the development of low-carbon ventilation solutions that contribute to the decarbonisation of the built environment. The proportion of our total revenue that came from low-carbon solutions rose to 72.1% (2025: 71.2%). The use of recycled plastics in our manufactured products was 81.3% (2025: 83.9%). Our Scope 1 & 2 carbon intensity improved to 10.5 tCO_2e/£m of revenue (2025: 12.0).

Health and safety
Health and safety remains a key priority for the Group and is aligned with our zero-harm ambition. Our reportable accident frequency rate increased to 0.29 per 100,000 hours worked in the year, compared with 0.17 in FY25. This increase was disappointing, however the rate remains low in absolute terms and all reportable incidents were investigated to identify root causes, implement corrective actions and share learning across relevant sites. The year-on-year increase reflected both a small number of additional reportable incidents and our continued emphasis on improved reporting, active employee engagement and consistent safety management. We remain focused on strengthening our safety culture, embedding best practice and delivering targeted operational improvements to reduce risk further.

Our people and culture
Cultivating a positive, inclusive and high-performing culture remains a firm focus of the Board. We continued to monitor culture at Board level, and Celia Baxter, the designated Non-Executive Director for Employee Engagement, worked closely with our Group HR Director on employee engagement activities.

Our employees are central to the successful execution of the Group's strategy and the creation of long-term value. During the year, the Board received regular updates on employee engagement, culture and people matters through the Group HR Director and the designated Non-Executive Director for Employee Engagement. The strong performance delivered in FY26 would not have been possible without the commitment, dedication and focus of colleagues across the business. On behalf of the Board, I would like to express my sincere appreciation to all employees for their hard work, resilience and contribution during the year.

Board changes
The Board has continued to benefit from the breadth of skills, experience and perspectives of its members. Claire Tiney retired from the Board on 2 August 2025, at the very beginning of the FY26 financial year, following the completion of her tenure. There were no other Board changes during the year. Amanda Mellor, our Senior Independent Director, is approaching nine years' tenure and, in line with good governance practice, will retire from the Board at the Company's AGM in December 2026. On behalf of the Board, I would like to thank Amanda for her significant and highly valued contribution to Volution. Her thoughtful input, deep governance expertise and commitment to sustainability have been greatly appreciated by the Board. The recruitment process for Amanda's replacement is underway and further updates will be announced in due course. The Board and the Nomination Committee remain focused on maintaining an appropriate balance of skills, experience, independence and diversity to support the Group's continued growth and increasing international scale.

Governance and outlook
The Board is committed to embedding robust governance principles throughout the organisation and keeping pace with evolving regulatory expectations. During the year, the Board focused on the Group's strategy, performance, culture, sustainability and disciplined capital allocation. The Board and its Committees also completed a thorough externally facilitated Board evaluation exercise which confirmed that the Company's governance framework remains appropriate for its scale, complexity and international footprint.

Looking ahead, the Board is confident in Volution's long-term growth prospects. The Group's enhanced geographic and end-market diversity, strong operational discipline, acquisition capability and focus on healthy air, sustainably, provide a strong platform for continued value creation.

Nigel Lingwood
Chair
7 October 2026

Chief Executive Officer's Review
Growing responsibly, delivering meaningfully

"FY2026 was another year of strong strategic and financial progress for Volution. There remains considerable opportunity ahead of us."

Ronnie George
Chief Executive Officer

Strong progress and continued strategic delivery

We are delighted with the strong progress achieved during FY26. Against a continuing challenging market backdrop, particularly in the UK, we delivered organic revenue growth, successfully completed the integration of Fantech, our largest acquisition to date, and further strengthened the Group through the acquisition in February 2026 of AC Industries, a leading provider of ventilation ducting systems to the underground mining sector.

The progress made at Fantech and across our wider Australasia region, together with stronger organic growth in Continental Europe, demonstrates the significant geographic and end-market diversity that Volution has developed in recent years. Our geographic diversity, combined with our broad exposure to both residential and non-residential ventilation markets, continues to provide resilience and has enabled the Group to outperform its wider markets.

Organic revenue growth was 2.8% cc, just below our long-term target range of 3–5% and reflecting the H2 slowdown in the UK. This was complemented by substantial inorganic growth, reflecting the full-year contribution from Fantech and the acquisition of AC Industries in February 2026. As a result, total revenue increased by 13.8% cc to £484.8 million.

Adjusted operating profit increased by £18.9 million, or 20.2%, to £112.4 million (2025: £93.5 million), while adjusted operating margin increased by 90 basis points from 22.3% to 23.2%. This represents another year of strong earnings progression and demonstrates the benefits of our continued focus on operational excellence.

Volution's objective is to deliver strong, sustainable compounding growth. The strong delivery in FY26 further cements this track record, with organic growth, value-adding acquisitions and margin expansion all contributing to a 15.4% increase in our adjusted earnings per share. Our 12-year CAGR adjusted earnings per share growth since listing now stands at 13.0%.

Operational excellence delivering further margin progression

FY26 was characterised by increased material and other cost inflation, together with greater geopolitical and supply chain disruption. This resulted in extended lead times for some Asia-Pacific sourced and other components, reflecting longer shipping routes and short periods of constrained availability.

Despite these headwinds, we increased adjusted operating margin by 90 basis points to 23.2%. This performance was underpinned by our Group-wide focus on operational excellence, disciplined pricing, favourable mix supported by new product initiatives, and an ongoing drive to improve both operational and back-office efficiency.

These disciplines are increasingly embedded across the organisation. We are seeing significant benefits from our functional leadership approach to procurement, innovation and value engineering, while our increased scale is generating further efficiencies and economies of scale. We believe there remains further opportunity to build on these benefits in the years ahead.

Geographic diversity providing resilience

Organic growth moderated during the second half of the year, predominantly reflecting the weaker demand environment in the UK. For the year as a whole, the Group delivered organic revenue growth of 2.8% cc, with strong growth in Continental Europe and good growth in Australasia.

Chief Executive Officer's Review continued

In the UK, organic revenue growth was 0.1%, with growth in the first half followed by a decline in the second half of FY26. Since the Covid-19 pandemic, the UK has been an important contributor to the Group's organic growth. During FY26, we saw a change in the source of that growth, with Continental Europe and Australasia outperforming while UK markets were significantly weaker.

This demonstrates the value of the geographic and end-market diversity we have deliberately developed. Our presence across three core geographic regions, serving a broad range of residential and non-residential applications, provides the Group with greater resilience and greater consistency of performance through different market cycles.

FY26 was another year in which Volution delivered overall organic revenue growth, continuing a track record of organic growth in every financial year since our listing in 2014, with the Covid-19-affected FY20 being the only exception.

Delivering on our growth strategy

Our long-term ambition remains to deliver consistent year-on-year total earnings growth of more than 10%, combining organic growth with disciplined acquisitions and operational excellence.

We again made good progress against this strategy during FY26. Total revenue increased by 13.8% cc to £484.8 million, supported by the full-year contribution from Fantech and the acquisition of AC Industries from the beginning of February 2026.

Our consistently strong cash generation remains an important enabler of this strategy. Adjusted operating cash conversion was again ahead of our 90% target, allowing us to maintain an efficient level of financial leverage while continuing to invest in the business and pursue attractive acquisition opportunities. This financial strength also supported the post-year-end acquisition of getAir GmbH in Germany, further strengthening our position in the important, decentralised heat recovery ventilation market.

We aspire to be one of the leading providers of residential and commercial ventilation solutions across our three chosen core geographies: the UK, Continental Europe and Australasia. Our recent acquisitions and good organic progress mean that we have market leading positions in Australasia and in UK residential, and we will continue to pursue attractive opportunities to build on this across all three geographies.

Strengthening our regional organisation

Last year, I introduced a new regional management structure, designed to provide greater bandwidth, accountability and attention to detail within each of our regions. We have made excellent progress with this structure during FY26.

I was delighted to welcome Graham Sanders to Volution in April 2026 as Regional Managing Director for the UK. I would also like to recognise the contribution of our other regional leaders: Andreas Löfstrand and Koen Groenewold in Continental Europe and Anthony Lamaro in Australasia. Across each of our regions, we have delivered meaningful change and operational improvement during the year.

Our focus now is to continue to strengthen the capabilities and leadership bandwidth within each region. We firmly believe that a flat, dynamic and uncomplicated management structure, with clear accountability and short lines of communication, is an important contributor to our success.

The Regional Managing Directors are focused on growing our brands and businesses in their local markets, supported by increasingly strong Group capabilities in areas including procurement, research and development, innovation and value engineering. The interaction between strong local commercial leadership and central functional expertise has progressed significantly during the year.

There is further potential to develop this model, and I am excited by the opportunities that will come from even greater collaboration between our regional and functional teams.

Delivering our purpose

Volution has again delivered growth in earnings per share ahead of our long-term target, continuing the consistent earnings progression achieved since our listing in 2014.

Our success is driven by our people, who share a passion for delivering our purpose of 'healthy air, sustainably'. It is important that we continue to attract talented people to Volution while developing the considerable talent that already exists throughout the Group.

During each of the past two financial years, we conducted a Group-wide Employee Engagement Survey and have implemented a range of actions in response to the feedback received. We have now moved to a biennial survey to give our teams time to implement actions and allow us to demonstrate clearly that we are listening and responding to the views of our colleagues.

Our values

One ambition Shared values

Read more on page 73

- Customer excellence
- Collaboration
- Continuous improvement
- Ownership

Chief Executive Officer's Review continued

I would like to thank everyone across Volution for their commitment and contribution during another successful year.

Well positioned for further progress

FY26 has been another year of substantial progress for Volution. We delivered significant growth in adjusted earnings, via both revenue growth and expansion of operating margins despite inflationary and supply chain pressures. Our cash generation was strong and we made further progress with our acquisition strategy.

Importantly, we continue to see considerable opportunity to improve the efficiency and effectiveness of our business model. Our increased scale, geographic and end-market diversity, strong regional leadership, operational excellence model and disciplined approach to capital allocation provide a strong platform for continued growth.

We enter the new financial year confident in the strength of the Group and excited by the opportunities ahead.

Our markets and regulatory drivers

The acquisition of AC Industries in February 2026 further strengthened our position in the Australasian market and broadened our exposure to non-residential ventilation. AC Industries provides specialist ducting systems used to deliver clean and fresh air in underground mining, predominantly in copper and gold applications. Workplace regulation and increasing requirements around air quality and employee safety continue to support demand for effective ventilation and filtration solutions in these environments.

The full-year contribution from Fantech, together with the acquisition of AC Industries, has further increased the proportion of Group revenue generated from non-residential ventilation. In FY26, the Group revenue split was 64.1% residential and 35.9% non-residential.

Ventilation remains a highly regulated market, with increasingly prescriptive requirements in new construction and growing attention being paid to ventilation standards in refurbishment.

In the UK, there continues to be significant focus on improving indoor air quality and addressing mould and condensation, particularly in social housing. The implementation of further requirements under the Social Housing (Regulation) Act from October 2025 has added to this focus.

Higher energy costs, increasingly airtight buildings and higher summer temperatures are also influencing the development of our markets. The unusually warm summer of 2026 acted as a reminder of the risk of overheating, particularly in new residential and commercial buildings. Over the longer term, we believe this will be addressed through better building design and integrated ventilation and cooling solutions, which provide clear opportunity for Volution. We have seen this in the UK, where Part O of the Building Regulations has increased the focus on overheating in new residential construction.

Our refurbishment markets continue to demonstrate greater resilience and lower cyclicality than new construction, and we are seeing an increasing trend towards the retrofit of decentralised heat recovery ventilation. Following the year-end, we completed the acquisition of getAir GmbH, a leading German provider of decentralised heat recovery solutions, further complementing and strengthening our product range.

Penetration of these technologies in the existing housing stock remains relatively low. As buildings continue to decarbonise, become more airtight and place greater emphasis on energy efficiency and indoor air quality, we believe demand for low-carbon, energy efficient ventilation solutions will continue to increase.

Chief Executive Officer's Review continued

Sustainability

Our Sustainability Committee, comprising senior management with non-executive oversight, met twice during the year to review progress against our published targets. As our regional operating structure has developed, we have evolved the Sustainability Committee accordingly, ensuring appropriate regional ownership while retaining clear Group oversight and accountability.

We continued to make progress against our key sustainability KPIs. Low-carbon products represented 72.1% of Group revenue, 73.9% on an organic basis, compared with 71.2% in 2025. The continued increase reflects the structural regulatory and market drivers supporting demand for energy efficient ventilation solutions and the ongoing development of our low-carbon product portfolio.

Recycled plastics represented 81.3% of the plastics used in our own production during the year (2025: 83.9%). The reduction primarily reflected increased overall plastics consumption combined with limitations in the availability of sufficient volumes of approved recycled material from our supply chain. We placed significant focus on identifying and approving supplementary sources of recycled material. Good progress was made, although the lengthy approval process and the need for iterative changes to material formulations meant that the benefits were not fully reflected in FY26. Increasing the availability and use of recycled materials remains an important area of focus.

Our Scope 1 & 2 carbon intensity measure reduced to 10.5 tCO_2e/£m of revenue from 12.0, representing the continued energy efficiency actions taken across our facilities.

Strategy

Organic growth

Volution has a target to deliver organic revenue growth of at least 3–5%. In FY26, Group organic revenue growth was 2.8% cc, slightly below this target range.

The performance varied by geography. Continental Europe delivered strong organic growth of 5.9% cc and Australasia delivered good organic growth of 3.3% cc, while the UK delivered more modest organic growth of 0.1% cc.

Organic growth in the UK was positive during the first half of the year, before market conditions weakened during the second half. For several years following the Covid-19 pandemic, the UK has been an important contributor to Group organic growth. FY26 demonstrated the benefit of the geographic diversity we have deliberately developed, with the leadership of organic growth rotating towards Continental Europe and Australasia as UK markets became more challenging.

This geographic and end-market diversity provides the Group with significant resilience and greater consistency of growth through different market cycles. FY26 represented another year of organic revenue growth for Volution, continuing our track record of delivering organic growth in every financial year since listing in 2014, with the Covid-19-affected FY20 being the only exception.

Our objective remains to complement this organic growth with disciplined acquisitions and thereby deliver consistent year-on-year total revenue growth of more than 10%.

Value-adding acquisitions

Acquisitions continue to be an important component of Volution's long-term growth strategy. We seek businesses operating in attractive ventilation markets where we can add value through our commercial capabilities, product expertise, procurement scale and operational excellence model.

During the year, we completed the acquisition of AC Industries in Australasia for an initial consideration, net of cash acquired of AUD152.5 million, (£75.8 million), on a debt-free, cash-free basis, with further contingent consideration of up to AUD28.9 million, (c£14.7 million), dependent upon future EBITDA performance.

AC Industries has broadened our exposure to non-residential ventilation and established an attractive position in specialist ventilation ducting for underground mining. The business operates in markets where the requirement for safe and effective ventilation is critical and where regulatory and workplace air quality requirements provide supportive long-term demand drivers. It is a clear example of how acquisitions and scale can help expand Volution's addressable market whilst still staying true to our "pure play" ethos.

We also made excellent progress with Fantech. As the largest acquisition in Volution's history, its successful integration is an important demonstration of our ability to acquire larger businesses, integrate them effectively and then apply our operating model to enhance their performance. The integration was substantially completed during FY26 and several further operational efficiency initiatives are now underway.

Chief Executive Officer's Review continued

Our consistently strong cash generation remains an important enabler of our acquisition strategy. Adjusted operating cash conversion was again ahead of our 90% target and we maintained an efficient level of financial leverage, providing significant capacity to continue investing organically while pursuing attractive acquisition opportunities.

Following the year-end, we completed the acquisition of getAir GmbH in Germany, strengthening our position in the attractive and growing market for decentralised heat recovery ventilation.

Our disciplined approach to capital allocation remains unchanged. We will continue to pursue acquisitions where we believe there is a strong strategic fit, attractive financial returns and a clear opportunity for Volution to add value over the long term.

Operational excellence

Maintaining an adjusted operating margin of 20% or above remains a key financial objective for Volution. In FY26, adjusted operating margin increased by 90 basis points from 22.3% to 23.2%, despite increased material and other cost inflation and greater supply chain disruption during the year.

This performance reflects the continued development of our Group-wide operational excellence model, encompassing procurement, value engineering, pricing discipline, product mix, manufacturing efficiency and the continued simplification of both operational and back-office processes.

As the Group has grown, we have also strengthened our functional leadership capabilities in procurement, research and development, innovation and value engineering. These capabilities increasingly support our regional businesses, allowing us to combine strong local commercial leadership with the benefits of Group scale and specialist expertise.

In the UK, we made significant investments during the year to increase manufacturing capacity, improve efficiency and provide the headroom required to support future growth.

At our Reading facility, we increased our injection moulding capability through the addition of three larger machines capable of supporting multi-cavity tooling for higher-volume components. The investment was complemented by increased automation, improved production data and monitoring, and the insourcing of components previously sourced from third parties. We also invested in additional PVC ducting extrusion capacity, achieving significantly higher production speeds using recycled material.

In Dudley, additional production space has provided capacity to support future growth in residential new-build systems and commercial natural, hybrid and heat recovery ventilation. The implementation of flow-line production has delivered significant improvements in manufacturing efficiency.

In Swindon, we continued to realise benefits from the consolidation of production undertaken during FY25, while increasing the internal supply of motor components to other Group businesses. Vertical integration remains an important opportunity where we believe internal manufacture can improve cost, quality, customer service or security of supply.

Across Continental Europe, we also continued to invest in capacity and capability. Production in Sarajevo, Bosnia, increased to support the growth of heat recovery products sold through our ClimaRad business in the Netherlands, while investment in Sweden increased the proportion of air-handling production processes undertaken internally.

In Bitola, North Macedonia, work continued to refurbish an additional production hall adjacent to our existing facility. Completion is anticipated during FY27 and will provide the floor space required to approximately double our production capacity for ventilation heat exchanger cells.

In Australasia, investment focused on improving the working environment, providing capacity for further growth and increasing manufacturing efficiency. Our Vision Street facility, the largest production site in the Group, delivered strong efficiency gains during the year. Further improvements are planned for FY27, including opportunities to consolidate additional brands onto the site.

Taken together, these initiatives have increased capacity, improved productivity and enhanced the resilience of our manufacturing operations. Importantly, notwithstanding the progress already achieved and an adjusted operating margin of 23.2%, we continue to see meaningful opportunities to improve the efficiency and effectiveness of our operating model.

People

As Volution continues to scale, both organically and through acquisitions, developing our leadership capability and preserving the characteristics of our culture that have contributed to our success become increasingly important.

Since 2012, we have operated our internally developed Management Development Programme, known across the business as the MDP. Since its inception, more than 65 senior managers from across the Group have participated in the programme.

During FY26, we built on this foundation through the development of a new Leadership Impact Programme. Working with an external partner, the programme has been designed specifically for Volution and will initially focus on leaders approximately two and three levels below the Group Chief Executive.

Andy O'Brien and I are both closely involved in the programme. Our objective is to broaden the understanding and ownership of the principles that underpin Volution's performance: an open and transparent culture, clear accountability, strong commercial focus, operational excellence and an ambition to continuously improve the businesses and brands within the Group.

Chief Executive Officer's Review continued

As we grow, it is important that these principles are understood and consistently applied across a wider leadership population. Developing our existing talent, attracting new capability and creating future leaders from within the organisation will remain an important priority.

Our regional management structure has also continued to develop during the year. We believe that a flat, dynamic and uncomplicated management structure, with clear accountability and short lines of communication, is an important contributor to our success.

In April 2026, we welcomed Graham Sanders as Regional Managing Director for the UK. Alongside Andreas Löfstrand and Koen Groenewold in Continental Europe and Anthony Lamaro in Australasia, our regional leadership teams continue to increase the bandwidth and attention to detail available within each of our principal markets.

The Regional Managing Directors are focused on growing our brands and businesses in their local markets, supported by increasingly strong Group capabilities in procurement, research and development, innovation and value engineering. We made good progress with this model during FY26 and believe there remains considerable scope for further collaboration and improvement.

In May 2026, the Board visited our Australasian region, spending time at both Volution and customer facilities in Australia and New Zealand. A number of employee engagement and informal discussion sessions were held during the visit, providing valuable direct interaction between Board members and colleagues across the region.

We also continued our regular employee engagement forums and enhanced our Global Leaders meetings during the year. Questions are now invited in advance from colleagues across the business, with no restrictions on the topics that can be raised. This has helped create more open, wide-ranging and valuable discussions and supports the transparent culture we want to maintain as the Group grows.

Our people remain fundamental to our success and to our purpose of providing 'Healthy Air, Sustainably'. I am proud to lead such a diverse and committed team and would like to thank all of our colleagues for their contribution to another successful year.

Summary

FY26 was another year of strong strategic and financial progress for Volution. We delivered organic growth despite a challenging market backdrop in particular in the UK, increased total revenue by 13.8% at constant currency, expanded adjusted operating margin by 90 basis points to 23.2%, successfully integrated Fantech and completed another attractive acquisition in AC Industries. We delivered adjusted earnings per share growth of 15.4%, further extending our compounding growth track record.

The year also demonstrated the value of the geographic and end-market diversity we have built. Strong growth in Continental Europe and good growth in Australasia helped offset well documented weaker market conditions in the UK, while our increasingly balanced exposure to both residential and non-residential ventilation markets provided greater resilience across different economic and construction cycles.

The structural drivers underpinning our markets remain attractive. Decarbonisation and electrification, health and air quality, and overheating in buildings are clear and strengthening long-term growth tailwinds driving both regulation and customer behaviour, all increasing demand for our energy efficient ventilation solutions. We have seen some exciting new examples of these opportunities during the year and into FY27, with AC Industries' ventilation ducting systems in copper and gold mining supporting the global energy transition whilst optimising our mining customers' energy consumption. Also in Australia we secured our first orders for ventilation and cooling fans for data centres for delivery early in FY27.

We also continue to see significant opportunity from self-help initiatives. Our regional operating structure is developing well, with some key appointments in our regional leadership teams. Our functional leadership capabilities are becoming increasingly effective and there remains further potential to improve manufacturing productivity, procurement, value engineering and back-office efficiency across the Group.

We enter FY27 with confidence in the strength and resilience of our business model. Our increasing end-market and geographic diversity supports sustainable organic growth, the opportunity landscape for acquisitions is strong, and our scale and pure play focus continues to underpin our strong operational and margin performance.

Outlook

The year has started well, with the Group delivering organic growth alongside a positive revenue contribution from AC Industries. We completed the acquisition of getAir in Germany which provides another good example of our ability to deploy capital into attractive ventilation markets with supportive long-term growth characteristics.

While the challenges in the UK market remain, most notably in new-build residential, the Group is well positioned for the year ahead. Our broad and diverse exposure across geographic end-markets and applications, both in residential and non-residential, provides resilience, while Continental Europe and Australasia are expected to be important drivers of growth.

We are seeing clear opportunities to build on this momentum, including recent orders for ventilation systems for data centres in Australia. With a strong platform for growth and an increasingly positive demand backdrop across key markets, the Board is confident of delivering another year of good progress and continuing to deliver sustainable growth and value for all our stakeholders.

Ronnie George
Chief Executive Officer
7 October 2026

In Conversation with our CEO and CFO
Reflecting on the year and opportunities ahead

Ronnie George, Chief Executive Officer

Andy O'Brien, Chief Financial Officer

Q&A

with Ronnie George, Chief Executive Officer, and Andy O'Brien, Chief Financial Officer

Q. What are your reflections on the Group's performance in FY26?

RG I was delighted with the Group's performance in FY26. We delivered c.3% organic growth despite some tough market conditions, expanded operating profit margins, and added a very exciting acquisition in the year with AC Industries. Overall, this culminated in another very strong year of earnings growth, with our adjusted basic EPS up over 15% to 38.2 pence.

As well as this strong financial performance, we further strengthened the organisation and leadership bandwidth during FY26 and I am excited by the opportunities ahead of us.

AOB As Ronnie says, it was a really strong financial performance across our key metrics in FY26. However, as well as the in-year performance, I think what is most striking about these results is the multi-year strength and consistent compounding growth delivery. The Group has now grown adjusted basic EPS over the last five years by 82%.

Q. While FY26 has been another strong year, where do you see opportunities to improve?

RG As described in more detail in the Regional Reviews (pages 22 to 33), we have seen quite a marked change in demand conditions in some of our markets through the second half of FY26 and early FY27. Where conditions have clearly got tougher (notably the UK), we need to be even more agile and responsive to ensure we adapt to the changes and maximise the opportunities that are there. And in the markets where the growth outlook is more favourable, again we need to be on the front foot and make sure we are capitalising on the opportunities to grow.

We made good progress in the year on our low-carbon revenue and carbon intensity metrics. However, it was disappointing that our reportable accident frequency rate worsened in the year to 0.29 from 0.17. We have taken steps to address this, including the roll-out of enhanced guidance including a health and safety controls and process checklist (encompassing risk assessments, leadership walks, training, etc.), and are monitoring performance against the checklists with the senior leadership.

In Conversation with our CEO and CFO continued

Q. How are you seeing current conditions in your end markets, particularly when looking ahead to the short to medium term?

RG We have seen a fairly significant change in the conditions and outlook across our different markets through FY26 and into the start of FY27. UK construction activity and volumes in new-build residential continue to be particularly challenging, though we do see resilience and growth in repair, maintenance and improvement (RMI), notably public housing refurbishment. In Europe, we have seen some encouraging recovery in the Nordics, whilst ClimaRad had a great year in FY26, although overall our new-build-exposed propositions remain difficult. Australasia performed well, although residential market confidence especially in New Zealand is fragile, but the breadth of our proposition in Australasia means we have some exciting near- to medium-term opportunities.

For me, what FY26 (and the near-term outlook) illustrates most of all is the benefit of Volution's considerable diversity of end-market exposures and applications. We are confident that this diversity means we can continue to deliver reliable organic growth even in difficult markets.

Q. Innovation and new product development is a key part of the Group's organic growth approach; can you talk about some of the key areas you are focusing on?

RG Continued focus on decarbonisation of buildings means higher air tightness and better insulation. However, energy efficient buildings do not automatically make healthy or comfortable buildings from a perspective of air quality. Some of the poorest indoor environments are seen in modern developments, due to inadequate ventilation. That leads us to continue to focus on new-build and retrofit solutions that provide excellent indoor air quality whilst also reducing overheating and improving acoustics.

Q. Group operating margins improved again in FY26. What was the key drivers and how do you think about future opportunity?

AOB We expanded Group operating margins by 90bps in FY26 to 23.2%, which was hugely pleasing. This reflects a lot of hard work and attention to detail from our colleagues across a number of areas, whether that be sales price management, upselling and cross selling, engineering and innovation, procurement initiatives or how we operate our factories and back offices. Importantly, all three regions expanded margins in the year.

Leaving aside the mix impact from acquisitions (which will generally be dilutive at the point of entry, though not always) we continue to focus on identifying and delivering these incremental margin opportunities. Collaboration and sharing of best practices across the Group is a key ingredient to this.

Q. The Group's three most recent acquisitions (getAir in Germany, ACI and Fantech in Australasia) are quite different from one another. Does this indicate a change in the M&A strategy or focus areas?

RG Our markets are typically fragmented, and Volution has a clear ambition to continue to 'roll-up' the space by acquiring attractive businesses and routes to market and then improving those businesses post-acquisition. Whilst the companies we acquire, as exemplified by Fantech, ACI and getAir, might be quite different in terms of products, customers and applications, they all share a clear and aligned purpose around providing 'healthy air, sustainably'. I am excited that, as we continue to grow, the range and 'pipeline' of opportunities that make sense to us is also expanding.

Q. What is your view on capacity for M&A in FY27 and beyond? How far are you willing to stretch the balance sheet for attractive targets?

AOB It is great to think that we have already completed one exciting new acquisition in FY27, with getAir in Germany at the start of August. Immediately post this transaction, our leverage (ex leases) was 1.8x.

However, with the reliability and strength of our cash generation, we continue to have good headroom to continue to pursue attractive, value-adding acquisitions whilst still maintaining a sensible balance sheet position. We would be comfortable going up to leverage of c2.0x at the point of completing an acquisition in the knowledge that we generate cash strongly on the other side.

Q. How is the new Regional Leadership structure bedding in?

RG We have made further good progress this year on building out the Regional teams, with the appointment of a new UK Managing Director as well as filling some key Regional functional leadership roles. I am delighted with how our Regional Managing Directors and their teams are working with the Group resources to identify, drive and share initiatives and opportunities, whether in procurement, innovation, cross selling or other disciplines. We also continue to develop and enhance our Group skill set and this year we introduced new IT leadership, with an exciting agenda to improve our efficiency through AI, and continued to enhance our key engineering and procurement capabilities.

Q. You have refreshed and updated the Group's values this year. Why is this and what are the key changes?

RG The refresh wasn't about changing what we do, but it was about articulating our values really clearly and linking them to the expected behaviours and what we stand for as a business. We undertook a number of wide and really engaging consultation sessions across the Group to settle on the new four values of 'Customer Excellence', 'Ownership', 'Collaboration' and 'Continuous Improvement'. I think these capture our approach and ethos really well, and especially the balance we strive to achieve between strong customer focus, overlaid with Group-wide sharing and capabilities – notably Technical and Procurement, both of which are critical to driving our product offering and initiatives across the Group.

Q. What are your top priorities for FY27?

RG More of the same in many respects. To continue to execute well on our consistent and long-term strategy of organic growth, value-adding acquisitions and operational excellence. I believe this strategy, delivered through our business model blending agile, decentralised local execution with the benefits of our Group-wide scale and functional leadership, will allow us to continue to deliver strong long-term compounding growth.

Financial Review
A year of strong performance

"Continuing to deliver strong returns and compounding growth."

Andy O'Brien
Chief Financial Officer

	Volution model	FY26
Organic revenue growth (cc)	3–5%	2.8%
Total revenue growth (cc)	>10%	13.8%
Adjusted operating margin	>20%	23.2%
Adjusted basic EPS growth	>10%	15.4%
Adjusted operating cash conversion	>90%	107%
Return on Invested Capital	>20%	25.4%

Strong financial performance

I am pleased to report another year of strong financial performance for the Group, with good total revenue growth, further improvements in adjusted operating margins across all regions, and excellent cash generation.

FY26 performance continues the Group's track record of delivering long-term compounding growth and returns for our shareholders. Compound annual growth in revenue, adjusted operating profit and adjusted basic earnings per share now stand at respectively 12.3%, 12.8% and 13.0% across our 12 years since listing.

Financial results

Group revenue grew 15.7% to £484.8 million (2025: £419.1 million), with organic growth at constant currency (cc) of 2.8% and 11.0% inorganic contribution from the acquisition of AC Industries and the full-year effect of Fantech, plus a favourable impact from movements in foreign exchange of 1.9%. All three regions grew revenue organically (cc), with the UK up 0.1%, Continental Europe up 5.9% cc and Australasia up 3.3% cc. Further information on the performance and market drivers per region is given in the business reviews (pages 22 to 33).

Reported gross margins increased by 230bps to 51.4% (2025: 49.1%), due primarily to a £7.1 million non-underlying acquisition fair value inventory adjustment in the previous year, (current year only £0.6 million see next page). Adjusted gross margins increased by 70bps to 51.5% (2025: 50.8%) underpinned by good price and cost management, procurement actions, factory efficiency improvements and product mix.

Administration and distribution costs, shown in the table on the next page, increased by £18.2 million to £137.4 million. Inorganic growth with a full year of Fantech coupled with the second half year of AC Industries accounted for £7.9 million of the increase in administration and distribution costs, with organic costs increasing by £10.3 million (8.6%).

Adjusted operating profit grew by 20.2% to £112.4 million (2025: £93.5 million), with adjusted operating margins of 23.2%, up from 22.3% in the prior year. Reported operating profit grew by 42.5% to £95.9 million (2025: £67.3 million) due to acquisition-related non-underlying costs in the prior year.

Adjusted net finance costs of £13.2 million were up 45.1% compared with the prior year (2025: £9.1 million), due to the increase in debt relating to the deferred consideration payment of AUD60.0 million (£29.6 million) for Fantech and the acquisition of AC Industries of AUD152.5 million (£75.8 million, net of cash acquired and including working capital adjustments). The weighted average interest rate on gross debt in the year was 5.5% (2025: 5.8%).

Adjusted profit before tax was £99.2 million, up 18.2% versus the prior year (2025: £83.9 million). Adjusted basic earnings per share grew by 15.4% to 38.2 pence (2025: 33.1 pence). Acquisition-related non-underlying costs in the prior year meant that reported profit before tax was £82.1 million, up 50.6% (2025: £54.5 million). Reported basic earnings per share grew by 50.0% to 31.5 pence (2025: 21.0 pence).

Financial Review continued

Reported and adjusted results

The Group uses some alternative performance measures to track and assess the underlying performance of the business, as set out in note 2 of the consolidated financial statements on page 154.

The adjustments relate substantially to acquisitions and are as follows:

- Amortisation of acquired inventory fair value adjustment £0.6 million in respect of AC Industries (2025: £7.1 million in respect of Fantech).
- Amortisation of intangible assets acquired through business combinations £13.4 million (2025: £11.3 million), the increase in FY26 being due to the prior year acquisition of Fantech.
- Costs of business combinations £1.1 million (2025: £3.1 million), down £2.0 million principally due to diligence and legal work relating to the acquisition of Fantech in the prior year.
- Fair value movements in contingent consideration of £1.4 million (2025: £4.7 million) relating to DVS (£1.4 million) where final trading performance within the earn-out periods was overall stronger than expected, resulting in a net increase in the final contingent consideration payable.
- Unwinding of discounting on future consideration of £0.8 million relating to Fantech and ACI consideration (2025: £3.2 million).

	Year ended 31 July 2026			Year ended 31 July 2025		
	Reported £m	Adjustments £m	Adjusted £m	Reported £m	Adjustments £m	Adjusted £m
Revenue	**484.8**	**–**	**484.8**	419.1	–	419.1
Gross profit	**249.2**	**0.6**	**249.8**	205.6	7.1	212.7
Administration and distribution costs excluding those below	**(137.4)**	**–**	**(137.4)**	(119.2)	–	(119.2)
Amortisation of intangible assets through business combinations	**(13.4)**	**13.4**	**–**	(11.3)	11.3	–
Fair value movement in contingent consideration	**(1.4)**	**1.4**	**–**	(4.7)	4.7	–
Costs of business combinations	**(1.1)**	**1.1**	**–**	(3.1)	3.1	–
Operating profit	**95.9**	**16.5**	**112.4**	67.3	26.2	93.5
Re-measurement of financial liabilities	**–**	**–**	**–**	(0.5)	–	(0.5)
Unwind discount on future consideration	**(0.8)**	**0.8**	**–**	(3.2)	3.2	–
Net gain on financial instruments at fair value	**0.2**	**(0.2)**	**–**	–	–	–
Other net finance costs	**(13.2)**	**–**	**(13.2)**	(9.1)	–	(9.1)
Profit before tax	**82.1**	**17.1**	**99.2**	54.5	29.4	83.9
Income tax	**(19.6)**	**(3.8)**	**(23.4)**	(13.0)	(5.3)	(18.3)
Profit after tax	**62.5**	**13.3**	**75.8**	41.5	24.1	65.6

Currency impacts

Aside from Sterling, the Group's key trading currencies for our non-UK businesses are the Australian Dollar, representing approximately 25% of Group revenues, Euro (22%), New Zealand Dollar (7%) and Swedish Krona (7%). We do not hedge the translational exchange impact arising from the conversion of the results of overseas subsidiaries, although we do denominate our borrowings in our non-Sterling trading currencies, which offsets some of the translation risk relating to net assets.

In FY26, we had a favourable impact on revenue, due to foreign currency translation of £7.8 million with a £2.0 million favourable impact to adjusted operating profit.

Transactional foreign exchange exposures arise principally from our US Dollar denominated purchases of materials from our suppliers in the Far East. We aim to purchase a substantial proportion of our expected requirements approximately 12 months forward, and as such, we have forward currency contracts in place for approximately 80% of our anticipated requirements for the 2027 financial year.

	Average rate 2026	Average rate 2025	Movement
Euro	**1.15**	1.19	(3.0)%
Swedish Krona	**12.55**	13.37	(6.1)%
New Zealand Dollar	**2.30**	2.21	4.5%
Australian Dollar	**1.97**	2.01	(2.2)%

Financial Review continued

The Group had non-Sterling denominated borrowings as at 31 July 2026 of £206.1 million (2025: £144.7 million), of which:

- Euro: £65.2 million
- AUD: £125.3 million
- SEK: £15.6 million

The Sterling value of these foreign currency denominated loans increased by £8.0 million because of exchange rate movements (2025: decreased by £3.2 million).

Taxation

Our adjusted effective tax rate is 23.6% (2025: 21.8%). The increase in adjusted effective tax rate was primarily attributable to the greater share of profits in Australasia (with rates at 30% versus average across rest of Group of c20.5%).

We expect our medium-term adjusted effective tax rate to be in the range of 22% to 25% of the Group's adjusted profit before tax, depending on the business mix and the profile of acquisitions.

Our reported effective tax rate for the year was 23.8% (2025: 23.8%).

Excellent cash generation

Volution's high operating margins and asset-light business model and operations drive a profile of strong cash generation. Underpinned by a working capital inflow of £0.9 million in the year (2025: inflow of £4.3 million), principally due to inventory optimisation, the Group delivered a strong adjusted operating cash flow of £122.8 million (2025: £104.5 million). Group adjusted operating cash conversion, defined as adjusted operating cash flow as a percentage of adjusted earnings before interest, tax and amortisation, was 107% (2025: 109%).

Net capital expenditure of £8.1 million (2025: £8.3 million) included £0.5 million relating to the ERI expansion programme, £1.4 million relating to new product development and £0.5 million for Nordics metal capability.

A summary of the year's cash flow is shown in the tables that follow, with the principal outflows being in relation to business combinations (£105.4 million including the acquisition of AC Industries and deferred consideration paid for Fantech), tax paid (£22.2 million), dividends (£22.6 million) and capital expenditure (£8.1 million).

Net debt at 31 July 2026 was £235.8 million (2025: £165.7 million) and is set out in the table opposite. Excluding lease liabilities, net debt at 31 July 2026 stood at £184.2 million (2025: £126.0 million). Leverage of net debt (excluding lease liabilities) to adjusted EBITDA was 1.5x at 31 July 2026 (2025: 1.2x).

Value-adding acquisitions

The amount spent on acquisitions in the year net of cash acquired was £105.4 million (2025: £142.4 million). We completed the acquisition of AC Industries (Australasia), for an initial consideration, net of cash acquired of AUD152.5 million, (£75.8 million), on a debt-free cash-free basis, as well as paying the deferred consideration of AUD60 million (£29.6 million) in respect of the Fantech acquisition.

Movements in net debt position for the year ended 31 July

	2026 £m	2025 £m
Opening net debt 1 August	(165.7)	(57.6)
Movements from continuing business operations:		
Adjusted EBITDA	128.1	106.3
Movement in working capital	0.9	4.3
Share-based payments	1.9	2.2
Net capital expenditure	(8.1)	(8.3)
Adjusted operating cash flow:	122.8	104.5
Interest paid net of interest received	(11.7)	(7.6)
Income tax paid	(22.2)	(20.1)
Dividend paid	(22.6)	(19.0)
Purchase of own shares	(2.4)	(2.3)
Issue costs of new borrowings	(0.6)	(1.8)
IFRS 16 payment of lease principal	(7.0)	(6.0)
IFRS 16 increase in lease liabilities	(11.8)	(13.7)
Movements from business combinations:		
Cash flow relating to business combination costs	(1.1)	(3.1)
Business combination of subsidiaries, net of cash acquired	(105.4)	(107.4)
Acquisition of remaining 24.35% of ClimaRad and repayment of vendor loan	–	(30.4)
Payment of ERI Contingent consideration	–	(4.6)
Repayment of debt acquired in business combinations	(0.3)	(0.2)
FX on foreign currency loans/cash	(7.8)	3.6
Closing net debt 31 July	(235.8)	(165.7)

Financial Review continued

Reconciliation of bank debt to net debt

	2026 £m	2025 £m
Bank debt	(206.1)	(144.7)
Cash	21.9	18.7
Net debt (excluding lease liabilities)	(184.2)	(126.0)
Lease liabilities	(51.6)	(39.7)
Net debt	(235.8)	(165.7)

Reconciliation of reported to adjusted operating cash flow

	2026 £m	2025 £m
Adjusted operating cash flow	122.8	104.5
Cash flow relating to business combination	(1.1)	(3.1)
Statutory operating cash flow	121.7	101.4
Net capital expenditure	8.1	8.3
UK and overseas tax paid	(22.2)	(20.1)
Payment of ERI contingent consideration	–	(4.6)
Net cash flow from operating activities	107.6	85.0

Funding facilities and liquidity

On 9 January 2026, the Group increased its multi-currency 'Sustainability Linked Revolving Credit Facility' from £230 million to £270 million, with a remaining accordion facility of £30 million (2025: £70 million), maturing in September 2028.

As at 31 July 2026, the Group had £63.9 million of undrawn, committed bank facilities (2025: £85.3 million) and £21.9 million of cash and cash equivalents (2025: £18.7 million).

Post the balance sheet date, on 18 September 2026 we concluded an exercise to increase and extend the maturity of the facility, which now stands at £340 million plus a further £150 million accordion facility. This new and increased facility matures in September 2029, with two further one-year optional extensions out to September 2031.

Return on Invested Capital (ROIC) remains >25% post Fantech and AC Industries

The Group's ROIC (pre-tax) for the financial year was 25.4% (2025: 25.2%), measured as adjusted operating profit for the year divided by average net assets adding back net debt, acquisition-related liabilities, and historic goodwill and acquisition-related amortisation charges (net of the associated deferred tax). The measure excludes the goodwill and intangible assets arising from the original transaction that created the Group when it was bought via a leveraged buy-out transaction by private equity house TowerBrook Capital Partners in 2012.

The 20bps increase in the year to 25.4% (2025: 25.2%) consists of a 40bps reduction due to the acquisition of ACI in the period offset by a 20bps improvement due to Fantech (full year activity and margin improvement) and a 40bps improvement due to organic operating margin expansion in the year.

Recommended dividend

The Board has recommended a final dividend of 8.8 pence per share, which, together with an interim dividend paid of 4.0 pence per share, gives a total dividend per share of 12.8 pence (2025: 10.8 pence), up 18.5% in total. The final dividend is subject to approval by shareholders at the Annual General Meeting on 9 December 2026 and, if approved, will be paid on 15 December 2026.

Employee Benefit Trust

During the year, £2.4 million of non-recourse loans (2025: £3.0 million) were made to the Volution Employee Benefit Trust for the purpose of purchasing shares in Volution Group plc to meet the Company's obligations under its share incentive plans. The Volution Employee Benefit Trust acquired 380,000 shares at an average price of £6.28 per share in the period (2025: 515,000 shares at an average price of £5.83) and 433,421 shares (2025: 653,444 shares) were released by the trustees with a value of £2.8 million (2025: £3.7 million). The Volution Employee Benefit Trust has been consolidated into the results and the shares purchased have been treated as treasury shares deducted from shareholders' funds.

Andy O'Brien
Chief Financial Officer
7 October 2026

Our capital allocation for long-term sustainable growth

Investment for organic growth

Value-adding acquisitions

Reliable return to shareholders

Regional Review
UK

Excellent margin performance

Revenue

£176.3m

Revenue growth

0.1%

Adjusted operating profit

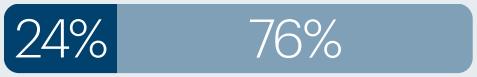
£49.9m

Adjusted operating margin

28.3% (+2.3pp)

Revenue split

● New build ● RMI



● Commercial ● Residential

	2026 £m	2025 £m	Change %
Residential	**117.7**	115.2	2.2
Commercial	**27.2**	30.1	(9.6)
Export	**16.9**	15.7	7.6
OEM	**14.5**	15.1	(4.0)
Total revenue	**176.3**	176.1	0.1
Adjusted operating profit	**49.9**	45.9	8.7
Adjusted operating profit margin (%)	**28.3%**	26.0%	+2.3pp
Reported operating profit	**48.1**	44.0	9.3

UK revenue increased marginally from £176.1 million to £176.3 million, representing organic growth of 0.1%.

Adjusted operating profit increased strongly by 8.7%, from £45.9 million to £49.9 million, with adjusted operating margin increasing by a significant 230 basis points from 26.0% to 28.3%.

This was an excellent margin performance and a testament to the hard work and focus of our UK team. Despite a challenging demand backdrop, material cost inflation and supply chain disruption, we successfully delivered a broad range of planned initiatives to enhance gross and operating margins.

Importantly, this improvement was achieved alongside continued investment across the UK business to support future revenue growth, further improve customer service and increase product availability. Investments in manufacturing capacity, automation, vertical integration, value engineering and operational efficiency are providing additional capacity for growth while further strengthening the competitiveness of the UK business.

Residential

Sales in our residential market sector increased by 2.2% to £117.7 million (2025: £115.2 million), building on the strong organic growth delivered in the prior year.

Performance during the year was characterised by continued resilience in residential refurbishment, offset by weaker demand from residential new-build applications, particularly during the second half.

Our leading brands provide tailored solutions across a broad range of residential applications. In refurbishment, we continued to invest in innovative products that are quieter, more discreet and increasingly energy efficient. With one of the widest ranges of residential ventilation solutions in the market, including complementary accessories supplied through our wholesaler customers, we believe we made further market share gains during the year.

We serve both the important trade and retail channels and believe that our breadth of product offering, responsiveness and consistently high levels of customer service continue to differentiate us from our competitors. External market indicators suggest that the private residential refurbishment market declined by a low-to mid-single-digit percentage during the year, making our growth performance particularly encouraging.

Regional Review continued

Demand from social housing refurbishment strengthened during the second half. The introduction of Awaab's Law in October 2025 resulted in some short-term disruption as social housing landlords prepared for the new requirements, before attention returned to the refurbishment and improvement of existing housing stock.

Our enhanced range of continuous ventilation and heat recovery solutions for social housing made excellent progress during the year. We continue to invest in quieter, more discreet and energy efficient products while maintaining particularly strong levels of customer service.

We are also seeing increasing consideration of the decarbonisation of existing housing stock. This is supporting greater interest in higher-value decentralised heat recovery solutions as part of refurbishment projects. With energy costs remaining an important consideration for social housing providers and their tenants, we work closely with customers to identify the most effective and energy efficient ventilation solution for each application.

In residential new-build, we saw a further increase in the proportion of homes adopting continuous ventilation, both with and without heat recovery. However, delays in planning approvals for high-rise developments, lower housing completions and disappointing levels of new starts reduced overall demand for ventilation systems during the year.

We continue to provide some of the most innovative and energy efficient solutions in this market and believe there remains significant scope for further penetration of heat recovery technology over time. Our capabilities span application design, mechanical ventilation systems and ducting solutions, supported by the largest dedicated sales team in this part of the market. We therefore remain confident in the attractive long-term prospects for residential new-build ventilation.

Commercial

Sales in our commercial sector decreased by 9.6% to £27.2 million (2025: £30.1 million).

Our performance in commercial ventilation was disappointing and was the principal reason why our overall UK ventilation activities delivered minimal revenue growth during the year. The commercial ventilation market remained challenging, and we estimate that the wider market declined by a mid-single-digit percentage. Against that backdrop, we did not make the market share progress we had anticipated.

We have, however, continued to invest in the capabilities required to improve our performance and grow our share of this market.

Investment in new products, manufacturing capability and capacity, most notably at our Dudley facility in the West Midlands, has strengthened the platform from which we can grow.

Our Breathing Buildings brand, focused primarily on natural and hybrid ventilation solutions for the education sector, has been positioned for further growth. We strengthened brand leadership and enhanced sales representation during FY26, with further additions planned early in FY27.

Within fan coil products, we completed a dedicated ERP investment designed to improve visibility, planning and operational efficiency. Following a disappointing start to the second half, the business ended the year with an improving order position together with strengthened sales focus and leadership.

We remain a challenger in the commercial ventilation market and are continuing to invest to grow our market share. With improved leadership, increased sales capability, new products and additional manufacturing capacity, we believe we are well positioned both to take share and to benefit from any improvement in commercial markets during FY27.

Export

Sales in our UK export sector increased by 7.6% to £16.9 million (2025: £15.7 million), representing another year of strong organic growth.

Our close relationship with our distribution partner in Ireland continued to deliver strong results. The Irish housebuilding market remained more robust and structurally better supported than the UK market, while there continues to be a significant focus on energy efficient ventilation solutions, with heat recovery technology gaining further traction.

We also made progress in developing new export customers across Continental Europe while increasing our share with a number of existing accounts. The breadth of our ventilation product portfolio provides considerable opportunity to increase the range of solutions supplied to existing customers as well as supporting the development of new accounts.

OEM

Third party sales in our OEM sector were £14.5 million (2025: £15.1 million), representing an organic decline of 4.0%.

Performance was characterised by two distinct halves. During the first half, the business delivered good organic growth, with our more focused and better-serviced portfolio of primarily low-energy motorised impellers used in energy efficient applications performing well.

The continued simplification of the product range, optimisation of the manufacturing footprint and significant value-engineering initiatives also made an important contribution to the strong improvement in overall UK profitability.

During the second half, demand weakened, principally reflecting the deterioration in UK residential new-build activity, to which a significant proportion of our third-party OEM customer base is exposed.

We continue to simplify the OEM operating model while increasing the supply of motors internally to other Volution businesses. A number of initiatives are also planned for FY27 to broaden the international customer base and increase the opportunities available to the business.

Regional Review continued
Strategy in Action

Operational excellence
Building capacity for a low-carbon future

With the Future Homes Standard now published, all new home designs in England and Wales will require compliance with new, more stringent and energy efficient building regulations from March 2027. This change will continue to drive demand for low-carbon ventilation solutions, including mechanical ventilation with heat recovery.

To ensure that we continue to maintain market leading service levels in the category, and improve efficiency, during H1 FY26, we expanded our Dudley footprint with two additional dedicated units. This investment increased our warehousing capacity and, importantly, enabled the introduction of new, state-of-the-art production flow lines for our Kinetic and Econiq heat recovery ranges.

Regional Review continued
Strategy in Action continued

Transformed manufacturing process

The new flow lines have transformed the way products move through the manufacturing process, creating a more streamlined and efficient production sequence. By introducing greater standardisation, clearer production scheduling and defined quality checkpoints, we have improved productivity and increased output with no additional labour. We have also increased our speed of response and so improved flexibility and lead times, ensuring that we can optimise stockholding based on demand.

The investment has also strengthened operational discipline across the site. Performance measures are clearly visible across the production environment, supported by a strong focus on 5S, standard work and continuous improvement. Andon alerts provide greater visibility of issues as they arise, while the separation of quality, testing and repair activities has helped improve process control and product quality. All of these are aimed at ensuring an excellent customer experience of our products and services as we grow.

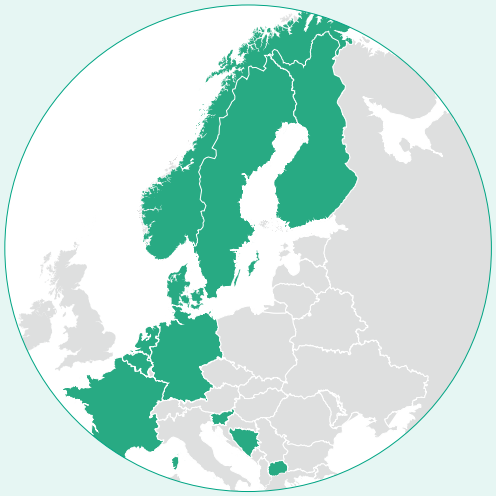
Further growth opportunity

The new investment also provides space in the existing facility to support growth in our commercial product ranges. During FY27, we plan to extend the flow-line approach to additional product ranges at the site, including our Breathing Buildings portfolio. We will also continue to develop our 5S and performance-management culture, building on the progress already achieved to drive further improvements in productivity, quality, safety and cost efficiency.

The Dudley transformation demonstrates how targeted investment in our manufacturing footprint can unlock capacity, improve operational performance and create a scalable platform for future growth.

Regional Review continued
Continental Europe

Organic growth ahead of target



Revenue

£150.3m

Revenue growth at cc

5.9%

Adjusted operating profit

£36.5m

Adjusted operating margin

24.3% (+0.2pp)

Revenue split

New build · RMI

Commercial · Residential

	2026 £m	2025 £m	Change %	Organic change (cc) %
Central Europe	**98.3**	90.6	8.5	5.2
Nordics	**52.0**	46.0	13.0	7.3
Total revenue	**150.3**	136.6	10.0	5.9
Adjusted operating profit	**36.5**	32.9	10.9	
Adjusted operating profit margin (%)	**24.3%**	24.1%	+0.2pp	
Reported operating profit	**31.1**	27.3	13.9	

Our Continental Europe revenues increased by 10.0% from £136.6 million to £150.3 million, 5.9% cc. Adjusted operating profit was up 10.9% at £36.5 million versus a prior year of £32.9 million. The adjusted operating profit margin increased in the year by 20bps to 24.3% (2025: 24.1%). Following a period of more subdued growth in Europe it is especially pleasing to deliver organic growth ahead of our 3–5% target. European, markets are still challenging, but, following a protracted period of weaker construction demand, we are seeing signs of some new-build recovery and greater resilience from refurbishment activities. With the UK market backdrop more challenging, we now expect a greater contribution from Continental Europe towards our 3–5% overall group organic growth.

Central Europe

Sales in the Central Europe region grew 5.2% cc to £98.3 million compared with the prior year of £90.6 million.

ClimaRad delivered another strong year of growth, with a proposition that has resonated extremely well in both new-build and refurbishment activities. Having acquired the business in December 2020, we have seen a consistent growth in revenue and profitability from our leading range of decentralised heat recovery. Largely the same team as at the time of acquisition has positioned the proposition very well, with clear and compelling arguments about the benefits of installing our leading system. To support this revenue growth, and assisting with enhancing gross margins, we have made significant investment in our Bosnian facilities and future proofed the production facility with a high degree of vertical integration since the business was acquired in 2020.

Staying with the theme of decentralised heat recovery, we delivered a turnaround in our InVENTer revenue performance in the year, with the last quarter of FY26 being particularly strong. New and invigorated leadership in Germany, with a focus on further professionalising the sales teams and deepening the relationships with our sales agent network, sets us up well for future growth.

Immediately post-year-end 2026 we completed the acquisition of getAir GmbH, the leading provider of decentralised heat recovery focusing on a specific group of heating and ventilation OEM customers in Germany. We see a huge complementarity between the InVENTer and getAir solutions and significant opportunities to accelerate our innovation and development of this important range of decentralised heat recovery solutions.

Regional Review continued

I-Vent in Slovenia and Croatia has had a challenging last few years, but the second half of FY26 was much improved. The development of an in-dwelling air sensor communication with the decentralised and exhaust ventilation, I-Cube, was launched at the end of the financial year, with initial launch product volumes selling out very quickly.

Volution has developed a leading position in the Netherlands, Germany, Slovenia and Croatia, with arguably the most comprehensive and diverse range of retrofittable heat recovery solutions for the residential market. As homeowners and landlords face greater pressure to decarbonise their dwellings, we see our technology as a central plank to any decarbonising strategy.

Energy Recovery Industries, based in North Macedonia, delivered another year of good revenue growth. Cost pressures from increasing aluminium input costs had some impact on our gross margins and we have applied careful pricing discipline to the category to restore profitability whilst maintaining our long-term growth ambitions and support to our key customers. We have significant growth plans for this product line and have invested in acquiring an adjacent manufacturing building to our existing facility. This building requires extensive refurbishment to bring it up to the required standard and this will be completed, towards the end of FY27. Once completed this will double the manufacturing floor space and future proof our long-term growth plans.

In Belgium and France, our performance was disappointing and, despite delivering 5.9% organic growth in Continental Europe, these areas acted as a drag on our overall performance. Our product propositions are well placed, and we have excellent service capabilities. In France, during the year, we materially extended our range by launching a new range of central mechanical extract ventilation products, and this area delivered some growth traction towards the end of the financial year. Both areas are reviewing and upgrading their approach to market and we are increasing our focus on acquiring new customers and widening the ranges existing customers currently source from us.

Nordics

Sales in the Nordics region were £52.0 million (2025: £46.0 million), an organic revenue growth of 7.3% cc compared with the previous year.

Revenue in the Nordics grew by 13.0% as we saw some strengthening of the local currency, the constant currency growth of 7.3% being a standout performance. In Finland, we saw our Pamon and Rtek brands return to strong growth and our overweight position in refurbishment was rewarded with an end to customer de-stocking and stronger demand across all areas of the region.

New-build activity is still subdued.

However, stocks of completed dwellings have materially reduced in the year, and we are excited about the potential to further increase our market share from a low base in this area. We are undertaking a medium-term project to rationalise and enhance our product ranges and to further optimise our new-build ventilation solutions.

In residential refurbishment, there are some exciting new developments underway, with a further freshening up and upgrading of the product range planned for second half 2027.

Regional Review continued
Strategy in Action

Compounding organic growth
Differentiated technology, with clear pay-back

Founded in 2005, ClimaRad has grown from an innovative pioneer into a leading European provider of decentralised climate solutions. Headquartered in Oldenzaal, the Netherlands, with production in Sarajevo, ClimaRad develops integrated room-based solutions for ventilation, heating and cooling across residential, healthcare and commercial buildings.

Differentiated technology, with clear pay-back

ClimaRad pioneered decentralised, low-carbon ventilation systems installed directly through the façade and controlled at room level. By reducing installation complexity and the need for extensive structural modifications, this approach offers a flexible solution for both new-build and renovation projects.

Demand is being supported by powerful long-term trends: tighter building energy standards, the decarbonisation and renovation of existing buildings, electrification and increasing awareness of healthy indoor environments.

This backdrop has enabled the development of an energy lifecycle pay-back model calculating returns over the life of the install. In a representative example retrofit Dutch project, the integration of the ClimaRad system with low-temperature heating gave an indicative lifecycle-average pay-back of 3.5–4 years. This is particularly helpful in retrofit applications, where improving building performance while minimising energy use, running costs, disruption and installation complexity is critical.

Combining energy efficiency, comfort and ease of installation has helped ClimaRad build a strong market position, supported by an extensive reference base and long-standing relationships with housing associations, healthcare organisations, developers, consultants and installers.

Regional Review continued
Strategy in Action continued

Innovation expanding the opportunity

Continued innovation is broadening ClimaRad's addressable market. Its latest systems integrate heat recovery, low-temperature heating and active cooling within a single platform, with intelligent sensors and controls responding automatically to CO_2, humidity and temperature.

This expanding functionality strengthens ClimaRad's proposition as buildings increasingly move towards electrification and low-carbon heating technology, while enabling the business to address a wider range of customer and building requirements, and attract a higher percentage of the spend.

A scalable platform for growth

ClimaRad has developed into a recognised knowledge partner for customers, consultants and other industry stakeholders. Combined with proven technology, in-house manufacturing and established routes to market, this provides a scalable platform for continued organic growth.

Strong cross selling opportunities

Since joining Volution Group in 2020, ClimaRad has benefited from the Group's international market access, supporting expansion beyond its established Dutch market, including into Germany and Scandinavia. With the move to our Regional structure uniting our decentralised brands under the same leadership, and with the addition of getAir in August 2026, opportunities will continue to develop.

Sustained strong double-digit growth

ClimaRad's growth reflects the strength of its differentiated technology, established market position and exposure to attractive structural trends. Continued investment in innovation and international expansion, supported by Volution Group, provides significant opportunity to build on this track record and strengthen ClimaRad's position in the European market.

"ClimaRad combines proven technology, in-house production and a strong market position with clear alignment to Volution's strategy. Together, these strengths provide an excellent platform to continue growing and expand our leadership in decentralised climate solutions across Europe."

Koen Groenewold, Regional Managing Director

Regional Review continued
Australasia

A compelling proposition in both residential & commercial markets

Revenue

£158.2m

Revenue growth at cc

46.6%

Adjusted operating profit

£35.1m

Adjusted operating margin

22.2% (+1.6pp)

Revenue split

	2026 £m	2025 £m	Change %	Organic change (cc) %
Residential	**74.5**	62.1	20.0	5.7
Commercial	**83.7**	44.3	88.9	(0.2)
Total revenue	**158.2**	106.4	48.7	3.3
Adjusted operating profit	**35.1**	21.9	60.3	
Adjusted operating profit margin (%)	**22.2%**	20.6%	1.6pp	
Reported operating profit	**28.3**	11.0	157.3	

Sales in our Australasia region were £158.2 million, with organic revenue growth of 3.3% cc. The region also benefited from the acquisition of AC Industries in February 2026 and the full-year contribution from Fantech, with the first four months of FY26 representing an incremental inorganic contribution. Inorganic growth was 43.4% cc.

Adjusted operating profit increased by 60.3% to £35.1 million (2025: £21.9 million), while adjusted operating margin increased by 160 basis points from 20.6% to 22.2%. Reported operating profit increased by 157.3% to £28.3 million (2025: £11.0 million).

We are delighted with the continued progress made across Australasia, where we have established a leading position in ventilation solutions for buildings and infrastructure. The acquisition of AC Industries supported the improvement in operating margin during the second half, while the underlying progress within our existing businesses demonstrates the benefits of the greater integration of our regional ventilation activities following the acquisition of Fantech in December 2024.

Anthony Lamaro is well established as Regional Managing Director and we continue to strengthen the regional leadership team, with particular focus on product management, finance, operations and procurement. We are increasingly applying the principles that have supported the successful development of our UK business: strong local commercial leadership, supported by functional expertise, operational excellence and the benefits of greater scale.

We believe there remains significant opportunity to develop Australasia along a similar path. Adjusted operating margin has now moved above our long-term 20% target to 22.2%, while several further optimisation and efficiency initiatives are already underway.

The acquisition of AC Industries has also materially increased the proportion of regional revenue generated from non-residential applications. This mix will shift further in FY27 as we benefit from a full-year contribution from AC Industries, further increasing the diversity and resilience of the region.

We are also beginning to see the benefits of deploying the wider Group product portfolio across Australasia. Heat recovery is an area of particular opportunity, with new residential and commercial product ranges launched during the year generating encouraging early demand.

Regional Review continued

Increasing workplace safety requirements, particularly around air quality and exposure to airborne contaminants, are also creating new opportunities. We have successfully developed several innovative and bespoke ventilation solutions to address exhaust emissions and air quality requirements across a range of applications.

Operationally, we continued to invest in our facilities and delivered significant efficiency improvements at our principal sites during the year. We expect this progress to continue in FY27 and have identified a number of site consolidation opportunities arising from the increased scale of our regional activities following the Fantech acquisition.

Residential

Sales in our residential market sector increased to £74.5 million (2025: £62.1 million), representing revenue growth of 19.6% cc. Organic revenue growth was 5.7% cc, complemented by 13.9% inorganic growth from the full-year contribution of Fantech.

We were particularly pleased with the strong organic performance of our residential activities. Our broad routes to market, combined with a leading portfolio of products across a wide range of applications, continue to provide a strong platform for growth.

We are increasingly deploying products and technologies from across the wider Group into the Australasian market, with particular focus on continuous ventilation and heat recovery solutions for residential new-build applications. Early progress has been encouraging, and we believe there is considerable opportunity to further broaden the range of solutions offered to our customers.

At DVS Proven Systems in New Zealand, we would like to thank the previous owners, who retired from the business in June 2026. Their departure followed a carefully planned transition, which we first discussed when Volution acquired the business in early 2023, and the handover was completed extremely well.

The next phase will see further integration of the DVS brand into our wider regional activities. This will provide opportunities to simplify back-office processes, improve efficiency and benefit from the increasing scale of our Australasian operations while retaining the strength of the DVS brand and its customer proposition.

Commercial

Sales in our commercial market sector increased to £83.7 million (2025: £44.3 million), representing revenue growth of 84.6% cc. Organic revenue declined marginally by 0.2% cc, while inorganic growth of 84.8% reflected the full-year contribution from Fantech and the acquisition of AC Industries.

Underlying commercial ventilation markets remained challenging during the year, although we saw tentative signs of improvement towards the end of FY26, including a strengthening order book. We also received our first orders for the supply of ventilation and cooling fans for use in the construction of data centres. There is significant investment planned for data centres in the coming years and we are gearing up our offer to benefit from this demand.

Changes to Workplace Exposure Limits, expected to become legally enforceable from 1 December 2026, should provide a supportive structural driver for a number of our commercial and industrial ventilation solutions.

AC Industries made an excellent start under Volution ownership, with revenue and profit contribution during the first six months ahead of our expectations.

AC Industries has a leading position in Australia and our initial focus has been on supporting its existing customer base while identifying opportunities to develop international revenues. We are investing in additional manufacturing capacity, with the existing site and footprint providing sufficient flexibility to support our growth ambitions over the short to medium term.

We have significant ambitions for AC Industries. Long-term demand projections for copper and gold remain supportive and the requirement for effective underground ventilation is critical to safe and productive mining operations. Combined with increasing regulation around workplace air quality and employee exposure, we believe these trends provide an attractive backdrop for the long-term development of the business.

It has been a pleasure to work with Tony Wigg, Brad Dunlop and the wider AC Industries team. The integration has progressed extremely well since completion in February 2026, and we are excited by the opportunities available to the business as part of Volution.

Regional Review continued
Strategy in Action

Value-adding acquisitions
AC Industries: a strong, long-term performer in mine ventilation

AC Industries is a strong, long-term performer in the mine ventilation category, and its acquisition strengthens the Group's position as a leading global provider of ventilation and air quality solutions. Since 1991, AC Industries has built its reputation as the leading designer, manufacturer and supplier of high-quality, energy efficient ventilation ducting and air-flow control solutions for secondary ventilation in underground mines. Its products are engineered to reduce a clients' operating costs, an approach that has underpinned a long track record of growth, high customer retention and a resilient, repeatable revenue base.

Strategic rationale

Volution Group acquired AC Industries on 2 February 2026 to extend the Group's range of ventilation solutions into the Australasian region. The acquisition supports the global energy transition and is closely aligned with Volution's purpose of delivering healthy air, sustainably. AC Industries brings a specialist and unique capability to the Group where airflow delivery and management is not a discretionary purchase but a critical factor of a project's safety, productivity and profitability.

152.5m AUD Initial consideration (debt-free, cash-free)	1991 30+ years' experience
9,000m Ventilation ducting produced per day	150+ Sites across 15+ countries

Regional Review continued
Strategy in Action continued

A market leader built on quality and cost efficiency

AC Industries is the clear market leader in Australia and continues to expand its international footprint, having supplied over 150 mine sites across more than 15 countries, including over 100 sites in Australia. The business has grown into a world-class manufacturer, capable of producing up to 9,000 metres of ventilation ducting per day. Its industry leading products provide proven, practical solutions to a market where secondary ventilation is vital to a mine's operational success.

AC Industries is committed to reducing a customer's total energy consumption while also improving operational efficiency, long-term durability and on-site safety. The combination of high manufactured quality and lower whole-of-life operating cost is what has made AC Industries the preferred ventilation duct specialist among senior mine site engineers and managers.

A resilient, blue-chip customer base

AC Industries has consistently delivered strong revenue growth, underpinned by a loyal blue-chip customer base with high levels of repeat revenue throughout the life of a mine. Over 80% of customer sites are gold or copper mines, end markets benefiting from strong structural tailwinds, with the remainder comprising silver, lead, zinc, nickel, diamond and lithium operations.

AC Industries is trusted by some of the world's largest mining companies, with its commitment to technical excellence at high-output underground operations underpinning long-term strategic relationships.

Growth through collaboration

AC Industries is led by an experienced management team with deep industry knowledge and extensive expertise. It will be supported by, and collaborate with, Volution Group's established Australasian functional resources, operations specialists and leadership capabilities. AC Industries will also work closely with Volution's Fantech Industrial brand, which provides solutions for industrial and above-ground mine applications, enabling both businesses to share technical knowledge and commercial experience. Together, these relationships support AC Industries' ambition to grow its international reach by supplying its products to a growing number of underground mines outside Australia.

Key Performance Indicators
Strong and sustainable performance

We monitor performance against our strategy and priorities, and enable investors and other stakeholders to measure our progress consistently.

Revenue growth

£m

+12.3%

Five-year average

- This KPI tracks our performance against our strategic aim to grow the business. We expect to grow via a combination of both organic growth and via acquisitions of attractive businesses with strong brands that expand our access to markets and are aligned with our purpose.

Comments

- Revenue grew 15.7%, or 13.8% cc.
- Organic revenue growth was 2.8% cc, with a 1.9% favourable impact from strengthening SEK, Euro and AUD during the year.
- 11.0% revenue growth through acquisitions due to four months' contribution from Fantech following the acquisition in December 2024, and 6 months' contribution from the FY26 acquisition of AC Industries.

Organic revenue growth[1]

%

+4.2%

Five-year average

- This KPI tracks our revenue performance from existing businesses excluding the impact of acquisitions. We expect to deliver growth ahead of GDP, leveraging our strong brand positions and market leading product portfolios, supported by regulatory trends and increasing customer awareness of air quality and the importance of ventilation.

Comments

- Organic revenue growth 2.8% cc, just below our target range of 3–5%. Last five-year average of 4.2%, above the middle of our target range.
- Growth was strongest in Continental Europe (+5.9% cc), with good growth in Australasia (+3.3% cc), and more challenging market conditions in the UK, which was broadly flat (0.1%). Growth was broadly equally attributable to volume and price.

Strategic pillars key:

Organic growth | Value-adding acquisitions | Operational excellence | Sustainability at our core

Directors' remuneration key:

L Long-term Incentive Plan | A Annual Bonus Plan

Notes

1. The Group uses some alternative performance measures (APMs) to track and assess the underlying performance of the business. These measures include adjusted operating profit, adjusted operating profit margin, adjusted profit before tax, adjusted basic EPS, adjusted operating cash flow, Return on Invested Capital (ROIC), net debt, net debt (excluding lease liabilities) and adjusted operating cash conversion. The reconciliation of the Group's reported profit before tax to adjusted profit measures of performance is summarised in the table on page 19 and in detail in note 2 to the consolidated financial statements. For a definition of all the adjusted and non-GAAP measures, see the glossary of terms in note 33 to the consolidated financial statements.
2. Definitions, basis of preparation, calculation methodology and historical data related to sustainability KPIs and other measures of sustainability performance can be found on pages 186 to 199.

Key Performance Indicators continued

Adjusted operating profit margin[1]

%

22.1%

Five-year average

A

- This adjusted measure tracks the underlying financial performance and quality of the Group's earnings. We aim to achieve and sustain attractive operating margins by leveraging the benefits of product innovation, and through economies of scale in sourcing and operational efficiencies in our production and indirect costs.

Comments

- Adjusted operating profit margin up 90bps to 23.2% (2025: 22.3%).
- All regions saw improvement in margins with the strongest in the UK up 2.3pp despite the challenging market, driven by planned initiatives, Australasia margins up 1.6pp with mix benefit from AC Industries and margin expansion in Fantech, and Continental Europe up 0.2pp.

Adjusted operating cash conversion[1]

%

101%

Five-year average

- This KPI tracks the efficiency of cash generation at the operational level (important for our acquisition strategy), after movements in working capital and capital expenditure.

Comments

- Asset-light business model drives strong cash conversion with a target of 90%.
- Conversion of 107% reflects a good working capital management, with an inflow of £0.9 million in the year (2025: £4.3 million), and targeted growth enabling capital expenditure of £8.1 million (2025: £8.3 million).

Working capital[1]

% of LTM revenue

15.6%

Five-year average

A

- This KPI tracks our working capital efficiency. Optimisation of our working capital, in particular maintaining appropriate inventories, is an important stream of our operational excellence focus.

Comments

- Working capital reduced by £0.9 million, which, when combined with 15.7% revenue growth, produced a 1.6pp reduction in our WC efficiency measure.
- Inventory (excluding new acquisitions) increased by £5.0 million, offset by improvements in receivables and payables.

Strategic pillars key:

Organic growth | Value-adding acquisitions | Operational excellence | Sustainability at our core

Directors' remuneration key:

L Long-term Incentive Plan | A Annual Bonus Plan

Key Performance Indicators continued

Adjusted basic earnings per share[1]

pence

+12.8%

Five-year average growth

L A

- This KPI measures how successful we have been in growing the business relative to capital allocation and tax considerations. We target double digit adjusted EPS growth.

Comments

- Adjusted basic EPS grew 15.4%, our second highest annual growth outside of the Covid-19 period.
- Driven by 20.2% growth in adjusted operating profit, partly offset by higher finance costs due to debt drawn for the purchase of AC industries during FY26 and settlement of Fantech deferred consideration.

Reported basic earnings per share

pence

+27.7%

Five-year average growth

- This KPI measures how successful we have been in growing the business relative to capital allocation and tax considerations.

Comments

- Adjusting items relate to acquisitions and are detailed in the Financial Review on page 19. The most significant adjusting items in the year were amortisation of intangible assets (£13.4 million), fair value movement in contingent consideration (£1.4 million), unwinding of discount on future consideration (£0.8 million) and amortisation of acquired inventory fair value (£0.6 million).

Return on Invested Capital (ROIC)[1]

%

26.9%

Five-year average

L

- This KPI measures the returns for the Group as a whole and helps demonstrate the underlying quality of the business and its ability to generate shareholder value.

Comments

- ROIC of 25.4% (2025: 25.2%).
- Remains significantly ahead of the Group's estimated weighted average cost of capital and ahead of our target of 20%.
- Increase of 20bps in the year consists of an adverse impact of 40bps due to the acquisition of ACI, offset by 20bps improvement in Fantech and 40bps improvement in the rest of the Group due to operating margin expansion.

Strategic pillars key:

Organic growth | Value-adding acquisitions | Operational excellence | Sustainability at our core

Directors' remuneration key:

L Long-term Incentive Plan | A Annual Bonus Plan

Key Performance Indicators continued
Sustainability performance

Revenue from low-carbon products

72.1%

% of revenue

- This KPI measures our aim to champion the energy saving potential of our products to support the drive to net zero.

Comments
- Low-carbon sales higher than FY25 with the introduction of AC Industries' low carbon products offsetting the diluting impact of the smaller low-carbon portfolio of Fantech. FY26 is at 73.9% on an organic basis representing good progress across the rest of the Group.

Recycled plastic in our own manufactured products

81.3%

% recycled

- This KPI measures our aim to reduce the environmental impact of the materials embedded in our products.

Comments
- Slightly down at a Group level due both to product mix and availability of materials in the UK, but good progress in both Nordics and ClimaRad facilities where investment has enabled the proportion of recycled plastic used to increase substantially.

Scope 1 & 2 carbon intensity

10.5

tCO_2/£m revenue

- This KPI measures progress on our commitment to net zero

Comments
- Reduction in carbon intensity across all regions. The improvement a result of individual efficiency measures and an overall decrease in the average emissions conversion factors in FY26.

Reportable accident frequency rate

0.29

per 100,000 hours worked

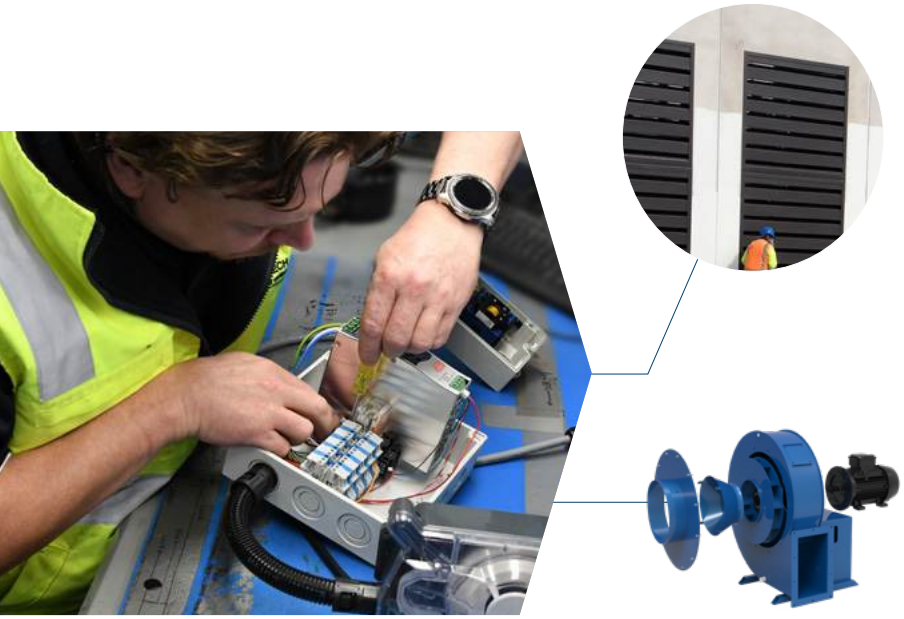
- This KPI measures our first priority to keep everyone safe.

Comments
- Increase in frequency rate represents 14 reportable incidents across the Group during the year (FY25: 8 reportable incidents). Keeping everyone safe remains our top priority.

Stakeholder Engagement
Delivering value through outcomes

The Board recognises that effective stakeholder engagement is most meaningful when it leads to informed discussion, responsive action and measurable outcomes. The following section therefore sets out not only how Volution engages with each key stakeholder group, but also how feedback and stakeholder insight are considered by management and the Board and how they influence priorities, decisions and follow-up actions during the year.

Further information on how the Directors had regard to stakeholder interests and the matters set out in section 172(1) of the Companies Act 2006 is included in the Section 172 Statement on pages 42 and 43.



Employees

Why engagement matters

Employee engagement is critical to our long-term success. Interaction between our employees and customers is also one of the main ways of experiencing our brands. We work to create a diverse and inclusive workplace where every employee can reach their full potential. This ensures we can retain and develop the best talent.

How does Volution engage?

- Employee Representative Forum.
- Employee Engagement Survey and action planning.
- Training and development.
- Individual performance reviews.
- Recognition and reward.
- Apprenticeships.
- Regular communications such as newsletters.

Board engagement

- Employee Representative Forum and Focus Groups, led by Celia Baxter, designated Non-Executive Director for workforce engagement.
- Review of Employee Engagement Survey results and Group-wide Action Plans.
- Oversight of employee remuneration and gender pay gap data.
- Monthly health and safety reports.
- Annual Report and Accounts.

Outcomes and actions

- Employee feedback informed Group-wide and local action plans, with management accountable for progressing actions and reporting themes and progress to the Board.
- The Board continued to monitor health and safety performance, employee engagement, remuneration matters and inclusion-related data to assess whether the Group's people priorities remained aligned with its culture and long-term strategy.
- Actions arising from employee engagement are intended to support retention, development, wellbeing, safety performance and the ability of the Group to attract and retain the skills needed for future growth.

Stakeholder Engagement continued

Customers

Why engagement matters

Understanding our customers' needs and behaviours allows us to deliver relevant products and services, retain customers, attract new ones and improve product performance. It also highlights opportunities for innovation of sustainable products and challenges to be met.

How does Volution engage?

- Management of ongoing customer relationships.
- Customer events and product launches.
- Participation in industry forums and events.
- Brand websites and social media.

Board engagement

- New product development reports.
- CEO Board report updates the Board on material customer matters.

Outcomes and actions

- Customer insight informed product development priorities, including the continued focus on sustainable, energy efficient products and solutions that support improved indoor air quality.
- Customer and market feedback helped management and the Board assess opportunities for innovation, service improvement and growth in existing and adjacent markets.
- The outcome of this engagement was a continued emphasis on product quality, customer service, sustainability led innovation and maintaining strong relationships with key customer channels.

Suppliers

Why engagement matters

Our suppliers make a vital contribution to our performance. Engaging with our supply chain means that we can ensure security of supply and speed to market. Carefully selected high-quality suppliers ensure our brands deliver market leading innovative products meeting our customer expectations and requirements.

How does Volution engage?

- Supplier audits and inspections.
- Ongoing supplier relationship meetings.
- Responsible, sustainable and ethical procurement.
- Engagement on our supplier Code of Conduct and policies on the prevention of anti-bribery and corruption, fraud and modern slavery.
- Through our sourcing office in Hangzhou.

Board engagement

- A CEO Board report updates the Board on material supplier matters and progress on ethical and sustainable supply.
- Supplier audit reviews are presented to and discussed by the Audit Committee as part of its work in connection with the Group Modern Slavery Policy and Statement.

Outcomes and actions

- Supplier engagement and audit activity supported management's assessment of supply chain resilience, quality, ethical sourcing and modern slavery risk.
- Findings from supplier reviews informed follow-up actions, including continued engagement on the Group's supplier Code of Conduct, responsible procurement expectations and compliance with key policies.
- The intended outcome is to maintain high-quality, resilient and responsible supply chains that support customer service, operational continuity and the Group's reputation for high standards of business conduct.

Stakeholder Engagement continued

Shareholders

Why engagement matters

Continued access to capital is vital to the long-term success of our business. We work to ensure that our investors and investment analysts have a strong understanding of our strategy, performance and ambition. As a Company with shares listed on the London Stock Exchange, we must provide fair, balanced and understandable information about the business to enable informed investment decisions to be made.

How does Volution engage?

- Annual Report and Accounts.
- Annual General Meeting.
- Corporate website including dedicated investor section.
- Results presentations and post-results engagement with major shareholders.
- Investor roadshows, site visits, face-to-face meetings and addressing regular investor and analyst enquiries.
- Regulatory announcements.

Board engagement

- Through regular shareholder feedback to the Board by the CEO and CFO.
- The CEO and CFO (and Chairman if appropriate) hold meetings with shareholders as part of the investor roadshows and ad hoc meetings as appropriate.
- The Chair of the Remuneration Committee engages with shareholders on Remuneration Policy and practice.
- The Board reviews the voting of shareholders.
- Broker and Investor Feedback Reports to the Board.

Outcomes and actions

- Shareholder and analyst feedback was reported to the Board and helped inform the Board's understanding of investor priorities, market perception and the clarity of the Group's external communications.
- Feedback from shareholder engagement, including on remuneration matters where relevant, was considered in Board and Committee discussions and informed the approach to future communication and disclosure.
- The outcome of this engagement was continued focus on transparent reporting, fair and balanced disclosure, and maintaining constructive relationships with shareholders and the wider investment community.

Communities and environment

Why engagement matters

We do business responsibly. We value our brands and have a reputation built on transparency and proven sustainability expertise. We have strong environmental objectives and targets, driven by our strategic pillars. We are committed to human rights.

We aim to contribute positively to the communities and environment in which we operate. We focus on supporting communities and groups local to our operations. Environmental, social and governance (ESG) principles and responsible business provide the foundations for sustainable growth.

How does Volution engage?

- Signatories to the UN Global Compact and the CEO Water Mandate.
- Community investment initiatives.
- Sponsorship and employee volunteering.
- Contributing to national initiatives in society such as International Women's Day and Global Recycling Day.
- A number of employee led charitable initiatives during the year.
- Science Based Targets initiative (SBTi) reporting.

Board engagement

- Active engagement with the Group's ESG matters and sustainability strategy.
- Non-Executive Director representation at the Management Sustainability Committee meetings, reporting back to the Board on decisions and actions.
- The Board receives regular updates on sustainability, including in relation to the development of sustainable new products and progress against sustainability targets.

Outcomes and actions

- Board and management engagement on sustainability informed priorities for product innovation, operational improvement and progress against environmental objectives and targets.
- Community and employee led initiatives supported local relationships and reinforced the Group's commitment to responsible business and positive social contribution.
- The outcome is a continued focus on reducing environmental impact, supporting communities local to the Group's operations and aligning sustainability activity with the Group's strategy and long-term value creation.

Stakeholder Engagement continued

Government/industry bodies

Why engagement matters

National governments set the regulatory framework within which we operate. We engage to ensure we can help in shaping new policies, regulations and standards, which assist in improving indoor air quality, and ensure compliance with existing legislation.

We continually innovate to ensure our products become more energy efficient in line with the sustainability policies set out by most national governments.

We conduct business in accordance with the principles set out in the UK Bribery Act 2010.

How does Volution engage?

- Participation in industry bodies and working groups, in particular BEAMA, the UK trade association for manufacturers and providers of energy infrastructure technologies and systems.
- Engagement with tax authorities.
- Responding to industry and Government consultations.
- Conferences and speaking opportunities.
- Effective and clear policies against bribery and supporting the elimination of modern slavery with training for staff and business partners.

Board engagement

- The Board provides direction in support of the UN Global Compact's principles, and policies relating to modern slavery, anti-bribery and fraud.

Outcomes and actions

- Engagement with Government and industry bodies helped the Group understand developing policy, regulation and standards relevant to indoor air quality, energy efficiency and responsible business.
- This insight informed product development, compliance activity and the Group's contribution to industry discussions and consultations.
- The outcome is that the Group remains alert to regulatory change, supports the development of effective standards and maintains high standards of conduct in the markets in which it operates.

Section 172 Statement

Businesses do not operate in isolation. Without a good understanding of who the key stakeholders are and their needs, a business will fail to deliver sustainable value to shareholders and other stakeholders.

Under s172 of the UK Companies Act, a director of a company must act in the way they consider, in good faith, would most likely promote the success of the company for the benefit of its shareholders. In doing this, the director must have regard, amongst other matters, to the:

- likely consequences of any decisions in the long term;
- interests of the company's employees;
- need to foster the company's business relationships with suppliers, customers and others;
- impact of the company's operations on the community and environment;
- company's reputation for high standards of business conduct; and
- need to act fairly as between members of the company.

The Directors are focused on their duties under s172(1) of the Companies Act 2006 and consider that, during the year ended 31 July 2026, they have acted 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, while having regard to the stakeholders and matters set out in s172(1)(a)–(f).

The Board considers its key stakeholders to be its employees, customers, suppliers and shareholders, the communities and environment in which we operate, and governments and industry bodies in the countries in which we operate. The Board takes stakeholder views into account when setting and implementing strategy, overseeing risk, approving material investments and monitoring the delivery of the Group's purpose and long-term growth ambitions. The Board believes that effective stakeholder engagement is essential to building trust, supporting resilient decision-making and delivering sustainable value for shareholders and wider stakeholders.

The Board's approach is to ensure that stakeholder considerations are embedded in decision-making rather than treated as a separate compliance exercise. Board papers for significant matters include, where relevant, consideration of long-term strategic consequences, financial and operational impacts, employee and customer implications, supplier and partner considerations, environmental and community impacts, reputation and conduct matters, and the fair treatment of shareholders. These factors are discussed by the Board and recorded in the relevant minutes, with follow-up actions and outcomes monitored through subsequent Board and Committee reporting.

During the year, the Board continued to receive information from a range of internal and external sources, including management reports, employee engagement feedback, health and safety reporting, customer and market updates, investor feedback, environmental, social and governance (ESG) and sustainability updates, and reports from Board Committees. This enabled the Directors to understand the matters most relevant to stakeholders, challenge management where appropriate and assess how stakeholder interests had been balanced in reaching decisions.

Investment in sustainable product innovation

During the year, the Board considered investment in new and enhanced ventilation products designed to support improved indoor air quality, energy efficiency and lower environmental impact. In considering the investment, the Board assessed how the proposal aligned with the Group's strategy, purpose and sustainability objectives, and how it would support long-term value creation for shareholders while responding to evolving customer needs and regulatory expectations.

The Board had regard to the likely long-term consequences of the investment, including the opportunity to strengthen the Group's market position, enhance the customer proposition and support future revenue growth. It also considered the interests of employees through the skills, training and operational capability required to deliver the product roadmap, and the need to work constructively with suppliers to ensure quality, resilience and responsible sourcing.

Environmental and community impacts were also considered, including the role of more energy efficient products in supporting customers' decarbonisation and compliance objectives. The Board concluded that the investment supported Volution's long-term strategy and reputation for high standards of business conduct, while balancing the interests of customers, employees, suppliers, shareholders and wider society.

Section 172 Statement continued

Acquisition of AC Industries

During the year, the Board considered and approved the acquisition of AC Industries, which further extended the Group's position in the Australasian region and supported Volution's strategy of value-adding acquisitions. In reviewing the transaction, the Board considered the strategic rationale, financial return profile, integration plan, funding position and the potential contribution of AC Industries to the Group's long-term growth ambitions.

The Directors had regard to the likely long-term consequences of the acquisition, including the opportunity to strengthen the Group's regional platform, broaden its product offering and enhance its ability to serve customers in Australia and New Zealand. The Board also considered the interests of employees, including the importance of clear communication, cultural alignment and appropriate integration planning to support colleagues joining the Group and to preserve the skills and experience within the acquired business.

The Board considered customer, supplier and partner relationships, including how the acquisition would enhance the Group's ability to provide high-quality ventilation solutions and maintain continuity of service. It also considered operational resilience, governance and control matters, including due diligence findings, the post-acquisition integration plan and the need to ensure that AC Industries operated in line with the Group's standards, policies and values.

Following completion, the Board received updates on integration and, as part of its Australasian site visits in May 2026, spent time with local management and colleagues to deepen its understanding of the business, its people, products, customer channels and growth opportunities. The Board concluded that the acquisition was aligned with the Group's strategy, supported long-term value creation for shareholders and provided an opportunity to strengthen relationships with employees, customers, suppliers and other stakeholders across the region.

This section should be read together with the Directors' Section 172(1) Statement in the Governance Report on page 42, which explains how the Directors have had regard to the matters set out in section 172(1) of the Companies Act 2006 during the year.

Risk Management and Principal Risks

Effective risk management is integral to our objective of delivering sustainable long-term value.

The Board is committed to protecting and enhancing the Group's reputation and assets in the interests of shareholders and all stakeholders. It has overall responsibility for the Group's system of risk management and internal control.

Emerging risk	Description of risk	Time horizon
Geopolitical tension	Global political and economic instability could disrupt markets or limit access to certain regions, hindering deal flow.	Short/medium term
AI-driven innovation	AI presents many opportunities but also considerable risks around cyber security. AI must be developed in an ethical way.	Short/Medium term

Board
- Overall responsibility for risk management
- Reviews principal risks and uncertainties, along with actions taken, where possible, to mitigate them
- Determines risk appetite

Audit Committee
- Assurance oversight of the internal controls and risk management process

Risk and Internal Control Committee
- Develops risk framework and sets and monitors system of internal controls
- Compliance and preparation for Provision 29

Executive management
- Day-to-day management of risk and controls

The Group's businesses are affected by a number of risks and uncertainties. These include internal and external risks, some of which we cannot control and many of which are similar to those found by other companies of similar scale and operations.

Risk management and maintenance of appropriate systems of control to manage risk are the responsibilities of the Board and are integral to the ability of the Group to deliver on its strategic priorities. The Board has developed a framework of risk management which is used to establish the culture of effective risk management throughout the business by identifying and monitoring the material risks, setting risk appetite and determining the overall risk tolerance of the Group.

The Group's framework of risk management is approved by the Audit Committee, under delegation from the Board. The Audit Committee is responsible for overseeing the effectiveness of the internal control environment of the Group. Our in-house Internal Audit function provides independent assurance that the Group's risk management, governance and internal control processes are operating effectively.

During this year, we have further evolved our risk management approach, in part in preparation for the implementation of Provision 29 of the 2024 UK Corporate Governance Code.

We appointed an experienced project manager, with expertise in risk and controls, to lead on and manage the Provision 29 project. She designed and led a programme involving senior leadership across the business, working with the Audit Committee and other professional advisers.

Last year, our management risk committee was reconstituted as the Risk and Internal Control Committee (RICC), with an extended membership including senior management with responsibility for each functional area in the Group (including Finance, Procurement, IT, Technical, HR, Legal, Business Development and Operations).

The RICC supports the Audit Committee and Board in setting the Group's risk appetite and ensuring processes are in place to identify, manage and mitigate the Group's principal risks. The RICC has specific responsibility for preparing the business for the requirements of Provision 29.

The RICC met nine times during the year, reviewing the output of our processes to identify and assess risks, identifying emerging risks, and also helping to validate that the existing principal risks remain appropriately focused.

During the pre-implementation years, we have taken the following preparatory steps:

1. Reviewed the existing risk and controls framework to determine where these can be leveraged or where enhancements were needed to meet the requirements of the Code.
2. Determined the Group's definition of 'materiality' in relation to risk and controls
3. Disaggregated the Group's principal risks and identified the relevant material controls for each.
4. Defined an accountable material control owner for each material control from within the Senior Management Team.
5. Appointed a dedicated and experienced Provision 29 project manager to design and co-ordinate the approach, embed requirements into business-as-usual activity, and establish a repeatable Provision 29 framework for future reporting periods.
6. Benchmarked our approach against emerging market practice with professional bodies and external forums.
7. Prepared control process documentation, defining testing regimes, levels of assurance and the reporting framework.

Our pre-implementation preparation has ensured that the Group can maintain a robust and repeatable control framework to support the Board's assessment of the effectiveness of material internal controls once the Provision 29 reporting requirements become applicable for the Group – the year ended 31 July 2027.

Risk Management and Principal Risks continued

Risk appetite statement

The Board re-approved our risk appetite statement

"The Board recognises that continuing to deliver returns for shareholders and other stakeholders is dependent upon accepting a level of risk. We balance risk and opportunity in pursuit of our strategic objectives and the acceptable level of risk is assessed on an annual basis by the Board, which defines its risk appetite against certain key indicators, including potential impact of risk, likelihood of risk and ability to reduce risk through mitigation. This ensures alignment between acceptable risk exposure and the strategic priorities of the Group."

Identifying and monitoring risks

Material risks (including emerging risks) that may lead to threats to our business model, strategy and liquidity are identified through our framework of risk management, our analysis of individual processes and procedures (bottom-up approach) and a consideration of the strategy and operating environment of the Group (top-down approach).

The risk evaluation process begins in the operating businesses with an annual exercise undertaken by local management to identify and document the significant strategic, operational, financial, reporting and compliance risks facing the businesses. This process ensures risks are identified and monitored and management controls are embedded in the operations. Group functional heads follow the same process, ensuring that functional area risks that may impact across the Group are also considered.

The risk assessments are then considered by the RICC, which evaluates which risks should be the principal risks of the Group with reference to the Group's strategy and operating environment, for further review by the Audit Committee and Board.

Our principal risks and uncertainties

In accordance with the 2024 UK Corporate Governance Code, the Directors confirm that they have carried out a robust assessment of the principal and emerging risks facing the Group, including those which would threaten the business model, future performance, solvency or liquidity.

Set out in this section of the Strategic Report are the principal risks and uncertainties which could affect the Group and which have been determined by the Board, based on the robust risk evaluation process described above, to have the potential to have the greatest impact on the Group's future viability. For each risk, there is a description of the possible impact of the risk to the Group, should it occur, together with strategic consequences and the mitigation and control processes in place to manage the risk. This list is likely to change over time as different risks take on larger or smaller significance.

This year, two principal risks reported in last year's Annual Report have been removed as they are no longer considered material risks. Customer concentration is no longer considered to be a material risk as the Group has increased in size and any one customer, or small group of customers, does not make up a material proportion of Group revenue. Foreign exchange risk has been removed as the Group considers that the natural hedging of debt used for acquisitions taken in the target functional currency, along with forward purchasing of a portion of USD requirements, means any impact is unlikely to be significant. We have introduced Health and safety as a new separate risk (previously included within Compliance with laws and regulations) so that it can be monitored more effectively.

Climate risks have again been considered to be most appropriately managed by including them within existing principal risks where relevant, rather than defining a separate principal risk.

Risk heatmap

1. Economic risk
2. Acquisitions
3. Supply chain and raw materials
4. IT systems including cyber breach
5. Health and safety (New for FY26)
6. Innovation
7. People
8. Product failure
9. Compliance with laws and regulations

● 2025 position
● 2026 position

Risk Management and Principal Risks continued

Viability Statement

The Board has considered the viability of the Group over a three-year period to 31 July 2029, taking into account the Group's current position and the potential impact of the principal risks and uncertainties. While the Board has no reason to believe that the Group will not be viable over a longer period, it has determined that three years is an appropriate period as it aligns with the Group's business planning cycle.

The Board believes that this approach provides greater certainty over forecasting and, therefore, increases reliability in the modelling and stress testing of the Group's viability. In addition, a three-year horizon is also the performance-based period over which awards granted under Volution's share-based incentive plan are measured.

As part of the annual budgeting process, the Board considers projections for subsequent years. The output of this plan is used to perform central debt and headroom profile analysis, which includes a review of sensitivity to a combination of principal risks. It also considers the ability of the Group to raise finance and deploy capital.

Our financial position remains robust, with the new debt facilities of £340 million and an accordion of a further £150 million, both maturing in September 2029. The financial covenants on these facilities are for leverage (net debt/adjusted EBITDA) of not more than 3x and for adjusted interest cover of not less than 4x. As at 31 July 2026, leverage was 1.5 (31 July 2025: 1.2) and interest cover was 10.8 (31 July 2025: 13.6).

With respect to the longer-term viability of the Group, we believe the business model will remain highly relevant. The regulatory and consumer drive towards making new and existing homes more efficient and therefore airtight will continue, meaning that the opportunities to solve the problems of indoor air quality will only grow, strengthening the vital role ventilation has to play in creating a healthy indoor environment. We believe that one of the legacy consequences of Covid-19 is a heightened awareness of the importance of indoor air quality to health and the role played by good ventilation systems. Customer requirements in terms of enhanced functionality, energy efficiency and aesthetics of products are also supportive trends.

The Board conducted a robust assessment of the principal risks and emerging risks facing the Group, including those that would threaten its business model, future performance, solvency or liquidity. Principal risks are identified through our risk management process and are set out on pages 48 to 52.

Whilst the review has considered all the principal risks identified by the Group, a selection of risks was considered which if they occurred together, would be considered a severe but plausible downside scenario with which to assess the viability of the Group.

The severe but plausible downside scenario has been modelled, representing the impact of macroeconomic uncertainty on supply availability and price pressures and the impact that this may have on the housing and construction industry (principal risk 1) combined with supply chain difficulties and availability issues (principal risk 3). Combined, this severe but plausible downside assumed a reduction in revenue of 15% and a reduction in gross margin of 10% compared with the base case over the three-year period of assessment.

The geographic and sector diversification of the Group's operations, further enhanced by the acquisitions of ACI and getAir, helps to mitigate the risk of serious business interruption in one area materially impacting the Group. Furthermore, our business model, structured so that the Group is not reliant on a concentration of customers or sectors, and our ability to flex our cost base, will continue to protect our viability in the face of current and foreseeable future uncertain and adverse economic conditions. We demonstrated our ability to maintain and increase margins across our geographies in FY21, FY22 and FY23, when the Covid-19 pandemic, the impact of the invasion of Ukraine, and general inflation impacting all input costs were mitigated through early and decisive pricing action.

The Board has also considered the impact of climate change, particularly in the context of the risks and opportunities identified in the Task Force on Climate-related Financial Disclosures (TCFD) disclosure of this Annual Report (pages 68 and 186 to 199). Over the time period of our viability assessment, we have concluded that there is no material adverse impact of climate change which could impact the viability of the Group. Over the long term, the impact of climate change is more uncertain, and we will continue to assess these risks against judgements and estimates made in preparation of the Group's financial statements.

The Board has carefully considered the principal risks to the Group and the impact of those risks on the viability of the Group, and has concluded there is a reasonable expectation that the Group will be able to meet its liabilities as they fall due and will continue in operation over the period assessed.

Risk Management and Principal Risks continued

Going concern

The financial position of the Group, its cash flows and liquidity position are set out in the financial statements. Furthermore, note 27 to the consolidated financial statements includes the Group's objectives and policies for managing its capital, its financial risk management objectives, details of its financial instruments and its exposure to credit and liquidity risk.

The financial statements have been prepared on a going concern basis. In adopting the going concern basis, the Directors have considered external factors, including potential scenarios arising from the political and macroeconomic uncertainty that has arisen in recent years, most recently from the conflict involving Iran and the US, and from the Group's other principal risks set out on pages 48 to 52. Under a severe but plausible downside scenario, the Group remains comfortably within its debt facilities and the attached financial covenants within the period of assessment to 31 January 2028. The Directors therefore believe, at the time of approving the financial statements, that the Company is well placed to manage its business risks successfully and remains a going concern. The key facts and assumptions in reaching this determination are summarised below.

Our financial position remains robust, with debt facilities of £340 million and an accordion of a further £150 million, both maturing in September 2029. The financial covenants on these facilities are for leverage (net debt/adjusted EBITDA) of not more than 3x and for interest cover (adjusted EBITDA/net finance charges) of not less than 4x. As at 31 July 2026, leverage was 1.5 (31 July 2025: 1.2) and interest cover was 10.8 (31 July 2025: 13.6).

Our base case scenario has been prepared using robust forecasts from each of our operating companies, with each considering the risks and opportunities the businesses face.

We have then applied a severe but plausible downside scenario, based on a more severe downturn than seen during the financial crisis and Covid-19 pandemic, to model the potential concurrent impact of:

- a general economic slowdown reducing revenue by 15% compared with forecast, with a corresponding reduction in variable cost base; and
- supply chain difficulties or input price increases reducing gross profit margin by 10%.

A reverse stress test scenario has also been modelled which shows that a revenue contraction of c.19% against the base case with no mitigations would be required to breach covenants. The likelihood of this scenario occurring is considered extremely remote. Mitigations available within the control of management include reducing discretionary capex and discretionary indirect costs.

Over the short period of our climate change assessment (aligned to our going concern assessment), we have concluded that there is no material adverse impact of climate change and hence have not included any impacts in either our base case or downside scenarios of our going concern assessment. We have not experienced material adverse disruption during periods of adverse or extreme weather in recent years, and we would not expect this to occur to a material level over the period of our going concern assessment.

The Directors have concluded that the results of the scenario testing, combined with the significant liquidity profile available under the revolving credit facility, confirm that the Group remains a going concern.

Risk Management and Principal Risks continued

Strategic consequence

Organic growth | Value-adding acquisitions | Operational excellence | Sustainability at our core

1. Economic risk

Likelihood

Unlikely Possible Likely

Potential impact

Low Medium High

Risk change
No change

Risk appetite
Cautious

Strategy link

Risk and impact

A decline in general economic activity and/or a specific decline in activity in the construction industry, including, but not exclusively, a decline caused by economic uncertainty, inflation, high interest rates or geopolitical instability.

Demand for our products serving the residential and commercial construction markets could decline. This could result in a reduction in revenue and profitability.

Our ambition for continuing organic growth could be adversely affected.

No change during the year

There remains uncertainty as to the strength of the underlying economies in the countries in which we trade, and hence prospects for the housing and construction industry are unclear. Further, global geopolitics remains volatile and impacts on global economic growth are possible, and as such it is appropriate that 'Economic risk' remains our first principal risk.

Risk mitigation

Geographic spread from our international acquisition strategy helps to mitigate the impact of local fluctuations in economic activity.

New product development, the breadth of our product portfolio and the strength and specialisation of our sales forces allow us to outperform against general economic decline.

Our end-market diversity, with exposure to both residential and commercial and to new build and repair, maintenance and improvement (RMI), provides mitigation to economic and housebuilding cycles. Our business is not capital intensive and our operational flexibility allows us to react quickly to the impact of any decline in volume.

Link to climate change risks

Over the longer term, a decline in general economic activity or economic disruption could be caused by physical or transitional risks of climate change. Relevant climate change risks described in further detail in our sustainability section include: Physical risk – acute and chronic, Transition risk – reputation, Transition risk – policy and legal, and Transition risk – policy and technology.

However, it is important to note that our sustainability ambition is to champion the energy saving potential of our products and solutions and support the net zero ambitions of the countries in which we operate. The regulatory tailwinds should significantly increase demand for our sustainable and innovative ventilation solutions, while our leadership position in the UK, Continental Europe and Australasia means that we are well positioned to seize this opportunity.

Risk Management and Principal Risks continued

Strategic consequence

Organic growth | Value-adding acquisitions | Operational excellence | Sustainability at our core

2. Acquisitions

Likelihood

Unlikely Possible Likely

Potential impact

Low Medium High

Risk change
No changes

Risk appetite
Open

Strategy link

Risk and impact

We may fail to identify suitable acquisition targets at an acceptable price, or we may fail to complete or properly integrate the acquisition. Revenue and profitability would not grow in line with management's ambitions and investor expectations.

Failure to properly integrate a business may distract senior management from other priorities and adversely affect Group revenue and profitability, or the acquired business may not perform as expected.

Financial performance could be impacted by failure to integrate acquisitions and to secure intended synergies. Our strategic ambition to grow by acquisition may be compromised.

No change during the year

The Group has continued to successfully identify and integrate acquisitions, including AC Industries in FY26 and getAir at the beginning of FY27.

Risk mitigation

The ventilation industry in Europe and across our geographies remains fragmented with many opportunities to court acquisition targets.

Senior management has a clear understanding of potential targets in the industry and a track record of acquisitions since IPO in June 2014.

Management is experienced in integrating new businesses into the Group.

Our policy of rigorous due diligence prior to acquisition and a structured integration process post-acquisition have been maintained.

Link to climate change risks

N/A

3. Supply chain and raw materials

Likelihood

Unlikely Possible Likely

Potential impact

Low Medium High

Risk changes
Increase in likelihood

Decrease in potential impact

Risk appetite
Cautious

Strategy link

Risk and impact

Raw materials or components may become difficult to source because of material scarcity or disruption of supply, including, but not exclusively, as a consequence of economic uncertainty, geopolitical instability and conflict, supply interruptions in China, and the evolution of the relationship between the UK and the EU, post-Brexit.

Prices for input materials may increase and our sales and profitability may be impacted during any period of constraint. Organic growth may be reduced. Our product development efforts may be redirected to find alternative materials and components.

Changes during the year

Likelihood has been increased, as, since February 2026, conflict in the Middle East has caused severe impacts on the oil and petrochemical industries. However, this has not caused any significant issues for Volution due to the mitigations noted opposite.

In addition, the potential impact has been reduced compared with last year, as the continued growth of the business and its increased geographical and market diversity means that the potential impact of a single event is likely to be smaller.

Risk mitigation

We establish long-term relationships with key suppliers to promote continuity of supply and, where possible, we have alternative sources identified.

We continue to monitor stock levels and order patterns and, where deemed necessary, will adjust inventory levels to help mitigate any disruptions in supply.

Link to climate change risks

Over the longer term, supply chain issues could be caused by physical or transitional risks of climate change. Relevant climate change risks described in further detail in our sustainability section include: Physical risk – acute and chronic, Transition risk – reputation, Transition risk – policy and legal, and Transition risk – policy and technology.

Risk Management and Principal Risks continued

Strategic consequence

Organic growth | Value-adding acquisitions | Operational excellence | Sustainability at our core

4. IT systems including cyber breach

Likelihood

Unlikely Possible Likely

Potential impact

Low Medium High

Risk change
No changes

Risk appetite
Averse

Strategy link

Risk and impact

We may be adversely affected by a breakdown in our IT systems or a failure to properly implement any new systems.

We could temporarily lose sales and market share and could potentially damage our reputation for customer service.

No changes during the year

The risk of cyber-attack and cyber fraud continues to be a threat for all businesses, and is open to increased levels of threat due to AI. However, we continue to strengthen our IT team, processes and infrastructure, and hence the likelihood has been assessed as stable and remains possible.

Risk mitigation

Disaster recovery and data backup processes are in place, operated diligently and tested regularly.

Our decentralised IT systems mean that it is unlikely that a material proportion of the Group could be compromised at any one time.

We have a three-layered system of network security protection against cyber attacks or breaches of security. This infrastructure is maintained to withstand increasingly sophisticated worldwide cyber threats. We also undertake regular cyber security testing and training of our employees. We have a process of annual internal and external penetration testing, with quarterly monitoring checks, and have carried out an audit review of all third party IT suppliers.

We engage regularly with external experts to help us benchmark our security positioning and identify enhancement opportunities.

Link to climate change risks

N/A

5. Health and safety

Likelihood

Unlikely Possible Likely

Potential impact

Low Medium High

Risk change
New risk in FY26

Risk appetite
Averse

Strategy link

Risk and impact

Failure to maintain a safe environment for colleagues, contractors and visitors across our facilities could result in serious injury or, in extreme cases, loss of life. Such incidents could adversely impact colleague engagement, the Group's reputation and our brand, and may result in regulatory action, fines and/or penalties where applicable health and safety requirements are not met.

New risk in FY26

This risk was previously included within principal risk 9 (Compliance with laws and regulations). This year, we have disaggregated this risk, as health and safety remains a key priority for the Group and, by including it as a separate risk, we are able to monitor it more effectively.

Risk mitigation

A strong safety culture is a key priority for the Group, with the appropriate tone set at the top and embedded throughout regional leadership.

Processes and controls are in place to reduce the likelihood and potential impact of serious health and safety incidents, including those that could result in serious injury or fatality.

Appropriate risk assessments are undertaken, with relevant training and competency requirements in place for employees and contractors engaged in higher-risk activities, including the operation of heavy machinery.

The Group is committed to complying with applicable health and safety laws and regulations across all of its locations.

Link to climate change risks

N/A

Risk Management and Principal Risks continued

Strategic consequence

Organic growth | Value-adding acquisitions | Operational excellence | Sustainability at our core

6. Innovation

Likelihood

Unlikely Possible Likely

Potential impact

Low Medium High

Risk change
Likelihood reduced

Risk appetite
Open

Strategy link

Risk and impact

Regulations relating to the carbon efficiency of buildings, the efficiency of electrical products and compliance may change, and we may fail to innovate commercially or technically viable products to maintain and develop our product leadership position.

Failure to innovate may result in an ageing product portfolio that falls behind that of our competition.

Our organic growth ambitions depend in part upon our ability to innovate new and improved products to meet and create market needs. In the medium term, failure to innovate may result in a decline in sales and profitability.

Changes during the year

The continuous improvement and investment in our technical function means that we believe the likelihood of this risk occurring has reduced slightly.

Risk mitigation

We have continued to improve our technical capabilities during the year, under the leadership of our Group Technical Director. We participate in trade bodies that help to influence the regulatory environment in which we operate and therefore we are well placed to understand future trends in our industry. Favourable regulatory tailwinds have continued to develop.

We are active in new product development and have the resource to react to and anticipate necessary changes in the specification of our products. Our product innovation is driven by a deep understanding of the ventilation market. The Group starts with a clear marketing brief before embarking on product development.

Link to climate change risks

Our sustainability ambition is to champion the energy saving potential of our products and solutions and support the net zero ambitions of the countries in which we operate. The regulatory tailwinds should significantly increase demand for our sustainable and innovative ventilation solutions, while our leadership position in the UK, Continental Europe and Australasia means that we are well positioned to seize this opportunity.

7. People

Likelihood

Unlikely Possible Likely

Potential impact

Low Medium High

Risk change
No changes

Risk appetite
Cautious

Strategy link

Risk and impact

Our continuing success depends on retaining key personnel and attracting skilled individuals.

Skilled and experienced employees may decide to leave the Group, potentially moving to a competitor. Any aspect of the business could be impacted with resultant reduction in prospects, sales and profitability.

Our competitiveness and growth potential, both organic and inorganic, could be adversely affected.

Operational excellence may be adversely affected.

No changes during the year

Whilst our continuing acquisitions have increased the size and complexity of our business, our improvements to our HR and People organisation and processes and our strong employee engagement scores mean that there is no increase to likelihood or potential impact.

Risk mitigation

Regular employee appraisals allow two-way feedback on performance and ambition.

Management Development Programmes are run periodically to provide key employees with the skills needed to grow within the business and to enhance their contribution to the business.

We have refreshed our values through a consultation process with our colleagues to ensure a consistent and engaging culture across our business.

The Directors regularly review succession planning and key roles.

Link to climate change risks

N/A

Risk Management and Principal Risks continued

Strategic consequence

Organic growth | Value-adding acquisitions | Operational excellence | Sustainability at our core

8. Product failure

Likelihood

Unlikely Possible Likely

Potential impact

Low Medium High

Risk change
No changes

Risk appetite
Cautious

Strategy link

Risk and impact
The failure of one of our products through fire, product recall or otherwise could have a significant adverse impact on brand reputation.

No changes during the year
Product safety continues to be a priority across the business.

Risk mitigation
Our product design process, quality control and compliance with all relevant regulations mean the likelihood of a significant failure is low.

Our companies manufacture and assemble a wide variety of product types across different geographies and end markets. They are, as a result, experts in their areas and carry the responsibility for complying with relevant product safety and quality requirements, obtaining relevant accreditations and all necessary product certifications. Quality control processes include clear requirements for and careful selection and management of suppliers, quality checking of products and components from suppliers, and appropriate testing of products once assembled.

We typically operate on a product supply-only basis and generally do not take responsibility for installation of our products.

Link to climate change risks
Transition risk – policy and technology.

9. Compliance with laws and regulations

Likelihood

Unlikely Possible Likely

Potential impact

Low Medium High

Risk change
Potential impact reduced

Risk appetite
Averse

Strategy link

Risk and impact
The Group or other stakeholders may fail to comply with relevant laws and regulations in contravention of our Code of Conduct and other Group policies, resulting in a potential one-off fine or penalty and a significant adverse impact on brand reputation.

Relevant laws include but are not limited to Anti-Bribery & Corruption, Sanctions and Export Controls, Data Protection, Competition and Environmental.

Changes during the year
See principal risk 5 (Health and safety). As health and safety risk has been disaggregated from principal risk 9 (Compliance with laws and regulations), the potential impact of this risk has been reduced.

Risk mitigation
Processes are in place to ensure that all relevant laws and regulations are identified and followed.

Training is carried out when required, and policies are published and issued to colleagues, suppliers and other stakeholders clearly stating responsibilities and obligations of those doing business with the Group.

A confidential reporting hotline is available to all employees and third parties to raise concerns, including any in relation to potential breaches of compliance and misconduct. These are independently followed up and investigated.

Link to climate change risks
Transition risk – policy and legal.

Non-Financial and Sustainability Information Statement

This section of the Strategic Report constitutes Volution's Non-Financial and Sustainability Information Statement and is produced to comply with Sections 414CA and 414CB of the Companies Act 2006.

The Companies (Strategic Report) (Climate-Related Financial Disclosure) Regulations 2022 amend these sections of the Companies Act 2006, placing requirements on the Group to incorporate climate disclosures in the Annual Report. We believe these have been addressed within this year's climate-related disclosures on pages 62 to 71 and 186 to 199 and as such we have referenced the location of these within our statement on TCFD on page 69.

Reporting requirements	Relevant policy/code	Section within Annual Report
Environmental matters	• Sustainability Policy	• Sustainability (pages 54 to 57) • Climate (pages 62 to 71 and 186 to 199)
Employees	• Code of Conduct • Health and Safety Policy • Anti-Bribery and Corruption Policy • Whistleblowing Policy • Modern Slavery Policy • Data Protection Policy	• People (pages 72 to 78) • Board diversity (pages 80 and 83) • Gender diversity (page 72) • Stakeholder engagement (pages 38 to 41) • Principal risks (pages 44 to 52)
Human rights	• Code of Conduct • Modern Slavery Policy • Stakeholder Engagement	• People (pages 72 to 78) • Stakeholder engagement (pages 38 to 41)
Social matters	• Code of Conduct • Stakeholder Engagement	• People (pages 72 to 78) • Governance (pages 79 to 136) • Stakeholder engagement (pages 38 to 41)
Anti-bribery and anti-corruption	• Anti-Bribery and Corruption Policy • Whistleblowing Policy	• People (pages 72 to 78) • Governance (pages 79 to 136)
Principal risks		• Risk management (pages 44 to 52) • Principal risks and uncertainties (pages 44 to 52)
Business model		• Business model (page 7)
Non-financial KPIs		• Key performance indicators (pages 34 to 37)

The Strategic Report was approved by the Board and signed on its behalf by Ronnie George, Chief Executive Officer, on 7 October 2026.

Ronnie George
Chief Executive Officer

Sustainability

"We continued to focus on our key sustainability KPIs across Product, Planet and People. Our success is driven by our people, who share a passion for delivering our purpose of 'healthy air, sustainably'."

Healthy air, sustainably

Sustainability is at the core of what we do and is fundamental to our purpose: Healthy air, sustainably. We are proud to provide healthy indoor air for customers around the world, while recognising our responsibility to contribute to a more sustainable future.

We deliver on this commitment through three strategic pillars: Product, Planet and People. By setting clear, measurable targets across each pillar and reporting transparently on our progress, we are strengthening our sustainability performance and providing greater clarity to our stakeholders. This approach has also helped engage our employees and connect them to our wider purpose.

This year, our sustainability report introduces our sustainability value chain, illustrating how we consider our impacts and opportunities across the entire product lifecycle.

We recognise that our influence extends beyond our own operations – upstream to our suppliers, downstream to our customers, and into the communities in which we operate and live.

Our people are central to delivering our sustainability ambitions. Sustainability is not only about the products we make or how we operate; it is also about creating a culture where our people feel empowered to make a difference. Our Green Teams bring together colleagues who share a passion for sustainability, building a community of champions who can turn ideas into meaningful action.

Over the following pages, we share our progress against our sustainability targets, our priorities for the future, and a selection of case studies demonstrating how our products, our people and our operations can create positive outcomes for both society and the environment when we deliver our purpose: Healthy air, sustainably.

FTSE Russell Green Mark 2025 cohort
Our commitment to supporting the transition to a more sustainable, low-carbon economy

SBTI approved Net zero targets
Our commitment to reducing GHG emissions in line with the latest climate science research

Scope 1 & 2 emissions verified
Our commitment to transparent reporting and continually improving our emissions data

Sustainability continued

Our transition opportunity

Transition to a low-carbon economy

Improving the energy efficiency of buildings is essential to the transition to a low-carbon economy. Increasing insulation and airtightness can significantly improve thermal efficiency, but also increases the importance of indoor air quality management. Energy efficient ventilation is therefore a critical component of net zero-ready buildings, while increasingly sophisticated heat recovery ventilation systems can deliver the additional benefit of reducing energy consumption associated with space heating.

Buildings account for approximately 36% of energy-related greenhouse gas (GHG) emissions and 40% of total energy demand, with heating, cooling and hot water representing the majority of consumption. Achieving global net zero ambitions will therefore require significant improvements in the energy efficiency of the existing building stock, alongside the construction of new, high-performance buildings.

Energy efficiency standards for new buildings are becoming increasingly stringent across developed markets. However, approximately 80% of the buildings that will be in use in 2050 already exist, many of which were constructed before modern energy efficiency regulations were introduced. Meeting net zero targets will therefore require a substantial acceleration in the rate of deep renovation of existing buildings. Estimates suggest that the proportion of buildings undergoing deep energy efficiency renovations will need to increase to approximately 2–3% per year by 2030, compared with less than 1% today.

Governments are increasingly recognising the scale of this challenge and are introducing regulation to improve building energy performance and accelerate renovation. For example, the EU's revised Energy Performance of Buildings Directive (EPBD), introduced in 2024, establishes a framework for improving the energy performance of buildings across the EU.

Strategic response

Our products directly support the transition to a more sustainable and energy efficient built environment. In FY26, 72.1% of Group revenue was derived from low-carbon products, which equates to 80.3% on a like-for-like basis against our target of 75% (the target being set before the acquisition of Fantech and AC Industries). 27.6% (30.3% organic) of our revenue was derived from more sophisticated heat recovery products and systems, reflecting the increasing role of these technologies in improving building energy efficiency.

The long-term regulatory and market drivers supporting energy efficient ventilation solutions in both new construction and building renovation provide the Group with resilience and significant opportunities for sustainable organic growth.

Impact on financial statements

The transition to a low-carbon, energy efficient built environment is a core element of our business strategy and represents a significant long-term growth opportunity (see page 4). We do not currently anticipate any additional costs outside our existing financial model to realise this opportunity.

Low Carbon Products

72.1%

73.9% organic

(FY2025: 71.2%)

Heat Recovery Products

27.6%

30.3% organic

(FY2025: 28.5%)

Avoided emissions

1.6mt

Sustainability
Value Chain: Understanding our impacts across the product lifecycle

We have considered the sustainability impacts, risks and opportunities associated with all stages of our value chain, from the sourcing of raw materials and services through to our own operations, distribution, use of our products and services, and end-of-life. This assessment considers relevant environmental, social and governance (ESG) factors and helps us identify where our activities and business relationships may have the most significant impacts.

Materiality key

1. Our carbon emissions
2. Health and safety
3. Low-carbon products
4. Supply chain management
5. Sustainable materials
6. Packaging and waste
7. Colleague engagement
8. Diversity, equity and inclusion
9. Training and development

1 Supply chain

4 5 6

Sustainable materials

Read more on page 66

Use of recycled plastic
81.3%
(FY25: 83.9%)

Virgin plastic saved
4,258t

Supplier audits completed
98
(FY25: 94)

Eligible employees completing modern slavery training
100%

2 Own operations

Operations

Carbon intensity (location-based tCO_2e/£m revenue)
10.5
(FY25: 12.0)

Total Scope 1 & 2 emissions
5,199t
(7.2% reduction like-for-like)

1 6

Renewable energy use
75%
(FY25: 81%)

Waste recycled
75%
(FY25: 80%)

Sustainable operations

Read more on page 67

Upstream

Sustainability – Value Chain continued

3 Our people

2 7 8 9

Read more on page 75

Employee engagement

75

(FY25: 75)

Reportable accidents per 100,000 hours worked

0.29

(FY25: 0.17)

Gender split: Board women

43%

(FY25: 43%)

Values

- Customer excellence
- Collaboration
- Continuous improvement
- Ownership

Operations

4 Our customers/stakeholders

Downstream

Low-carbon product sales

72.1%

73.9% organic

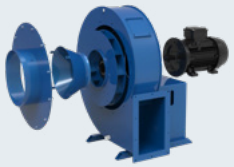
(FY25: 71.2%)

Heat recovery products

27.6%

30.3% organic

(FY25: 28.5%)



3

Avoided carbon emissions

1,618,644t

Read more on page 61

Product

To champion the energy saving potential of our products and solutions, and to support the net zero ambitions of our customers and stakeholders.

Planet

To reduce our climate and environmental impact by improving our operations and reducing emissions.

People

To develop an engaged and inclusive workforce where our employees feel valued and can fulfil their potential.

Product

Our ambition

To champion the energy saving potential of our products and solutions, and to support the net zero ambitions of our customers and stakeholders. To continue to develop clean air solutions that protect health and increase comfort in an ethical and responsible way.

Low-carbon solutions

Our low-carbon solutions help reduce emissions from buildings and aid in the transition to a low-carbon economy.

Status

Stakeholders
Customers
Shareholders

Low-carbon product sales
72.1%
(73.9% organic)
(FY25: 71.2%)

Heat recovery sales
27.6%
(30.3% organic)
(FY25: 28.5%)

Supply chain management

Committing to responsible and ethical supply chain management.

Status

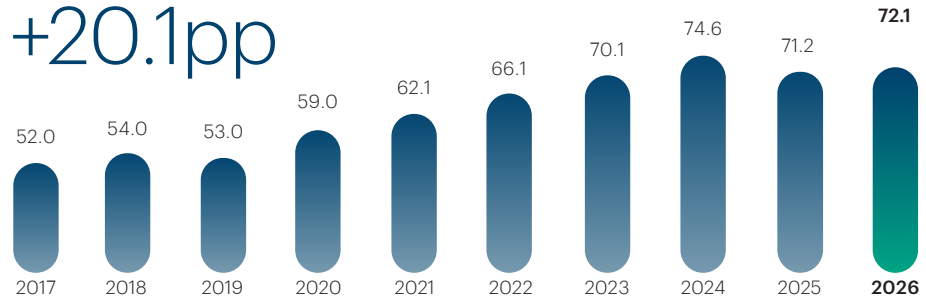
Stakeholders
Customers
Shareholders
Suppliers

Supplier audits completed
98
(FY25: 94)

Eligible employees completing modern slavery training
100%
(FY25: 100%)

Low-carbon sales ten-year trend

+20.1pp



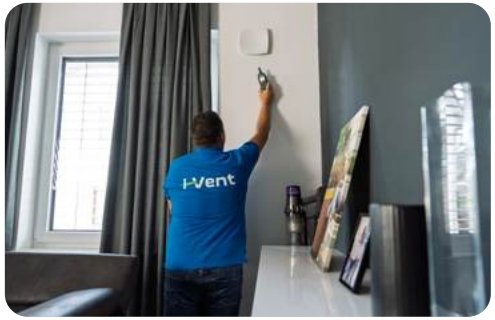
Product continued

Avoided emissions

Heat recovery ventilation solutions can significantly reduce the energy required for heating and cooling in well-insulated, airtight buildings. In addition to delivering energy and cost savings for building occupants, these reductions result in avoided carbon emissions compared with conventional, baseline ventilation.

Building on the methodology developed in collaboration with engineering consultants Arup, we have again calculated the avoided emissions associated with heat recovery products sold during FY26, using updated carbon conversion factors and assessing the emissions avoided over the expected lifetime of those products.

The benefits of heat recovery extend throughout the useful life of each product, meaning that the associated emissions reductions are not limited to the year of sale or installation. Furthermore, as the installed base of heat recovery products increases through successive years of sales, the potential for cumulative emissions reductions also grows. For FY26, our assessment focuses on the lifetime avoided emissions associated with heat recovery products sold during the year.



The equivalent number of homes and cars presented alongside our avoided emissions estimate is intended to provide a relatable illustration of the scale of the impact. These estimates are subject to the same assumptions, limitations and sensitivities as the underlying avoided emissions calculation. They also depend on assumptions relating to average emissions from homes and cars, based on data published by the Office for National Statistics (ONS) and the Department for Transport (DfT).

Definition – avoided emissions

The emissions estimated to be avoided through the use of Volution Group heat recovery products, compared with alternative ventilation solutions.

Avoided emissions are not included within the Group's Scope 1, Scope 2 or Scope 3 emissions and do not form part of the Group's total emissions or net zero targets.

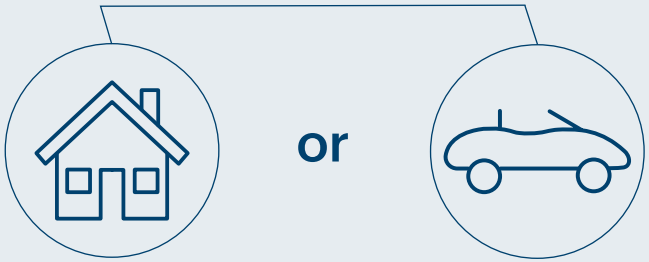
Further details of the methodology, including the assumptions, limitations and uncertainties inherent in the calculation, are set out on page 195.

1,618,644

tCO_2e

Avoided emissions from the use of our heat recovery products sold in FY26 over their lifetime of use

The same as:



or

>0.5 million

homes' carbon dioxide emissions for 1 year[1]

>0.8 million

cars off the road for 1 year[2]

1. Calculated by taking the Volution reported avoided emissions of 1,618,644 tCO_2e and dividing by the median emissions for an existing dwelling in England for one year (ONS, 2025).
2. Calculated by taking the Volution reported avoided emissions of 1,618,644 tCO_2e and dividing by the overall average emissions per mile for UK diesel automobiles (DfT, 2024) assuming 7,000 miles driven per annum per vehicle (DfT, 2024).

Product continued

Low Carbon Products – Less energy, better air

Volution's low carbon products reduce energy consumption and associated carbon emissions across buildings and specialist applications, while supporting healthy, comfortable and safe environments. Our solutions span new build and repair, maintenance and improvement (RMI) applications, from replacement extract fans to heat recovery and air handling systems, together with the enabling technologies that make them more efficient.

In RMI applications, replacing older ventilation equipment provides an immediate opportunity to reduce energy use. In homes, traditional AC-powered extract fans can be replaced with significantly more efficient DC or EC-powered fans. Intelligent controls, including humidity and occupancy sensors, can further reduce consumption by enabling ventilation to respond to demand. More extensive refurbishment can also provide opportunities for continuous mechanical extract, demand-controlled ventilation and mechanical ventilation with heat recovery (MVHR), particularly as improvements to insulation and airtightness increase the need for effective controlled ventilation.

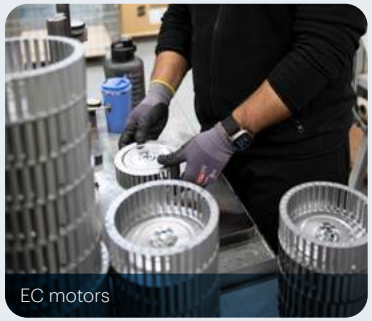
In residential new build, increasingly stringent energy and carbon standards are driving adoption of highly efficient systems, including MEV, dMEV and MVHR. MVHR recovers energy from warm extract air and transfers it to incoming fresh air, reducing ventilation heat losses and the energy required to heat the home. High-efficiency DC and EC motors, low specific fan powers and intelligent controls further reduce electrical consumption.

We also manufacture key enabling technologies. Torin produces high-efficiency EC motors and motorised impellers, providing efficient air movement at the heart of ventilation products, while ERI manufactures high-efficiency heat exchanger cells that recover energy otherwise lost in exhaust air. These technologies are used within ventilation and air handling equipment both within and beyond Volution's own finished products.

In commercial and non-residential buildings, our portfolio includes energy-efficient fans, fan coils, heat recovery units and complete air handling units (AHUs). Demand-controlled systems use CO_2, humidity and occupancy sensing to vary airflow according to requirements, particularly valuable in schools and offices with variable occupancy. Our AHUs can combine efficient air movement and heat recovery with integrated heating and cooling, including heat pump technology in some applications.

Our low-carbon technologies also extend to specialist industrial applications. ACI's secondary ventilation ducting for underground mining is designed to minimise leakage and pressure losses, reducing the fan power required to move large volumes of air and therefore lowering energy consumption.

Across these applications, Volution addresses the complete ventilation system – from efficient motors and heat recovery cells to controls, air distribution and complete ventilation and indoor climate solutions – helping customers achieve the required airflow and environmental conditions with less energy.


EC motors

Heat recovery systems

High efficiency extract fans

High efficiency energy recovery cells

Integrated air handling units

Product continued

Delivering sustainable energy efficient solutions to our customers

"Innovation is at the heart of what we do. We continuously focus on developing solutions that optimise ventilation efficiency and mine productivity, helping our customers reduce energy use and operating costs while maintaining safe and effective operations."

Tony Wigg, Managing Director
AC Industries

Value chain: Downstream Materiality 1: Low-carbon products

Through product innovation and deep expertise, AC Industries is helping customers address one of the most energy-intensive aspects of underground mining.

In underground mines, effective ventilation is critical to maintaining safe and productive working environments. Ventilation systems can operate continuously and can account for up to 50% of a mine's total energy consumption. Even relatively small improvements in ventilation efficiency can therefore deliver significant reductions in energy use, operating costs and GHG emissions.

AC Industries develops polyethylene (PE) ventilation ducting designed to help mining customers move air more efficiently. By reducing air resistance and leakage within ventilation systems, our solutions can reduce the energy required to achieve the same airflow.

Delivering air more efficiently

Compared with traditional sewn fabric ducting, ACI's welded PE ducting has smooth internal surfaces and welded seams, which can reduce air resistance and leakage. The systems can also enable high-flow ventilation layouts using fewer joints and larger diameters, further improving airflow efficiency.

In independent research comparisons, PE welded ducting achieved the required airflow using approximately 89% of the fan motor speed required by a comparable sewn ducting solution.

Reducing the energy required to operate ventilation systems can deliver a direct benefit to customers through lower electricity consumption and operating costs, while also reducing associated GHG emissions.

Reducing impacts across the product lifecycle

The benefits of ACI's PE ducting extend beyond the energy used during operation.

PE ducting has a lower embedded carbon footprint than comparable steel or PVC alternatives, in part because it requires less energy to manufacture. PE is a simpler product with fewer processing stages and can contain up to 40% lower embedded carbon.

ACI's ducting is also lightweight and durable, allowing significantly more product to be transported per shipment. Up to 400 linear metres can be transported per pallet, compared with approximately 30 metres of steel per truckload. This can significantly reduce the number of vehicle movements required to deliver products to often remote mining locations, helping to reduce emissions and costs associated with transportation.

Lower impact from manufacture to use

Product attribute	Potential impact
Smooth internal surfaces	Lower air resistance
Welded seams	Reduced air leakage
Larger diameters and fewer joints	More efficient ventilation layout
Lightweight PE construction	Lower transport requirements
Lower embedded carbon	Reduced product lifecycle impact
Lower fan energy requirement	Reduced customer energy use and emissions

Planet

Our ambition

To reduce our climate and environmental impact by improving our operations and reducing emissions. To focus on the quality of materials we use, to support the creation of a circular economy and to eliminate waste across our value chain

Our carbon emissions

Reducing carbon emissions from operations, our supply chain and the use of our products

Status

Stakeholders:
Customers
Shareholders

Carbon intensity (location-based tCO_2e/£m revenue)

10.5

(FY25: 12.0)

Scope 1 & 2 (location-based tCO_2e)

5,077

(FY25: 5,030)

Sustainable materials

Increasing the use of sustainable materials in our manufactured products, including recycled plastics

Status

Stakeholders:
Customers
Shareholders

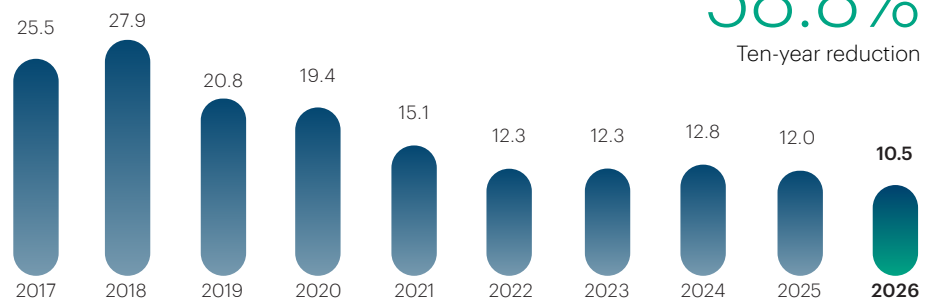
Use of recycled plastic

81.3%

(FY25: 83.9%)

Carbon intensity trend (tCO_2e /£m revenue)

58.8%
Ten-year reduction



Planet continued

Our carbon reduction journey

Our targets have been approved at the most ambitious designation available through the Science Based Targets initiative (SBTi) process.

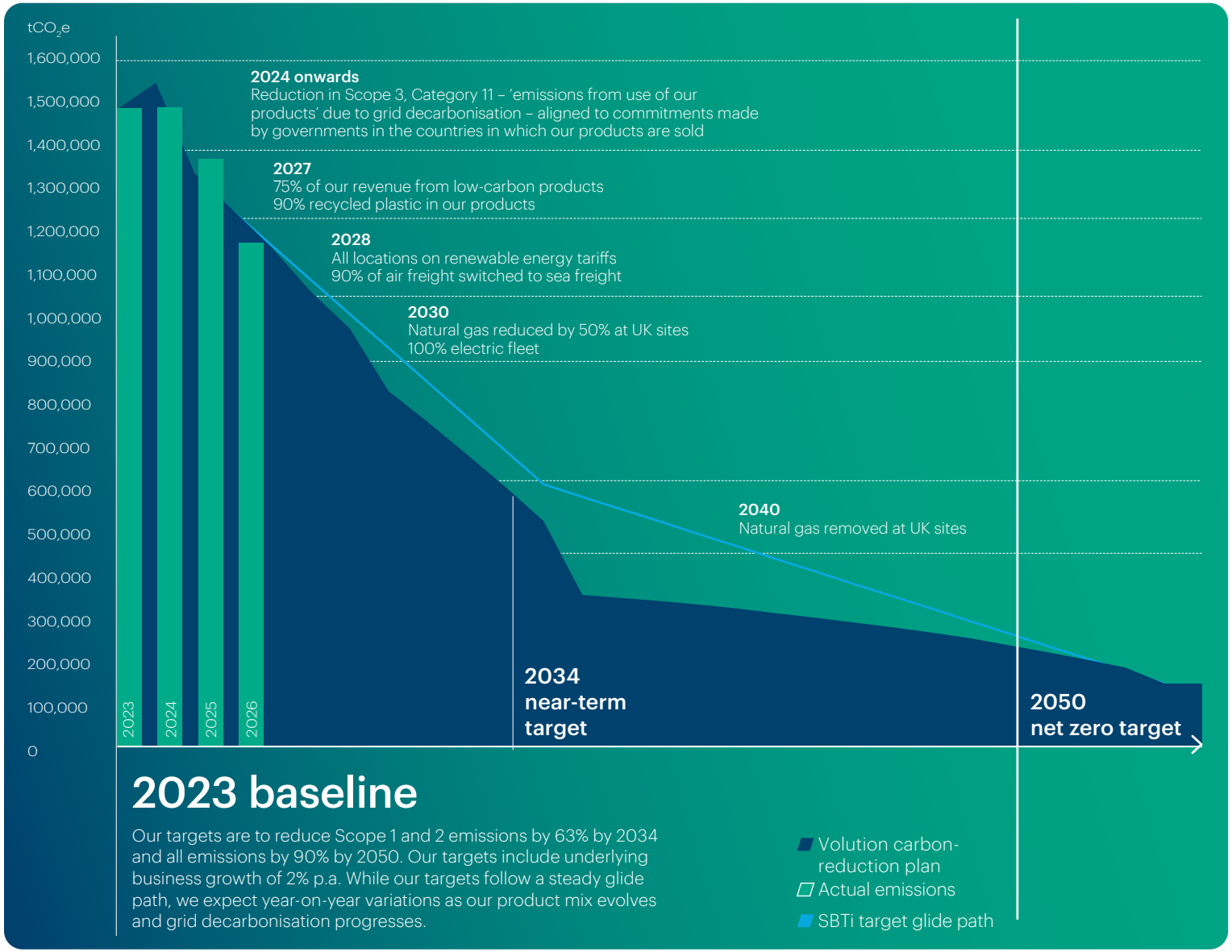
Our SBTi approved Net-Zero Standard and near-term target demonstrate our commitment to reducing GHG emissions in line with the latest climate science.

From a 2023 baseline, we have committed to reducing short-term absolute Scope 1 and 2 emissions by 63% by 2034 and Scope 3 emissions by 58.8% from the same baseline.

We have also committed to reducing our absolute Scope 1, 2 and 3 emissions by 90% by 2050, from a 2023 baseline, our net zero commitment.

Achieving these targets requires action. We continue to find new solutions, operational efficiencies and partnerships to accelerate our transition to a low-carbon future.

In order to allow consistent tracking of progress against our commitments, in FY26 we have recalculated our baseline year (FY23) to add acquisitions, including Fantech and ACI. Our organisational boundary, emissions coverage and target methodology remain unaffected by this recalculation and our carbon targets remain as defined. Restated baseline emissions from prior years can be found on page 194.



Planet continued

Reducing our carbon intensity as we grow

	Actual			Like-for-like (Re-baselined)		
	2025 tCO_2e	**2026 tCO_2e**	Var	2025 tCO_2e	**2026 tCO_2e**	Var
Scope 1	2,294	**2,385**	(91)	2,639	**2,487**	152
Scope 2 (location based)	2,736	**2,692**	44	2,966	**2,712**	254
Scope 1&2 (location based)	5,030	**5,077**	(47)	5,605	**5,199**	406
Scope 2 (market based)	1,207	**1,910**	(703)	1,775	**1,934**	(159)
Scope 1&2 (market based)	3,501	**4,295**	(794)	4,414	**4,421**	(7)
Scope 3	1,210,312	**1,137,161**	73,151	1,336,375	**1,144,659**	191,716
Total 1&2 location based & Scope 3	1,215,342	**1,142,238**	73,104	1,341,980	**1,149,858**	192,122
Scope 1&2 location intensity	12.0	**10.5**	1.5	13.4	**10.7**	2.7

Impact of emission conversion factors

Our carbon emissions are calculated by applying carbon emission conversion factors to data gathered for each scope and category of emissions. Changes to conversion factors have a significant impact on the amount of carbon reported in the period. Conversion factors in FY26 were lower in several of our geographies, including the UK at 0.13 in FY26 (FY25: 0.17), a reduction of 26% as a result of methodological changes designed to more accurately represent the rapidly decarbonising UK grid. This change is a key driver of both the reduction in absolute emissions and carbon intensity, and is in line with our SBTi-approved target setting and GHG calculation methodology.

KPIs

Total absolute emissions Scope 1, 2 & 3 (location based)

1,142,238 tCO_2e

(FY25: 1,215,342 tCO_2e)

Actual total emissions are down 73,104 tCO_2e (6.0%) compared with last year, despite the impact of a full year of our most recent acquisitions of Fantech (FY25: 8 months) and 6 months of AC Industries (FY25: nil months).

On a like-for-like basis, where both years include a full year of those acquisitions, total emissions are down 192,122 tCO_2e (14.3%). A significant portion of the decrease is due to lower carbon emission conversion factors in the country of sales of products and hence lower Scope 3 category 11 (emissions from use of our products). In addition, reductions have been achieved by increasing the proportion of our products that are low carbon, procuring input materials with lower embedded carbon, and reducing air freight.

Compared with the SBTi approved target (re-baselined to include acquisitions), total emissions are 81,542 tCO_2e (6.6%) lower than the target for FY26 of 1,223,780 tCO_2e

Carbon intensity Scope 1 & 2 (location based)

10.5 tCO_2e/£m revenue

(FY25: 12.0 tCO_2e/£m revenue)

Our main carbon intensity measure is down 12.5% compared with last year.

On a like-for-like basis, where both years include a full year of acquisitions, carbon intensity in FY26 is 10.7 tCO_2e/£m revenue, down 20.3% on FY25.

Our own internal carbon intensity target for FY26 was 10.0 and so we did not achieve this target. However, this target was set before our SBTi emissions were approved, and we are on track to achieve our intensity targets that align with the SBTi approved targets in future years.

Planet continued

Our strategy

In order to achieve our emission reduction targets, active steps will continue to be taken.

Our direct (Scope 1 & 2) emissions will be reduced by:

- transitioning our facilities from gas to electric heating;
- adopting renewable energy contracts;
- investment in on-site renewable generation;
- transitioning our vehicle fleet to electric where and when possible;
- investment in more energy efficient plant and equipment when replaced or when increasing capacity; and
- installing LED lighting and energy controls throughout our sites

Most of our emissions are indirect (Scope 3).

While national commitments to decarbonise grids will lower emissions from the use of our products, we will:

- drive low-carbon sales and continue to develop innovative, lower-carbon products;
- increase the use of recycled plastic within our manufactured products;
- insource production wherever possible;
- work with our supply chain to increase the use of sustainable, lower-carbon inputs; and
- reduce air freight to the minimum.

Circular sourcing

Using recycled plastic waste

Since 2021, we have set stretching targets to increase the proportion of recycled plastic used in products manufactured across our facilities. What began as an ambition has driven investment and innovation, enabling us, for the second consecutive year, to source c.90% of our UK plastic inputs from recycled sources in FY26. Across the Group, 81.3% of our total plastic inputs were recycled. While this remains below our 90% target, further initiatives are planned throughout FY27 to continue increasing the use of recycled plastic. The small decrease compared to FY25 was largely driven by product mix during the year.

Through this programme, we have helped shift market expectations, with customers increasingly accepting and demanding recycled content in ventilation products, without compromising product performance or visible part aesthetics.

Recycled plastic in our products

81.3%

2.6pp lower than FY25

4,258 tonnes

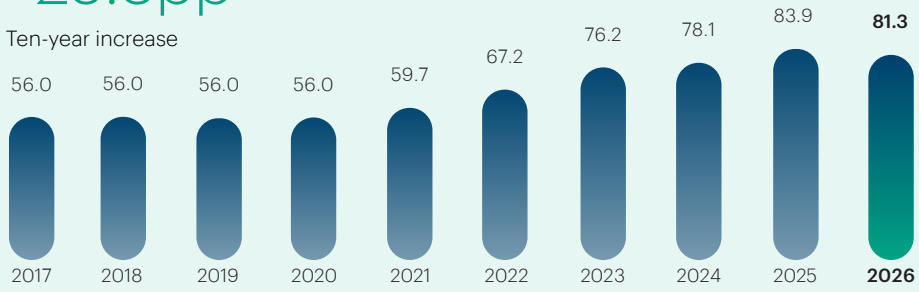
virgin plastic avoided

Relevant material topics 1, 3, 5, 6

% Recycled plastic use last ten years

+25.3pp

Ten-year increase



Planet continued

Bosnia and Herzegovina
Driving circularity through recycled materials

"The challenge was to find a recycled material that could meet the same demanding performance requirements as our existing material. Through testing and collaboration with our suppliers, we were able to develop a solution that could be introduced into our existing manufacturing process."

Maja Skejic,
ClimaRad

47.7%

recycled plastic used in ClimaRad manufactured products in FY26
(FY25: 7%)

51 tonnes

The change avoided the use of c51 tonnes of virgin plastic during FY26, equivalent to a c.133 tCO_2e reduction in associated GHG emissions

Value chain: Upstream
Materiality 5: Sustainable materials

Plastic remains a significant environmental challenge, from the GHG emissions associated with its production to the impacts of plastic pollution. Reducing our reliance on virgin plastic is therefore an important part of our approach to reducing the environmental impact of our products.

Volution Group has committed to achieving 90% recycled plastic use in our own-manufactured products, supporting our wider ambition to increase circularity and reduce the use of virgin materials.

Developing a like-for-like recycled alternative

In FY26, our ClimaRad manufacturing facility in Sarajevo, Bosnia and Herzegovina made significant progress towards this target by increasing the use of recycled plastic in its products.

A key challenge was finding a recycled material that could provide a like-for-like replacement for the virgin polypropylene used in existing products. The material contains 40% talc to provide the hardness and performance characteristics required for our products. Any replacement therefore needed to meet quality and performance requirements without requiring significant changes to existing manufacturing equipment or extensive additional training for employees.

Material testing began in mid-2025, with the ClimaRad team working with material suppliers to identify and validate a suitable recycled alternative. Following successful testing and moulding trials, production was significantly expanded in 2026.

This enabled ClimaRad to increase recycled plastic content in manufactured products from 7% in FY25 to 47.7% in FY26.

From material innovation to wider adoption

The successful introduction of the recycled material demonstrates how innovation within our manufacturing operations can support our sustainability objectives while maintaining the quality and performance of our products.

Planet continued

Sweden
Reducing our own operational emissions

"The successful installation of the system at Hälleforsnäs shows how investment in low-carbon technologies can reduce our own operational emissions while maintaining reliable and efficient site operations."

Andreas Lofstrand,
Regional Managing Director

48 tCO_2e

estimated annual reduction in Scope 1 emissions

100%

of site heating provided by heat pumps during the first winter of operation

Value chain: Operations
Materiality 1: Our own emissions

Heating our own facilities is a significant source of energy use and GHG emissions. Transitioning away from fossil fuel-based heating is therefore an important part of our strategy to reduce our operational emissions and support the decarbonisation of our sites.

Volution Group has committed to reducing our operational emissions by 63%, in line with our carbon reduction targets (see page 63). Increasing the use of lower-carbon heating technologies across our facilities is a key part of achieving this ambition.

Delivering low-carbon heat at Pax

In FY26, our manufacturing facility in Hälleforsnäs, Sweden became our fourth manufacturing site to transition to heat pumps for heating and hot water.

The new ground-source heating system comprises five boreholes, each extending to a depth of 240 m, connected to two heat pumps with capacities of 43 kW and 25 kW, supported by a 3 m^3 hot water storage tank. The system is designed to provide efficient, reliable heating while reducing fossil fuel use.

During its first winter of operation, the heat pump installation successfully provided 100% of the site's heating requirements. Combined with the use of 100% renewable electricity at the facility, the project delivered an estimated 48.1 tCO_2e reduction in Scope 1 emissions during its first year of operation.

Unlocking wider resource efficiencies

The project has also delivered benefits beyond carbon reduction. Return pipes from the ground-source heating system are used to support warehouse cooling, reducing the need for conventional cooling methods and avoiding the use of approximately 700,000 litres of water each year.

This demonstrates how integrated site design can deliver multiple environmental benefits, supporting our broader approach to energy and resource efficiency.

Scaling lower-carbon heating across the Group

The installation at Hälleforsnäs builds on progress made across the Group to transition away from fossil fuel-based heating. Since 2023, heat pump installations at our sites have displaced approximately 460 MWh of fossil fuel-based heating energy.

We will continue to assess opportunities to implement lower-carbon technologies across our manufacturing and operational sites, helping to reduce our own emissions, improve energy resilience and support progress towards our carbon reduction targets.

Total heat pump capacity	68 kW
Heating provided by heat pumps	100%
Estimated Scope 1 emissions reduction	48 tCO_2e
Water savings	700,000 litres/year

Carbon reduction estimates are based on emissions from previous heat sources (natural gas or heating oil) using DEFRA emission factors. Water saving estimated based on water used for existing warehouse cooling, where summer cooling can be achieved through use of the heat pump return pipe.

Planet continued

We focus on what is most important to our stakeholders

In 2025, we undertook a comprehensive materiality assessment to identify our key sustainability priorities across Product, Planet and People, informed by the needs and expectations of our stakeholders. These material sustainability areas remained our key areas of focus throughout the year, providing a clear framework to guide our priorities and inform where we directed our energy, resources and efforts.

Our material sustainability areas of focus

Our approach to material sustainability topics

We identified a range of sustainability topics across all areas, including governance, environment and human/social issues from various sources including market review and analysis, recent publication frameworks (including the Global Reporting Initiative (GRI) and Corporate Sustainability Reporting Directive (CSRD)), and our previous materiality assessment work.

We identified those topics of particular relevance for Volution Group and our stakeholders (see our approach to stakeholder engagement on page 198).

We grouped and prioritised topics and scored according to Group and stakeholder interest to identify those that are material.

We aligned to the UN SDGs, and ensured that we have relevant and measurable KPIs and metrics to report against each material topic so that progress can be tracked and reported.

Highest Priority

1. Our carbon emissions
Emissions from our own operations remain key as we continue towards our net zero targets.

2. Health and safety
Keeping everyone safe remains amongst the highest priorities.

3. Low-carbon products
Our targets for the sale of low-carbon products help our stakeholders reduce energy use.

7. Employee engagement
Our most recent Employee Engagement Survey results in FY25 shows our commitment to our people.

High Priority

4. Supply chain management
We recognise increased demands for responsible and transparent supply chains from internal and external stakeholders.

5. Sustainable materials
We prioritise industry leading progress in the use of recycled plastic in our manufactured products.

6. Packaging/waste management
We aim to divert operational waste from landfill wherever possible.

Priority

8. Diversity, equity and inclusion (DEI)
DEI continues to remain a priority for the business.

9. Training and development
Development of our employees continues to be a key priority for the business, with further activity planned in the future.

We report transparently and consistently

We present our sustainability-related governance, policies and data in accordance with all the applicable regulations and aim to follow best practice.

We report within this Annual Report in line with:

- the Task Force on Climate-related Financial Disclosures (TCFD) (pages 69 and 189 to 198);
- the Sustainability Accounting Standards Board (page 188);
- the Sustainable Finance Disclosure Regulation (SFDR) Principal Adverse Indicators (PAIs) (page 187); and
- all relevant company and listing rules.

Following the amendments to the EU CSRD adopted in February 2025, Volution Group plc is not in scope of the directive. Our ESG-related policies can be found on our corporate website: www.volutiongroupplc.com/about us/governance/policies

Sustainability governance

Sustainability is integrated into Group governance

The Sustainability Committee is integral to the decision-making process of the Group as it pertains to sustainability-related issues.

More details of the governance structure and processes can be found in the Governance section (pages 86 to 87) and in the TCFD details section (pages 189 to 198).

The Group's Sustainability Committee is formed of our senior management team, including representatives from each business, and is attended by our Non-Executive Director Amanda Mellor. The Committee met twice in the year and discussed key issues impacting the Group.

The Committee reviewed progress on sustainability matters. Each business presented its actions, plans and performance against emission reduction targets. It was noted that good progress was being made, and efforts will need to continue to ensure future targets are met.

The Committee noted the increasing demands for sustainability-related data, both internally and externally, and the need for continuous improvements in measurement and collection methodology, and will consider investment in improved systems for collecting sustainability data in the coming year.

Task Force on Climate-related Financial Disclosures: Compliance Statement

We are committed to consistent and transparent reporting aligned to the recommendations of the TCFD and will continue to work with our stakeholders to provide comprehensive data.

We comply with the Financial Conduct Authority's (FCA's) Listing Rule 6.6.6(8)(a) and within this Annual Report make disclosures consistent with the 2017 TCFD recommendations as well as the updated TCFD 2021 guidance, across all four of the TCFD pillars: Strategy; Governance; Risk Management; and Metrics and Targets.

In preparing our disclosures, we considered the industry-specific guidance for the materials and buildings/construction industry, and so disclose data on our assets vulnerable to climate risks and our executive remuneration. We do not consider other industry-specific metrics as material for the Group.

The highlights are included in this section of the Annual Report, with more detail provided on pages 189 to 198.

We are committed to further improving our reporting and disclosures in future, including, but not limited to, further enhancing the accuracy of our emission data, and the sophistication of our scenario analysis.

1. Governance

Climate change is embedded in the governance structure of the Group through a decentralised local ownership, overseen by Group leadership and under the ultimate oversight of the Board. The Board is collectively responsible for promoting the long-term sustainable success of the Company, generating value for shareholders and contributing to wider society.

The governance structure is shown on pages 86 to 87, and more detailed TCFD Governance pillar disclosures are provided on pages 189 to 198.

2. Strategy

Our sustainability ambition is to champion the energy saving potential of our products and solutions and support the net zero ambitions of the countries in which we operate. The regulatory tailwinds should significantly increase demand for our sustainable and innovative ventilation solutions, while our leading position in the UK, Continental Europe and Australasia ventilation markets means that we are well positioned to seize this opportunity.

Our strategy is shown on page 6, and more detailed TCFD Strategy pillar disclosures are provided on pages 189 to 198.

3. Risk Management

The opportunities that are available to us are a key driver to our Sustainable Growth Model. Our organic growth is driven by our local businesses taking the opportunities available to them in each market, driven in part by the local regulatory tailwinds (see page 4). Our drive to innovate and develop new products ensures that we are able to maintain a leadership position in low-carbon and heat recovery products. Our growth from acquisition targets successful businesses that specialise in low-carbon and heat recovery products.

The climate risks and opportunities are described on pages 70 and 71, and more detailed TCFD Risk Management pillar disclosures are provided on pages 189 to 198. Our strategic climate opportunity is defined on page 55.

4. Metrics and Targets

We disclose all Scope 1, 2 and 3 carbon emissions and have set detailed annual targets, distributed these targets to each of our local businesses.

Our metrics for the percentage of our total revenue that is from low-carbon and heat recovery products tracks the extent to which we are utilising the opportunities that climate change brings.

We have aligned our revenue with the EU Taxonomy and continue to report under the FTSE Russell Green Economy taxonomy. We believe these externally reported metrics allow us to demonstrate the success of our continued delivery against our sustainable growth strategy.

Our FY26 emissions and performance against targets are shown on page 64, and more detailed TCFD Metric and Targets pillar disclosures are provided on pages 189 to 198.

Climate risks and opportunities

Ventilation and low-carbon cooling and heating technologies remain a key aspect of building adaptation in all the climate scenarios that we have considered, and Volution's purpose, business model and strategy continue to be appropriate under each scenario. However, there are risks in the short, medium and long term that we continue to monitor.

When preparing the consolidated financial statements on pages 144 to 178, the Directors considered the impact of climate change risks and opportunities, and the actions necessary to achieve the targets set for carbon emissions reductions.

After careful consideration of these factors, the Directors concluded that there are no material impacts to the assumptions, estimates or judgements used in the preparation of those accounts relating to climate change.

When assessing the carrying value of tangible and intangible assets for impairment at the balance sheet date, we considered the impact of climate change under the three scenarios presented and concluded that there was no material adverse financial impact over the period of assessment that could lead to impairment. Our analysis of the resilience of our main locations to the physical risk of climate change also showed us that there is no impact on the useful lives of our material physical assets.

Our carbon reduction targets and net zero commitments have been carefully considered, and we have concluded that the actions that we will take do not have a material adverse impact to future cash flows. Our short-term commitments such as reducing air freight, increasing recycled plastic, moving to 100% renewable tariffs, and moving to a fully electric vehicle fleet do not require material incremental investment, and the longer-term active reductions alongside the passive market reductions do not materially adversely impact future cash flows.

This continued success in delivering carbon reductions whilst not impacting profitability has been demonstrated over the past ten years, which has seen a reduction in Volution Scope 1 and 2 carbon intensity of 58.8%.

Scenarios

Our climate change risks were assessed against Network for Greening the Financial System (NGFS) climate scenarios, with assumptions informed by regional adaptation plans and risk assessments.

Sustainable transition – 1.5°C – Increasingly ambitious climate policies are implemented at a steady pace, allowing market reaction and the introduction of technology-based solutions. Demand for energy efficient products will increase steadily with strong governmental policies for climate adaptation in the built environment relating to thermal comfort and energy efficiency.

Adaptation – 2°C – Current policies continue into 2030, when stronger climate policies are enacted to enable net zero targets to get on track. Demand for energy efficient products will increase with strong governmental policies for climate adaptation in the built environment relating to thermal comfort and energy efficiency.

Disorderly transition – 4°C – Current policies continue into 2030, but delayed incremental climate action results in physical risks and heightened social and economic disruption. Demand for energy efficient products remains at least at the current levels.

Timeframe

The timeframes used when identifying risks are short term (less than five years), the period over which we prepare bottom-up plans; medium term (5–15 years), the period over which our continued strategy to provide healthy air sustainably under our strategic pillars will be delivered, including specific targets to reduce carbon; and long term (beyond 15 years), the period aligned to the useful economic life of some of our property assets and where the potential impacts under different scenarios are less certain. These different periods have allowed us to assess risks and opportunities that are immediate and well defined and those which may arise over time but which are much less certain.

Planet continued

Potential impact

- Minimal financial impact to the Group
- Some financial impact to the Group but not material
- Material financial impact to the Group

Physical risk – acute and chronic

Changing weather patterns, linked to climate change, may directly damage our production facilities or disrupt our supply chain.

Scenario 1.5°C

Likelihood: Short term – Long term

Potential impact: Short term – Long term

Scenario 4°C

Likelihood: Short term – Long term

Potential impact: Short term – Long term

Strategic response and resilience

Our main production assets are not exposed to direct risks of extreme weather or other impacts of climate change over the short or medium term. We engage with our supply chain and maintain alternative sources and sufficient inventory to avoid the impact of short-term disruption. Our geographic spread from our international acquisition strategy helps to mitigate the impact of local disruption.

Impact on financial statements

There is no material impact on going concern, impairment or useful economic lives of our assets, nor any required increase in opex or capex to mitigate or replace our assets.

Associated principal risk

1, 3

Metrics and targets

Continued monitoring of each of our significant locations and portfolio of owned properties.

Transition risk – reputation

Investors and lenders may show a preference to allocate capital to businesses with smaller climate impacts, and customers may select competitors which are perceived as having delivered on their plans to reduce carbon.

Scenario 1.5°C

Likelihood: Short term – Long term

Potential impact: Short term – Long term

Scenario 4°C

Likelihood: Short term – Long term

Potential impact: Short term – Long term

Strategic response and resilience

Sustainability is at the heart of our purpose and key to our strategy. We have appropriate governance and KPIs in place to ensure delivery of our strategy. We continue to engage with our investors and lenders and are confident our strategy is well understood.

Impact on financial statements

There is no material risk that we would be unable to raise sufficient funds for future business requirements that could impact our growth strategy, going concern or viability.

Associated principal risk

N/A

Metrics and targets

Availability of financing and Volution Group share price.

Transition risk – policy and legal

Governments may implement taxes or charges which penalise businesses that do not reduce carbon, also increasing the input cost of energy, freight and materials.

Scenario 1.5°C

Likelihood: Short term – Long term

Potential impact: Short term – Long term

Scenario 4°C

Likelihood: Short term – Long term

Potential impact: Short term – Long term

Strategic response and resilience

We engage with our suppliers to positively challenge and improve our production supply chain with a focus on eliminating waste, minimising emissions and maximising efficiency. Our carbon reduction targets mitigate potential penalties or charges.

Impact on financial statements

There is no material impact on going concern, impairment or useful economic lives of our assets, nor any required increase in opex or capex to mitigate or replace our assets.

Associated principal risk

1, 3, 9

Metrics and targets

Gross profit margin, adjusted operating profit margin.

Transition risk – policy and technical

Governments may implement stricter regulation, rendering elements of our product portfolio non-compliant.

Scenario 1.5°C

Likelihood: Short term – Long term

Potential impact: Short term – Long term

Scenario 4°C

Likelihood: Short term – Long term

Potential impact: Short term – Long term

Strategic response and resilience

As active members of trade associations across our Group, we influence directional change in building regulations and improve industry guidance. We are committed to investing in innovation to support breakthroughs in sustainable living and ensuring that emission reduction is a core consideration in our solution design.

Impact on financial statements

There is no material impact on going concern, impairment or useful economic lives of our assets, nor any required increase in opex or capex to mitigate or replace our assets.

Associated principal risk

6, 9

Metrics and targets

Percentage of revenue from low-carbon and heat recovery products.

People

Our ambition

To develop an engaged and inclusive workforce where our employees feel valued and can fulfil their potential. To build relationships with the local community and build a lasting legacy. To place the highest priority on health and safety as we continue to pursue our zero-harm ambition.

Health and safety

Keeping everyone safe is our highest priority. We have a zero harm ambition, and aim to reduce the frequency rate of serious accidents year-on-year.

Status

Stakeholders
Employees
Shareholders

Reportable incidents per 100,000 hours worked

0.29

(FY25: 0.17)

Lost time incidents per 100,000 hours worked

0.19

(FY25: 0.19)

Diversity, equity and inclusion

Building a culture where people feel heard, valued and supported, because when our people thrive, our business grows with them.

Status

Stakeholders
Employees
Shareholders

Gender diversity of our Board

Male 57%/Female 43%

(FY25: Male 57%/Female 43%)

Our values

Customer excellence | Collaboration | Continuous improvement | Ownership

People continued
Values refresh

One ambition. Shared values.

At Volution, our ambition and strategy remain unchanged. We are focused on delivering sustainable growth, creating long-term value and continuing to strengthen our position as a leader in energy-efficient indoor air quality solutions.

As our Group continues to grow and evolve, however, it is important that we are equally clear about **how** we deliver our strategy. During the year, we refreshed our values and behaviours to create a simple and consistent framework that reflects the culture we want to strengthen across Volution and the expectations we have of ourselves and each other.

Our refreshed values – **Customer Excellence, Collaboration, Continuous Improvement** and **Ownership** build on the strengths that have made Volution successful. They are not a change in direction, but an evolution of how we articulate the behaviours that will help us deliver our existing ambition and strategy.

Customer Excellence

Putting customers at the heart of our decisions and striving to deliver an excellent experience. This means understanding what our customers value, responding to their changing needs and maintaining a relentless focus on the quality, service and innovation that differentiate our businesses.

Collaboration

Our strength comes from combining the entrepreneurial spirit and local expertise of our businesses with the scale and capabilities of the wider Group. Collaboration means sharing knowledge and ideas, working across boundaries and recognising that we can achieve more when we work together.

Continuous Improvement

Across Volution, there are always opportunities to make our products, processes and ways of working better. Continuous Improvement means being curious, challenging ourselves to find a better way and turning ideas into practical improvements that strengthen performance and create value.

Ownership

Taking responsibility for outcomes and acting with an owner mindset. It means being accountable for decisions, having the courage to address challenges and opportunities, and maintaining a strong focus on the detail, numbers and trends that drive performance. Ownership is about acting in the best interests of the business and following through on commitments.

People continued
Health, safety and wellbeing

Keeping everyone safe remains our top priority

Keeping everyone safe, caring for ourselves and our colleagues, and feeling empowered to speak up across all our settings and activities are fundamental to the culture of our Group.

Our focus on health and safety is underpinned by our values of continuous improvement, collaboration and ownership. Providing a safe working environment is not only the right thing to do; failure to do so could compromise our operations and service to customers, damage our reputation and ultimately affect our business performance.

We manage our safety culture through a multi-layered approach. Our CEO has executive accountability for the safety of all colleagues, strengthened by the regional accountability of our Regional Managing Directors, who are closer to our operations. Local management teams are responsible for safety at their individual sites, while every colleague is encouraged to take personal responsibility for their own safety and that of their colleagues, and importantly, to speak up where they have concerns.

Our incident reporting framework covers four levels of incidents, from 'near misses' through to the most serious 'reportable incidents'. These are reviewed by the Board each month, with actions discussed and implemented as appropriate. Potential reportable incidents must be communicated immediately to the CEO, within 24 hours, with a full report, including corrective actions, required within 28 days.

This year, we established Health and Safety as a separate principal risk for the first time, having previously incorporated it within our Compliance with Laws and Regulations risk. This change reinforces our commitment to safety and reflects our view that further improvements are best supported by giving health and safety distinct visibility within our risk framework.

During the year, we continued to make incremental investments and improvements across the Group. We were particularly pleased to see further progress in embedding mental health awareness, supported by mandatory training and an increasing number of trained Mental Health First Aiders across our locations.

In part in response to Provision 29 of the 2024 UK Corporate Governance Code, we also enhanced our central oversight, documentation and control processes relating to the application of our Health and Safety Standard across the Group. This included introducing a Group-wide compliance checklist setting out the key practices that all businesses are required to follow. The checklist includes an assessment and attestation by the responsible Regional Directors that each business has:

- an available, effective and communicated Health and Safety Policy and associated procedures;
- effective colleague engagement and training;
- appropriate risk management, including risk assessments and risk registers;
- safe systems of work and documented procedures; and
- management commitment, including regular safety walks and visible leadership.

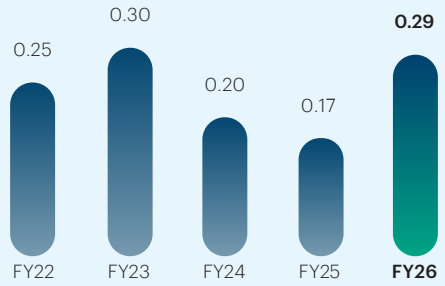
An internal audit review of the assessment checklist during the year found that all significant sites had the required policies, processes and controls in place. At the time of the audit, some smaller sales and logistics locations within newly acquired businesses in Australasia had not yet completed their risk assessments. This was raised with senior management, and the outstanding reviews were completed shortly afterwards.

We recognise that safety requires continued focus and vigilance. We will maintain our commitment to continuous improvement and to creating a culture in which everyone feels responsible for safety and empowered to speak up. This will support our continued progress towards our zero harm ambition in FY27.

We report our most serious incidents as a frequency rate per 100,000 hours worked, representing an approximation of the hours worked during a person's lifetime, and allowing comparability across periods, our business units and with other companies.

In FY26, the frequency rate increased to 0.29 (FY25: 0.17). This is a disappointing result, although we were comforted that all incidents were relatively minor, and none resulted in extended hospital stays or life-changing impacts. As we continue to grow, both organically and inorganically, our aim is to extend best practice across all our locations.

Reportable incident frequency rate



People continued
Green Teams

Sustainability powered by our people

At Volution, delivering on our sustainability ambitions is not only about the products we make or the way we operate. It is also about creating a culture where our people feel empowered to make a difference.

The idea for Green Teams emerged through our Management Development Programme, demonstrating how investing in our people can generate new ideas and practical ways to bring our sustainability strategy to life.

Green Teams bring together employees who are passionate about improving the environmental impact of their workplace and engaging colleagues in sustainability. By creating a network of local champions, we aim to make sustainability more visible, relevant and actionable in the everyday decisions made across our businesses.

Activities reflect local priorities and opportunities, and can include reducing energy consumption and waste, improving recycling, eliminating unnecessary materials, encouraging more sustainable travel and increasing biodiversity around our sites.

Importantly, Green Teams provide a connection between our Group sustainability priorities and our local businesses. They help translate our ambitions into practical initiatives that respond to the opportunities at individual sites, while encouraging employees to contribute ideas and take ownership of change.

Turning ideas into action

During the year, our UK business established its first Green Team across the Reading and Crawley sites. Its inaugural activity, held during Big Energy Saving Week in January, provided an opportunity to introduce the Green Team to the wider workforce, raise awareness of energy use and encourage colleagues to consider the actions they can take to make a difference.

Building a community of sustainability champions

The strength of our Green Teams lies not only in what individual teams achieve, but also in their ability to learn from one another. Sharing ideas, successes and lessons across the Group enables good practice to travel quickly and inspires teams to consider what more they can do. As our Green Team network develops, our focus will be on increasing participation, sharing successful initiatives across the Group and giving teams the tools and support they need to drive further progress.

"Leading the Reading and Crawley Green Teams has been a real passion of mine. Sustainability is something I care deeply about, and I was proud to take on this role because I believe we have a real opportunity to make a positive difference across our business.

Over the past year, our key priorities have been raising awareness, focusing on tangible improvements and setting clear objectives, including repairing the solar panels at the Reading office, improving the efficiency of the heating and cooling systems in Crawley and reducing overall power consumption across both sites, as well as discussing product and packaging improvements.

Looking ahead, my ambition is for the Green Team to become well-known and valued across Volution for the positive changes we have introduced. Whether it is a major project or a small change to our daily habits, every action counts.

Together, we can help build a greener, more sustainable future!"

Alice Parker, Green Team Lead for Reading & Crawley,
UK

People continued
Apprenticeships

Investing in skills, building our future

As we continue to grow and evolve, developing the skills and capabilities we need for the future is critical to our long-term success. Across Volution, we are creating opportunities for people at different stages of their careers, from those experiencing the workplace for the first time to existing colleagues looking to develop their skills and progress within the business.

Apprenticeships allow us to build skills from within, transfer knowledge between generations and create pathways for people to develop their careers. Work placements help us build stronger connections with schools, colleges, universities and local communities. By introducing people to our industry and the variety of careers available across Volution, we can help challenge perceptions of the construction industry and encourage more people to consider careers in engineering, technology, operations and other disciplines.

These programmes benefit our existing employees, too. Colleagues who mentor and support apprentices and placement students have the opportunity to share their knowledge and experience, develop their own leadership skills and play an active role in shaping the next generation of talent.

These individual stories form part of a bigger picture. By investing in people – whether they are taking their first step into the workplace or the next step in an established career – we are developing the skills that will help shape Volution's future.

"I had the opportunity to contribute towards Volution's ambitious sustainability initiatives by working closely with the production team in Reading, collecting samples and carrying out material and compliance testing on both existing and newly procured recycled plastics, to ensure their suitability for production. Alongside this, I improved the plastics approval process by developing data-driven tools to optimise the materials database. Most rewarding of all was the level of trust I was given throughout the year, enabling me to regularly present my findings and provide business-critical recommendations to senior engineers and industry professionals.

In the final months of my placement, I had the opportunity to lead an iterative automation project within the research and development lab, automating a test rig. This was undoubtedly the highlight of my placement, as I designed and developed a working prototype using modulating rotary air damper actuators, boost fans, and custom control software built with LabVIEW and C++. From developing, to integrating and testing the complete system, I independently took an engineering concept through to a fully working prototype."

Joseph Friar, Mechanical Engineering student from the University of Bath, UK

People continued
Apprenticeships

Lexi Pritchard, Operations Supervisor, NCS Acoustics
(NZ)

Since joining NCS Acoustics in July 2021 as a sheetmetal worker, Lexi has demonstrated a strong commitment to learning, personal growth and leadership. She has been named a recipient of the Bunnings Trade Women in Apprenticeships Award 2026. This award celebrates women who are building successful careers in the trades while helping create a more diverse and inclusive industry.

On completion of her apprenticeship, Lexi stepped into the role of Operations Supervisor, leading and supporting a team of welders and sheetmetal workers in the factory and on site. Very quickly, she earned the trust of the team.

Lexi's contribution extends far beyond a single project. She has had a measurable and positive impact across the entire NCS team, from the manufacturing floor through to administration and engineering. She has consistently shown an ability to plan, manage and turn around difficult projects, often exceeding expectations for someone with her level of experience. Her work has not only produced successful outcomes but also created customer experiences that are deeply positive and relationship-building.

Lexi's achievement reflects the dedication, professionalism and positive attitude she brings to her role every day. She received the 2025 CEO Award for Leadership Excellence and has completed a seven-month intensive leadership development course.

Andreea Hartan, Supply Chain Assistant
(UK)

For Andreea, starting an apprenticeship was an opportunity to take the next step in her career, gain a recognised qualification and deepen her understanding of the wider context behind procurement decisions. Combining study with her day-to-day role allowed her to put theory into practice, applying new knowledge to real business situations and building confidence along the way.

One of the most valuable aspects of the programme was the opportunity to connect with colleagues from across the business. Learning more about different roles and perspectives gave Andreea a broader understanding of how procurement decisions can impact other functions and helped her approach her own work with greater insight.

The programme also opened up new areas of interest. The Socially Responsible Procurement module was particularly influential, strengthening Andreea's understanding of sustainability and the role procurement can play in supporting wider environmental and social goals. It also inspired her to become involved in Volution's Green Team, another opportunity to turn learning into action.

As the programme progressed, Andreea developed a deeper understanding of supplier relationships, communication and negotiation, as well as the wider consequences of procurement decisions. She began to look beyond immediate solutions, considering why processes are in place, the risks that may arise and the longer-term impact of the choices being made.

For colleagues considering an apprenticeship, Andreea's message is simple: take the opportunity. Combining work and study can be demanding, but the rewards extend far beyond gaining a qualification. For Andreea, the experience has supported her professional development, strengthened her confidence and demonstrated the value of continuing to challenge herself and learn.

People continued
Our supply chain

Improving working conditions across our supply chain

During FY26, we continued to build upon the foundations established in previous years, reinforcing our commitment to human rights, ethical sourcing and responsible business practices.

We recognise that creating lasting improvements in working conditions requires more than compliance alone. It demands ongoing collaboration, transparency and continuous improvement throughout the supply chain. During the year, we further enhanced our due diligence activities, supplier engagement programmes and governance processes to help identify and address risks affecting workers.

Our objective remains clear: to ensure that people working within our supply chain are treated fairly, with dignity and respect, and that suppliers operate in accordance with internationally recognised labour and human rights standards.

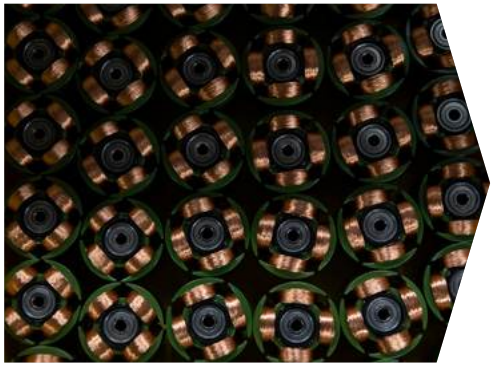
We continued to broaden and strengthen our programme to identify and address modern slavery and labour rights risks. Key achievements included the following:

- 149 employees across supply chain, operations and leadership functions completed training on identifying indicators of modern slavery, forced labour and worker exploitation.
- We conducted 49 on-site audits and 49 desktop assessments focused on suppliers identified through our risk-based due diligence process.
- Our engagement with strategic suppliers continued through our '£1,000,000 Club' programme, representing suppliers with annual spend exceeding £1,000,000. During the year, 23 suppliers actively participated in discussions and improvement initiatives focused on ethical sourcing, worker welfare and supply chain transparency.
- Enhanced supplier monitoring and audit activities identified opportunities for improvement in areas including wage and benefit administration, working hours management, grievance mechanisms and worker representation. Corrective action plans were agreed and monitored with suppliers to support sustainable improvements.
- We increased supplier engagement on sustainability, responsible sourcing and labour standards by incorporating additional expectations within supplier performance reviews and business review meetings.
- Supplier adherence to our Supplier Code of Conduct continued to grow, with emphasis on the following requirements:
    - Human rights and labour standards
    - Health and safety
    - Anti-bribery and corruption
    - Environmental responsibility
    - Business ethics and compliance
- We further integrated modern slavery and ethical sourcing considerations into supplier onboarding, sourcing decisions and ongoing supplier management activities.

Supply chain sustainability and ethical sourcing remain important elements of Volution's ESG programme. Progress against our responsible sourcing objectives, supplier due diligence activities and modern slavery risk management initiatives continued to be reported to senior management and the Board in FY26.

The Group Procurement Director maintained oversight of supplier audit outcomes and monitored compliance with the Group Modern Slavery Policy and Statement. This governance framework helps ensure accountability, supports continuous improvement and reinforces our commitment to responsible business practices across the Group.

Looking ahead, we remain focused on strengthening supply chain transparency, expanding supplier engagement initiatives, and using data-led insights to drive further improvements in working conditions and human rights performance throughout our global value chain.



Chair's Introduction to Governance

Building long-term value through effective governance and responsible leadership

Nigel Lingwood
Chair

Dear shareholder,

As Chair of the Company, I am pleased to present the Governance Report for the year ended 31 July 2026. The report provides an insight into the work and activities of the Board and its Committees during the year.

Compliance with the 2024 UK Corporate Governance Code

The Board remains committed to maintaining high standards of corporate governance, recognising the important role that effective governance plays in supporting long-term shareholder value, setting the tone for the Group's culture and ensuring that our values and behaviours are consistently embedded across the business. For the year ended 31 July 2026, the Company has applied the UK Corporate Governance Code 2024, other than the additional requirements of Provision 29 introduced by the 2024 Code, which apply from 1 August 2026. The Company complied with Provision 29 of the 2018 Code throughout the year.

This report explains how the Board has applied its principles and complied with its provisions during the year. During the year, the Board continued to oversee the practical implementation of the 2024 Code, including the enhanced focus on culture, risk management and internal control. This work has been supported by continued engagement with management and the Board Committees, ensuring that our governance framework remains appropriate for the scale, complexity and strategic priorities of the Group.

Strategy

The Board's agenda this year continued to cover a broad range of strategically important matters, including the acquisition and integration of AC Industries (ACI) and, shortly after the year end, the acquisition of getAir. These acquisitions further strengthened the Group's presence and capabilities, supporting our ambition to deliver high-quality, energy efficient ventilation solutions across our markets.

A particular highlight was the Board's week-long visit to our Australasian businesses in Australia and New Zealand. The programme included detailed presentations from local management, meetings with teams across the businesses, product demonstrations and site visits. These sessions provided valuable first-hand insight into the strength of the local operations, the quality of the products and the opportunities for further collaboration across the wider Group. The visit also helped the Board to deepen its understanding of the region's growth opportunities, the integration of recent acquisitions, local leadership capability and the ways in which product innovation is supporting our customers in those markets.

Our annual July strategy day was again an important and constructive forum for reflection, challenge and forward planning. The discussions were informative and thought-provoking, creating space for the Board and executive team to consider market developments, future opportunities and the strategic priorities that will support the Group's continued growth. The session also encouraged open debate and idea generation, and follow-up from the discussion has been more formally captured to support clearer articulation of priorities and a more structured consideration of future growth opportunities.

During the year, the Group strengthened its leadership of technology and cyber security through the appointment of a new Group IT Director. The Board received updates by the new Group IT Director on the Group's IT strategy, cyber resilience and the continued development of systems and controls to support the Group's increasing scale and complexity.

Chair's Introduction to Governance continued

Sustainability
Sustainability remained an important area of focus for the Board during the year. We continued to receive regular updates from the Group's Management Sustainability Committee through Amanda Mellor, who was the Non-Executive Director with oversight of sustainability during the year, enabling the Board to monitor progress against the Group's environmental and wider sustainability priorities. This continued focus supports our ambition to embed responsible business practices throughout the Group and to deliver sustainable value for all stakeholders.

The Board also continued to oversee the Group's approach to responsible business, including the deeper ongoing work being undertaken on modern slavery, supply chain transparency and related reporting. Engagement with external stakeholders in this area provided useful perspective and reinforced the importance of clear disclosure, robust governance and continued progress in this important area.

Board composition and succession planning
The future success and sustainability of the Group is intrinsically linked to the depth and quality of its talent pool, as well as the breadth of skills nurtured throughout the organisation. This understanding underpins our work on succession planning, Board composition and the development of our management teams.

The Nomination Committee continued to review succession planning during the year, including executive succession planning for the future, supported by Odgers Berndtson. Odgers Berndtson has no other connection with the Company or any individual Director.

Claire Tiney stepped down from the Board at the beginning of the financial year on 2 August 2025, following nine years of service. Looking ahead, Amanda Mellor will retire from the Board at the 2026 Annual General Meeting (AGM) as she approaches the end of her nine-year tenure. On behalf of the Board, I would like to thank Amanda for her valuable contribution.
The Nomination Committee is considering the skills, experience and attributes that will be required on the Board to support the next phase of the Group's development.

The recruitment process for Amanda's replacement on the Board is under way and further announcements on this matter will be made in due course. Following Amanda Mellor's retirement from the Board, it is intended that Celia Baxter will assume the role of Senior Independent Director and that Emmanuelle Dubu will assume the role of Non-Executive Director responsible for sustainability matters.

Board diversity
The Board continues to support the FTSE Women Leaders Review and the Parker Review on Ethnic Diversity. At the financial year-end, the Board comprised four male and three female Directors, meaning that over 40% of our Board is female. Amanda Mellor is our Senior Independent Director and one Board member is of a minority ethnic background. As such, the Company meets the targets for diversity in the UK Listing Rules, and the Board and the Nomination Committee remain focused on these matters when considering Board and Committee succession.

Chair's Introduction to Governance continued

Organisational development
During the year, the Nomination Committee continued to oversee the embedding of the Group's refreshed organisational structure, reflecting the increased scale, complexity and international nature of the business. The structure provides clear regional leadership across Europe, the UK and Australasia, including two Regional Directors in Europe and dedicated regional leadership for the UK and Australasia. This has strengthened management accountability, supported decision-making closer to our markets and enhanced the Committee's visibility of leadership capability, talent development and succession planning across the Group.

Remuneration Policy
We were pleased with the high level of support from shareholders at last year's AGM for the Directors' Remuneration Report. More broadly, the Board and its Committees remained attentive to shareholder perspectives through the AGM, the remuneration policy consultation process and regular engagement with investors and advisers. The Committee remains committed to ensuring that stretching targets and strategic initiatives are closely aligned with the long-term ambitions of the Group and the objectives set for the management team, with reward structures designed to incentivise strong financial performance, sustained value creation and operational excellence.

This year marked the scheduled triennial review of the Directors' Remuneration Policy. The Committee has considered the Policy carefully in the context of the Group's sustained strong performance, increased scale and complexity, forward-looking strategy, shareholder views and evolving market practice. As part of that process, the Committee consulted with major shareholders on the proposed approach and took their feedback into account before finalising the proposals now being put to shareholders for approval at the 2026 AGM.

Evaluating the Board's effectiveness
During the year, the Board undertook an externally facilitated Board evaluation conducted by Gould Consulting. The review included engagement with Board members and relevant senior management, and considered the effectiveness of the Board, its Committees and individual Directors, as well as the Board's ways of working and areas of focus for the year ahead. The process was insightful and valuable, providing constructive feedback and confirmed that the Board continues to operate effectively. The Board has agreed practical areas of focus arising from the review and will monitor progress against these during FY27.

The Board has also made good progress against themes identified through its prior year review, including enhanced stakeholder engagement, more structured follow-up from strategic discussions, increased focus on IT and cyber matters, continued organisational development and deeper consideration of employee views.

People and culture
During the year, the Board received valuable insight into employee views, culture and engagement through a range of activities across the Group. These included engagement during Board and management site visits, direct interaction with teams and feedback from local leadership. To assist with these insights, the Board endeavours, where practicable, to hold meetings at Group locations. This enables Directors to meet local management and employees, and deepen their understanding of the businesses, markets and cultures across the Group.

The Group-wide Employee Engagement Survey forms part of this wider engagement framework and is undertaken periodically, generally every two years. The next survey is expected to be in FY27. Celia Baxter, the designated Non-Executive Director for workforce engagement, met with small groups of employees during the year. These sessions provided an opportunity for employees to share their views directly and for the Board to gain further insight into employee experience, culture and engagement across the Group.

The Board also received updates on the Group's values refresh work, which is intended to support a consistent culture and shared behaviours across the organisation as the Group continues to grow internationally. This work is closely aligned with the Board's broader focus on culture, engagement and the successful integration of businesses across the Group.

Maintaining safe working environments across the Group is central to the Board's oversight of operational resilience, culture and risk management. In reviewing performance for the year, the Board noted that the Group's reportable accident frequency rate increased to 0.29 per 100,000 hours worked (FY25: 0.17). While any increase is taken seriously, the rate remains low in absolute terms and the Board received assurance that each reportable incident was reviewed, with root causes identified, corrective actions agreed and relevant learning shared. The movement in the year reflected a small number of additional reportable incidents and the continued focus on open reporting and employee engagement. Safety performance will remain a very important area of governance focus as the Group continues to embed consistent standards, strengthen local accountability and target further reductions in risk at our facilities.

Re-election of Directors
I am delighted with the excellent support and contribution I have received from my Board colleagues this year and confirm that the continuing Directors remain effective, committed to their roles and have sufficient time available to perform their duties. Accordingly, the Nomination Committee has recommended that all continuing Directors will be offering themselves for election or re-election at the Company's AGM to be held on Wednesday 9 December 2026.

Annual General Meeting
The AGM of the Company will take place at 12.00 noon at the offices of Norton Rose Fulbright LLP, 3 More London Riverside, London SE1 2AQ, UK. The Board is expected to attend the AGM, which will again provide an opportunity for shareholders to hear more about our performance during the year and to ask questions of the Board. I look forward to meeting shareholders who can join us, and I extend my thanks for your continued support as we look forward to another exciting year ahead.

Nigel Lingwood
Chair
7 October 2026

Compliance with the Code

Overview

The Board fully supports the principles set out in the UK Corporate Governance Code issued by the Financial Reporting Council in 2024 (the 2024 Code), which applies to the financial year ended 31 July 2026 and is available at www.frc.org.uk. This report sets out the Company's governance structure, how it complies with the 2024 Code and the items required by the Disclosure Guidance and Transparency Rules (DTRs). The disclosures in this report relate to the Board's governance responsibilities, including compliance with the 2024 Code, the effectiveness of the Group's risk management and internal control systems, and the functioning of the Board's Committees.

Compliance with the 2024 UK Corporate Governance Code

The Board considers that it and the Company have, throughout the year, applied the principles and complied in full with the applicable provisions of the 2024 UK Corporate Governance Code, which is the version of the Code that applies to the Company for its financial year ended 31 July 2026. The Board has continued during the year to oversee the implementation of the 2024 Code and the development of the Group's governance, risk management and internal control framework.

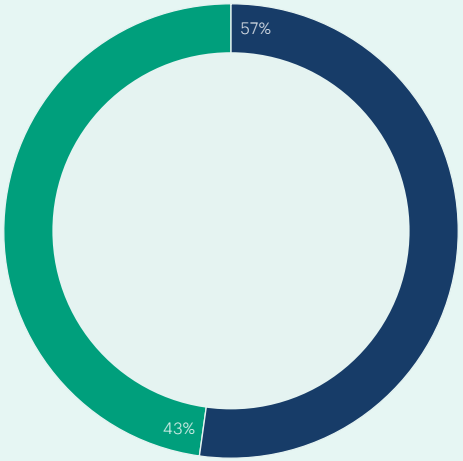
Provision 29 of the 2024 Code, which relates to the Board's declaration on the effectiveness of the material controls framework, applies to the Company for the first time for the financial year beginning on 1 August 2026. The Company complied with Provision 29 of the 2018 Code throughout the year.

How we comply with the UK Corporate Governance Code 2024

Board Leadership and Company Purpose	
Section 172 Statement	page 42
Board of Directors	pages 84 and 85
Purpose, values and culture	page 89
Board activities	pages 90 and 91
Employee engagement	pages 89 to 92
Sustainability governance	page 69
Division of Responsibilities	
Corporate governance structure and division of responsibilities	pages 86 to 88
Board and Committee attendance	pages 83, 99, 102 and 112
Director independence	page 93
Composition, Succession and Evaluation	
Leadership and experience	pages 84 and 85
Performance evaluation	pages 93 and 94
Nomination Committee Report	pages 99 to 101
Audit, Risk and Internal Controls	
Audit Committee Report	pages 102 to 111
Principal risks and uncertainties	pages 44 to 52
Risk management and internal controls	pages 109 to 110
Remuneration	
Remuneration Committee Report	pages 112 to 132
Directors' Remuneration Policy	pages 116 to 122

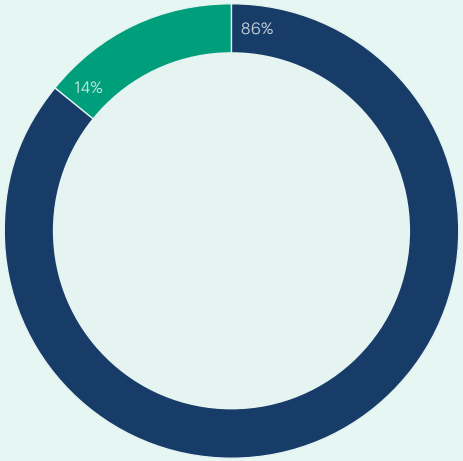
Board Diversity Dashboard

Board gender/sex[1]



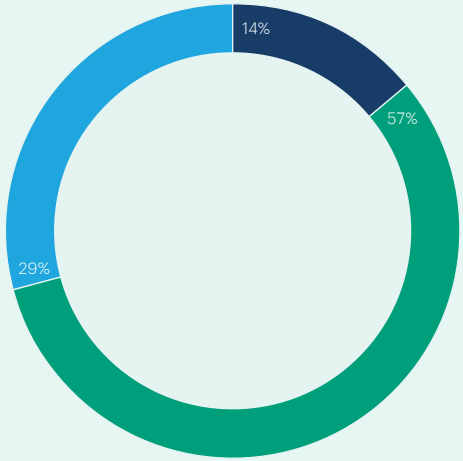
Male	4
Female	3

Board ethnic background[1]



White British or other White	6
Black/African/Caribbean/Black British	1

Board composition[1]



Non-Executive Chair	1
Independent Non-Executive Directors	4
Executive Directors	2

1. Board composition and diversity data shown above is as at the Company's chosen reference date of 31 July 2026 and is based on the UK Listing Rule 6.6.6 R diversity disclosure tables included in this report. Percentages are rounded to the nearest whole number.

Board meetings and attendance

The table opposite sets out the number of scheduled Board meetings held during the year and attendance by each Director. The Board normally holds at least six meetings during the year but will meet or pass resolutions, as required, to deal with urgent matters and event-driven items such as acquisitions and trading updates. In the year ended 31 July 2026, there were seven scheduled Board meetings. Where a Director was unable to attend a scheduled meeting, they received the relevant papers and had the opportunity to provide comments to the Chair in advance.

Director	Attendance at Meetings
Nigel Lingwood (Chair)	●●●●●●●
Ronnie George	●●●●●●●
Andy O'Brien	●●●●●●●
Celia Baxter[1]	●●●●●○
Jonathan Davis	●●●●●●●
Emmanuelle Dubu	●●●●●●●
Amanda Mellor[1]	●●●●●○

1. Celia Baxter and Amanda Mellor were each unable to attend one scheduled Board meeting during the year due to pre-existing diary commitments, which had been notified to the Chair in advance. In Celia Baxter's case, the conflict had been notified before she joined the Board in March 2025.

Board of Directors

Committee membership key:
A Audit Committee
N Nomination Committee
R Remuneration Committee
Chair of Committee

Nigel Lingwood
Non-Executive Chair

Appointed: 30 April 2020

Committee membership: N R

Career and experience:
Nigel joined the Board in April 2020 as an independent Non-Executive Director and Chair of the Audit Committee. He became Chair of the Board on 23 June 2023. He is Chair of the Nomination Committee and a member of the Remuneration Committee.

Nigel was group finance director of Diploma PLC from 2001 to 2020. During his time at Diploma, Nigel oversaw more than 50 international acquisitions across Europe, North America and Australia, during which time the company had grown market capitalisation from c.£60 million to c.£2.7 billion.

Nigel was previously senior independent director and audit committee chair of Creston plc from July 2015 until December 2016 when the company was taken private.

Skills and attributes:
Nigel brings extensive public company, financial and accounting expertise, together with wide-ranging international business experience, significant strategic and operational expertise and extensive M&A experience in the UK and internationally.

External appointments:
Nigel is currently chair of Forterra plc and senior independent director and audit committee chair at Dialight plc.

Ronnie George
Chief Executive Officer

Appointed: 15 May 2014

Committee membership: None

Career and experience:
Ronnie joined Volution in 2008 as Managing Director of Vent-Axia Division of the UK business and became CEO in 2012 after leading the management buy-out backed by TowerBrook Capital Partners LP. Since then, he has transformed the Company from a UK-centric provider of air quality solutions into a globally diversified organisation with a portfolio of market leading brands operating across multiple countries. Ronnie led the successful listing of Volution on the London Stock Exchange in 2014 and has subsequently delivered a strong and consistent financial performance. Volution is now one of the leading ventilation companies operating internationally.

Ronnie has extensive industry experience and, prior to joining Volution, spent 20 years in the wire and cable industry, latterly leading Draka's global activities to supply to the marine, oil and gas sectors.

Skills and attributes:
Significant strategic and operational expertise together with extensive M&A experience, both in the UK and internationally, and in-depth knowledge of the ventilation industry.

External appointments:
None.

Andy O'Brien
Chief Financial Officer

Appointed: 1 August 2019

Committee membership: None

Career and experience:
Andy joined Volution as Chief Financial Officer in August 2019 following nine years at Aggreko plc, a leading global provider of mobile power and temperature control solutions, where he held a number of senior finance roles most recently as finance director, power solutions. Andy's background also includes broad financial leadership, strategy and general management positions in the oil & gas and building materials industries with General Electric and Lafarge S.A.

Andy brings extensive international financial and accounting expertise through a background working in a global business environment, having lived and worked in the Nordics, Middle East and Singapore as well as the UK and Republic of Ireland. Throughout his career, Andy has operated in environments where cost control and strong operational management have been critical.

Skills and attributes:
Financial and accounting expertise both in the UK and internationally, significant M&A experience, strong track record of building, developing and leading multi-location teams.

External appointments:
None.

Amanda Mellor
Senior Independent Director

Appointed: 19 March 2018

Committee membership: A N R

Career and experience:
Amanda joined the Board in March 2018 as an independent Non-Executive Director and brings experience in international business, shareholder relations, strategy and governance. She is also the Senior Independent Director of the Board.

Amanda also has wide-ranging experience in climate and sustainability matters. She is the designated Non-Executive Director for Sustainability Matters and attends Volution's Management Sustainability Committee meetings as representative of the Board, to support effective oversight of the Group's environmental and social sustainability agenda.

Amanda is currently the group secretary of Haleon plc and was previously group secretary for Standard Chartered plc and, prior to that, group secretary and head of corporate governance at Marks and Spencer Group plc, where she was also an executive member of the operating committee. As part of these roles, Amanda was involved in numerous sustainability-related and climate transition initiatives.

Skills and attributes:
Experience in international business, consumer and retail, sustainability and environmental, social and governance (ESG), shareholder relations, strategy and governance.

External appointments:
Amanda is currently group secretary of Haleon plc.

Board of Directors continued

Committee membership key:
A Audit Committee
N Nomination Committee
R Remuneration Committee
Chair of Committee

Jonathan Davis
Independent Non-Executive Director

Appointed: 23 June 2023

Committee membership: **A** N R

Career and experience:
Jonathan joined the Board in June 2023 as an independent Non-Executive Director and Chair of the Audit Committee, bringing strong financial and accounting expertise and extensive public company, M&A and international experience.

He was group finance director at Rotork plc, a FTSE 250 global provider of mission-critical intelligent flow control solutions operating across a diverse range of markets, including the oil & gas, water, power, chemicals and process industries, from 2010 until his retirement in April 2024.

Skills and attributes:
Recent and relevant financial and accounting expertise, public company and international experience.

External appointments:
None.

Celia Baxter
Independent Non-Executive Director

Appointed: 5 March 2025

Committee membership: A N **R**

Career and experience:
Celia joined the Board in March 2025 as an independent Non-Executive Director. She is Chair of the Remuneration Committee and the nominated Non-Executive Director for Employee Engagement. Celia is also a member of the Nomination and Audit Committees.

Celia brings with her extensive experience at both executive and board level in a number of FTSE 250 and FTSE 100 companies. She began her executive career in the field of human resources at Ford Motor Company, moving on to KPMG, Tate & Lyle plc, Enterprise Oil and Hays plc. In her most recent executive role at Bunzl plc, from which she retired in 2016, Celia was group human resources director from 2003, and a member of the executive committee responsible for HR and sustainability.

Skills and attributes:
Celia's significant experience in the area of executive remuneration and her broader understanding of industrial businesses that have grown by acquisition provide a strong contribution to Board discussions and support the Board's development of the Volution people and remuneration strategy across the global business.

External appointments:
Celia is currently a non-executive director of Genus plc and senior independent director and chair of the remuneration committee at discoverIE Group plc.

Emmanuelle Dubu
Independent Non-Executive Director

Appointed: 5 March 2025

Committee membership: A N R

Career and experience:
Emmanuelle joined the Board in March 2025 as an independent Non-Executive Director. She is a member of the Nomination, Remuneration and Audit Committees.

Emmanuelle retired from her executive career in 2024, during which she gained over 30 years of experience in international engineering and manufacturing businesses. From 2020 until 2024, she was executive vice president and CEO of Sercel, an international business specialising in developing cutting-edge, high-quality sensors and digital solutions for oil exploration, structural health monitoring and energy transition applications, with over 1,400 employees and several manufacturing sites across Europe, the US and Asia. Sercel is a subsidiary of Viridien, a Euronext-listed technology company based in France.

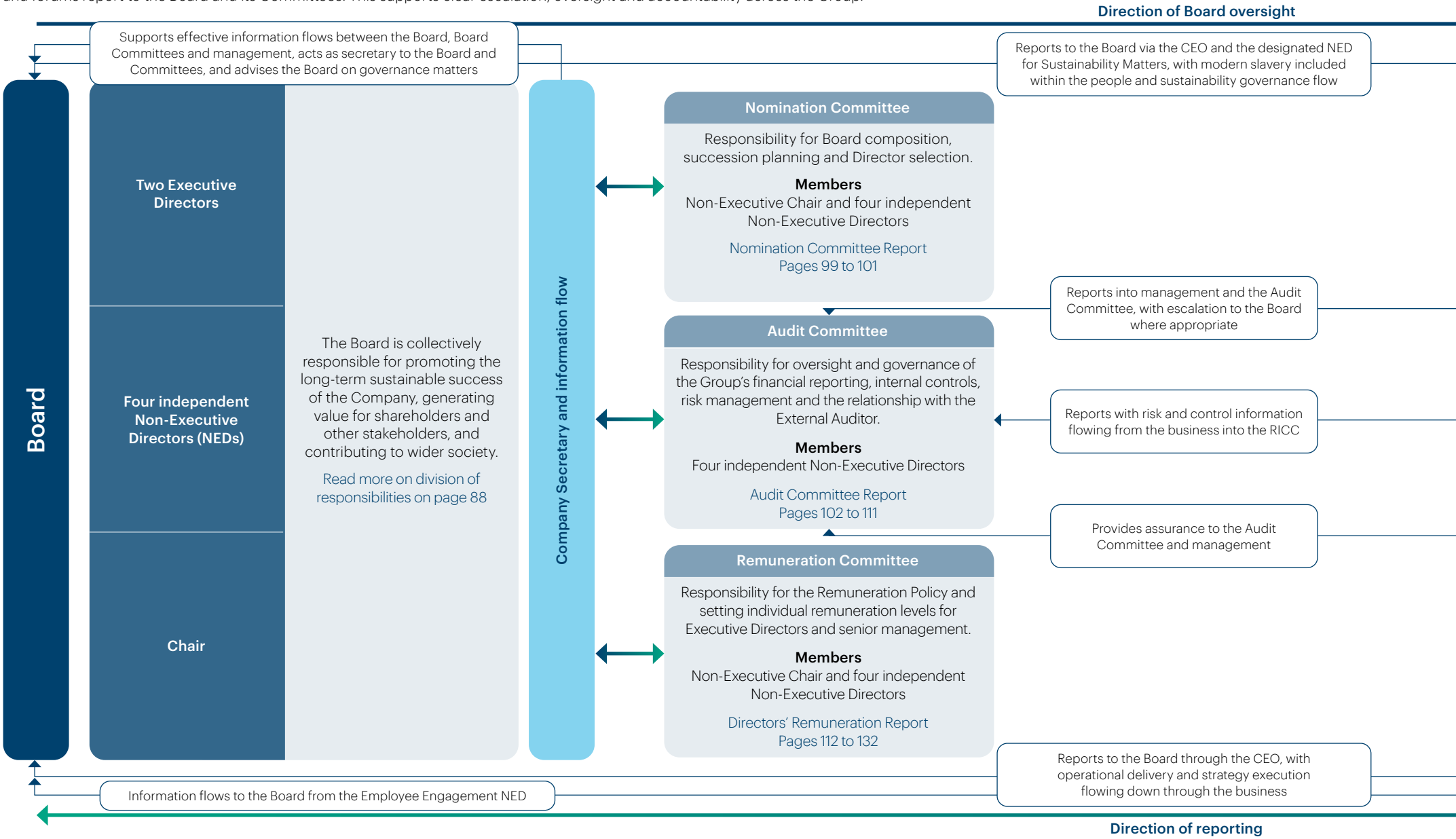
Skills and attributes:
Emmanuelle's strong international background and extensive experience in the manufacturing industry bring valuable input to Volution as it continues to develop its growth strategy across a geographically diverse range of markets.

External appointments:
Emmanuelle is currently a non-executive director and chair of the remuneration committee at Bodycote plc.

Claire Tiney retired from the Board as a Non-Executive Director on 2 August 2025.

Governance Framework

The framework below illustrates how the Board delegates certain responsibilities to its Committees and how management-level committees and forums report to the Board and its Committees. This supports clear escalation, oversight and accountability across the Group.



Governance Framework continued

Direction of Board oversight

Sustainability Committee

Responsibility for the development and implementation of the Volution sustainability strategy and initiatives, covering Product, Planet and People, including oversight of the Group's approach to modern slavery.

The Sustainability Committee is chaired by the Chief Executive Officer and is attended by Amanda Mellor, the designated Non-Executive Director for Sustainability Matters. It reports to the Board through the Chief Executive Officer and Amanda Mellor, supporting Board oversight of the Group's sustainability strategy and performance.

Sustainability Committee Report Page 69

Speak Up

An independent Speak Up facility enables employees to raise concerns. The appropriateness of the facility and any matters requiring escalation are overseen by the Audit Committee.

People section Pages 72 to 78

Risk and Internal Control Committee (RICC)

Responsibility for monitoring risk management, emerging risks and internal control throughout the Group and developing and implementing risk management policy.

The RICC is chaired by the Chief Financial Officer and its membership is made up of members of the Senior Management Team. It reports to the Audit Committee and provides management-level risk and control oversight, including escalation of key and emerging risks.

Risk Management and Principal Risks Pages 44 to 52

Internal Audit

Provides independent assurance over risk management, internal controls and governance processes, reporting to management and the Audit Committee.

Executive Management Team

Responsibility for the operational delivery of the Group's strategy and the day-to-day management of the Volution business.

Led by the Chief Executive Officer.

CEO Review Pages 10 to 15

Employee Engagement

Celia Baxter is the designated Non-Executive Director for Employee Engagement. Feedback from employee engagement activities is reported to the Board, supporting the Board's oversight of culture, workforce matters and employee voice.

People section Pages 72 to 78

Employee forums

Business operations

Supports strategic and operational delivery across the business

Direction of reporting

Governance Framework continued

Division of responsibilities

Chair of the Board
Nigel Lingwood

Main responsibilities
- Manages and provides leadership to the Board of Directors and is responsible for the overall effectiveness of the Board.
- Ensures appropriate composition of the Board together with the right skills and talent.
- Acts as a direct liaison between the Board and the management of the Company, through the Chief Executive Officer.
- Ensures that the Directors are properly informed and that sufficient information is provided to enable the Directors to form appropriate judgements.
- In concert with the Chief Executive Officer and the Company Secretary, develops and sets the agendas for meetings of the Board.
- Promotes a culture of open debate between the Executive and Non-Executive Directors and encourages the effective contribution of all Directors.
- Recommends an annual schedule of work including the date, time and location of Board and Committee meetings.
- Ensures effective communications with shareholders and other stakeholders.
- Ensures that Directors have sufficient time to meet their Board and Committee responsibilities effectively.

Chief Executive Officer
Ronnie George

Main responsibilities
- Responsible for the day-to-day management of the Group.
- Together with the Executive Management Team, is responsible for executing the strategy once it has been agreed by the Board.
- Creates a framework that optimises resource allocation to deliver the Group's agreed strategic objectives over varying timeframes.
- Ensures successful delivery against the financial business plan, the sustainability strategy and other key business objectives, allocating decision-making and responsibilities accordingly.
- Together with the Executive Management Team, identifies and executes new business opportunities and potential acquisitions or disposals.
- Manages the Group with reference to its risk profile in the context of the Board's risk appetite.

Chief Financial Officer
Andy O'Brien

Main responsibilities
- Ensures the Group has adequate financial resources to meet business requirements.
- Responsible for financial planning and record keeping, as well as financial reporting to the Board and shareholders.
- Ensures effective compliance and control and responds to regulatory developments, including financial reporting and capital requirements.
- Management of the financial risks of the Group.

Senior Independent Director
Amanda Mellor

Main responsibilities
- An independent Non-Executive Director.
- Provides a sounding board for the Chair.
- Serves as an intermediary for the other Directors when necessary.
- Is available to shareholders if they have concerns, when contact through the normal channels of the Chief Executive Officer or the Chair has failed to resolve them, or for which such contact is inappropriate.
- Leads the appraisal of the Chair's performance with the other Directors annually.

Independent Non-Executive Directors
Celia Baxter, Jonathan Davis, Emmanuelle Dubu, Amanda Mellor

Main responsibilities
- Provide constructive challenge to the Executive Team.
- Provide input on strategy.
- Scrutinise management's performance in meeting agreed goals and objectives.
- Monitor performance reports.
- Satisfy themselves on the integrity of financial information and that controls and risk management systems are robust and defensible.
- Through the Board and its Committees, determine appropriate levels of remuneration for Executive Directors, appoint and remove Executive Directors and ensure appropriate succession plans are in place.

Company Secretary
Fiona Smith

Main responsibilities
- Plays a leading role in the good governance of the Company by supporting the Chair and helping the Board and its Committees to function efficiently, ensuring governance processes remain fit for purpose and considering any improvements as appropriate.
- Ensures compliance with the rules and regulations applicable to the Company's listing on the equity shares (commercial companies) category of the Official List and admission to trading on the London Stock Exchange's Main Market, including the UK Corporate Governance Code.
- All Directors have access to the services of the Company Secretary, who may facilitate independent professional advice at the Company's expense at their request to fulfil their duties.
- Ensures effective information flows within the Board and its Committees and between the Executive Management Team and the Non-Executive Directors, as well as facilitating induction and assisting with professional development as required.
- Acts as secretary to the Board and its Committees and the Management Sustainability Committee.

Board Engagement

Non-Executive Director for Employee Engagement

Celia Baxter is the designated Non-Executive Director for Employee Engagement. During the year, the Board strengthened its consideration of employee views through additional engagement sessions led by Celia and organised in conjunction with Michelle Dettman, Group HR Director. These sessions took place in both the UK and Australasia, and provided a further opportunity for direct dialogue with employees across the Group.

Each session followed a consistent format and included time for employees to speak openly without HR present, helping to encourage candid feedback and provide the Board with a fuller understanding of employee perspectives. The sessions complement the twice-yearly Employee Forum and the Group-wide employee survey, which is conducted every two years.

Taken together, these mechanisms give the Board broader and more direct insight into employee experience and help ensure workforce views are reflected in Board discussions on culture, people strategy, engagement, communications and organisational priorities.

Outcome: Feedback from these sessions informed Board discussion on culture, communication, employee experience and organisational priorities, and helped the Board test whether the Group's values are being embedded consistently across different parts of the business.

You can read more about our approach to employee engagement, culture and workforce matters in the People section on pages 72 to 78.

How the Board monitors culture

The Board monitors culture through a combination of employee engagement mechanisms, site visits, Speak Up reporting, health and safety updates, leadership and talent discussions, Code of Conduct compliance, fraud and anti-bribery training, and direct interaction with management and employees during Board visits. These inputs help the Board assess whether the Group's values are being embedded consistently, while recognising the importance of local accountability across the Group's decentralised operating model.

Culture in practice during FY26

- Board visit to Australia and New Zealand, including direct engagement with employees, local management teams, operations and customer channels.
- Employee engagement sessions led by Celia Baxter in the UK and Australasia, complementing the Employee Forum and biennial employee survey process.
- Speak Up, Code of Conduct, Fraud Prevention Policy and anti-bribery training reinforced expected behaviours and supported a culture of integrity and accountability.
- Board evaluation confirmed a constructive and transparent Board culture, with strong engagement from Directors.
- Organisational development and leadership appointments supported the Group's growth, operating model and local accountability.

Matters reserved for the Board

The Board's schedule of matters reserved supports the governance framework described on pages 86 to 88 by setting out the decisions that remain with the Board and the areas where authority is delegated to management or Board Committees.

The Board has a formal schedule of matters reserved for its decision, which is reviewed periodically to ensure it remains appropriate for the Group's governance framework and the requirements of the 2024 Code. Matters reserved for the Board include approval of the Group's strategy, annual budget, material acquisitions and disposals, significant capital expenditure, dividend policy, financial reporting, risk appetite and internal control framework, major governance matters, Board and Committee appointments, and other matters considered material to the Group. The schedule is available on the Company's website at www.volutiongroupplc.com.

Board Engagement continued
Breakdown of key Board activities

The Chair, Chief Executive Officer and Company Secretary work together to ensure that Board agendas focus on the matters most relevant to the Group's strategy, performance, governance and long-term sustainable success. During the year, Board discussion was structured around the key areas set out below, reflecting the Board's responsibilities under the 2024 Code and its schedule of matters reserved for the Board.

Area of focus/input	How the Board considered it	Outcome/impact
Strategy and growth	The Board reviewed market and regulatory trends, organic and acquisitive growth opportunities, regional priorities and progress against key strategic objectives.	Supported the Board in testing strategic priorities, considering growth opportunities and maintaining focus on long-term sustainable value creation.
Financial performance and capital allocation	The Board monitored financial performance, approved financial statements, dividends and budgets, reviewed liquidity and funding, and considered capital allocation and acquisition opportunities.	Supported disciplined capital allocation, oversight of performance against agreed plans and consideration of investment decisions in the context of the Group's strategy and risk appetite.
Risk, controls and assurance	The Board considered principal and emerging risks, risk appetite, internal control and assurance arrangements, and management's work to prepare for the requirements of the 2024 Code.	Strengthened oversight of resilience, risk management and internal control, and supported preparation for enhanced controls reporting.
Shareholder and stakeholder engagement	The Board received investor feedback, broker reports, employee engagement updates and insight from direct engagement with customers, employees and local management teams.	Ensured that stakeholder perspectives informed Board discussions on strategy, performance, acquisition activity, sustainability, culture and governance.
Sustainability and responsible business	The Board considered sustainability strategy, climate-related matters, responsible business practices, environmental, social and governance (ESG) priorities, modern slavery and ethical business conduct.	Supported oversight of responsible business priorities, culture and long-term value creation, including alignment between sustainability, strategy and stakeholder expectations.
Governance, Board effectiveness and succession	The Board considered Board and Committee composition, Director appointments, succession planning, external Board evaluation findings and the continuing effectiveness of the Board and its Committees.	Helped maintain effective governance, identify areas for further Board development and ensure the Board has the skills and experience required to support the Group's future needs.
People, culture and workforce engagement	The Board considered people strategy, talent, succession, organisational capability, diversity and inclusion, culture and employee engagement, supported by workforce engagement mechanisms and site visits.	Helped the Board assess culture, understand employee experience and consider how the Group's values are being embedded across the business.

Further information on how these matters supported the Board's consideration of stakeholders is included in the Directors' Section 172 Statement on pages 42 to 43. Related disclosures on strategy, risk, sustainability and people matters can also be found in the Strategic Report.

Board Engagement continued

2025

September

- Undertook a site visit to the Group's operations in Dudley, providing Directors with first-hand insight into operational activity and an opportunity to engage with local management teams.
- Reviewed trading and performance through the CEO and CFO reports.
- Received a Cyber and IT update.
- Considered employee engagement matters, including an Employee Forum update.
- Reviewed governance matters including the Company Secretary's report, the new Code of Conduct and the Board evaluation report.

October

- Reviewed the full-year results announcement, results presentation and Annual Report and Accounts for FY25, including arrangements for analyst presentations and investor roadshows.
- Considered the proposed final dividend and distributable reserves.
- Approved the FY25 Modern Slavery Statement and reviewed governance matters including the Notice of Annual General Meeting (AGM) and broker reports.
- Received updates from the Board Committees and reviewed the CEO and CFO reports.

December

- Held the Company's AGM and reviewed the AGM Trading Update.
- Considered the Group's strategy summary and acquisition priorities.
- Reviewed the Group insurance programme.
- Considered the acquisition of AC Industries, which was announced publicly in December 2025, further extending the Group's position in the Australasian region.

2026

January

- Reviewed trading and performance through the CEO and CFO reports.
- Received updates on governance matters, including from the Sustainability Committee and Employee Engagement Forum.
- Considered progress on strategic acquisition activity following the December announcement.

March

- Reviewed the half-year results announcement and presentation, including principal risks and uncertainties and roadshow plans.
- Considered the interim dividend proposal.
- Received a Group technical update and a regional business update on the Nordics.
- Reviewed governance matters including employee focus sessions and broker reports.
- Held a private meeting of the Non-Executive Directors.

April

- Held the Board meeting in Melbourne as part of the Board's Australia and New Zealand site visit.
- Reflected on the site visit and presentations from local management teams.
- Received updates from the Audit, Nomination and Remuneration Committees.
- Reviewed governance matters including Chair shareholder meetings, sustainability and the Company Secretary's report.
- Considered progress following completion of the AC Industries acquisition and its integration within the Australasian region.

July

- Held an off-site strategy session and reflected on the outputs at the July Board meeting.
- Reviewed the FY26 forecast and FY27 budget.
- Considered the Group IT strategy and cyber presentation.
- Reviewed capital allocation matters, including a facility agreement update.
- Considered governance matters including section 172 and stakeholder engagement, purpose, values, strategy and culture, and broker reports.
- Received an employee engagement update from the designated Non-Executive Director for Employee Engagement.

Board Engagement continued
Board visit to Australia and New Zealand

During the year, the Board undertook an extensive visit to Australia and New Zealand, spending time with colleagues, management teams and customers across Auckland, Sydney and Melbourne. The visit formed an important part of the Board's programme of direct engagement with the Group's businesses and provided Directors with valuable first-hand insight into the scale, breadth and strategic importance of the Group's enlarged Australasian platform.

The programme included visits to manufacturing, distribution, branch and customer-facing locations across the region. These visits helped bring the regional business model to life, enabling the Board to see how the Group's products are developed, positioned, sold and supported across different channels and end markets. Directors also had the opportunity to see products in customer and residential settings, including through branch, distributor and show-home visits, helping to demonstrate the practical application of the Group's ventilation and air quality solutions.

A key theme of the visit was engagement with local teams. Directors met a wide range of colleagues across the region, including operational, commercial, technical and leadership teams. These discussions provided useful insight into local market dynamics, customer relationships, operational delivery and the opportunities created by the Group's broader regional footprint. The Board was impressed by the commitment, expertise and energy of the teams it met, and appreciated the openness and hospitality shown throughout the visit.

The visit also gave the Board an opportunity to spend time at AC Industries following its acquisition by the Group and to see the investment in the business first-hand. This provided a clearer understanding of AC Industries' capabilities, product offering and role within the wider Australasian platform, and helped the Board consider how the enlarged regional business supports the Group's long-term growth strategy.

The visit reinforced the importance of Australasia as a significant and developing region for the Group. It enabled the Board to deepen its understanding of the businesses, brands, people, products and customer channels that support the Group's growth in the region, while also strengthening the Board's connection with colleagues across Australia and New Zealand.

Outcome: The visit strengthened the Board's understanding of regional growth opportunities, customer channels, operational capability, integration priorities and employee culture, informing subsequent discussions on strategy, organisational development and long-term growth in the region.

Governance Report

Board balance and independence

The Company's Board consists of a Non-Executive Chair, four independent Non-Executive Directors and two Executive Directors. A list of the Directors at the year-end is provided on pages 84 and 85. During the year, on 2 August 2025, Claire Tiney retired from the Board, following nine years of service as a Non-Executive Director.

Appointment and tenure

The appointment dates of Directors are shown in their biographies on pages 84 and 85. The Board believes that all Directors are effective and committed to their roles and have sufficient time available to perform their duties. All members of the Board will be offering themselves for re-election at the Company's Annual General Meeting (AGM) to be held on Wednesday 9 December 2026.

All of the Directors have service agreements or letters of appointment, and the details of their terms are set out in the Directors' Remuneration Policy. The service agreements and letters of appointment are available for inspection at the Company's registered office during normal business hours. No other contract with the Company or any subsidiary undertaking of the Company in which any Director was materially interested subsisted during or at the end of the financial year.

Non-Executive Directors and independence

The independence of each Non-Executive Director is considered each year immediately prior to the signing of the Annual Report and Accounts. The Company's Non-Executive Directors provide a broad range of skills and experience to the Board, assisting both in the formulation of the Company's strategy and in providing constructive challenge to the Executive Directors. All of the Non-Executive Directors are regarded by the Company as independent Non-Executive Directors within the meaning of the 2024 Code and free from any business or other relationship which could materially interfere with the exercise of their independent judgement.

During the year, in accordance with the 2024 Code, the Chair held meetings with the Non-Executive Directors without the Executive Directors being present.

Board performance evaluations and effectiveness

In the FY25 Annual Report and Accounts, the recommendations resulting from the performance evaluations were set out and are summarised in the table opposite. The progress made during FY26 is set out below the recommendations.

Process for the prior year Board and Committee evaluations

The process of evaluating the performance of the Board and its Committees, to identify areas for further development, was undertaken internally for FY25. The evaluation process involved the Chair and the Company Secretary discussing and agreeing the scope of the evaluation, and developing a series of web-based questionnaires tailored to the specific circumstances of the Company.

Directors were required to score certain aspects of the Board's and Committees' performance, and to comment on the areas of focus, which included leadership and accountability, strategy and risk, Board culture, Board composition, and roles and responsibilities.

The responses to the evaluation of the Board and its Committees were collated and analysed by the Company Secretary and then reviewed by the Chair and Committee Chairs prior to being considered by the full Board. The Chair also appraised the performance of individual Directors.

Prior-year recommendations and progress during FY26

Enhanced focus on stakeholder engagement
The Board continued to deepen its understanding of stakeholder perspectives during the year. This included a programme of engagement by the Chair with major shareholders and direct engagement by the Board with local management teams, employees, customers and market participants during the Board's visit to Australia and New Zealand. These activities provided useful insight into shareholder views, regional market dynamics, customer channels and employee perspectives, supporting informed Board discussion and decision-making.

Follow-up from strategy discussions to be formalised
The Board's strategic discussions were supported by clearer follow-up and articulation of priorities during the year. This included further work by management to structure strategic priorities and acquisition opportunities, supported by the dedicated Board strategy session in July 2026. The session provided an opportunity to review progress, test priorities and consider the Group's medium-term areas of focus.

Continued organisational development and strengthening of senior leadership capability
The Board continued to oversee the development of the Group's organisational structure and senior leadership capability. During the year, key appointments were made in the UK, Germany, Australasia and Group IT, strengthening operational, regional, financial and functional leadership. These appointments support the Group's strategic priorities and provide additional capability as the business continues to grow in scale and complexity.

Additional focus on IT, cyber and emerging technology
The Board increased its focus on technology, cyber resilience and emerging developments in AI during the year. A dedicated Group IT and cyber update was included within the Board programme, given by the newly appointed Group IT Director, providing Directors with further insight into the Group's IT priorities, cyber risk management arrangements and the opportunities and implications arising from new technologies. The Board will continue to monitor whether further specialist input would support its oversight in this area.

Enhanced discussion of employee views
The Board enhanced its consideration of employee views through additional engagement sessions led by the designated Non-Executive Director for Employee Engagement and organised with the Group HR Director. These sessions complemented the Employee Forum and Group-wide employee survey process, helping to provide the Board with broader and more direct insight into employee experience, culture, engagement and organisational priorities.

Governance Report continued

Process for the FY26 external Board and Committee evaluation

During FY26, the Board undertook an externally facilitated evaluation of the performance of the Board and its Committees, in line with the 2024 Code. The evaluation was led by Gould Consulting, an independent external board evaluation adviser. Gould Consulting had no other connection with the Company or any individual Director.

Gould Consulting used a hybrid review process tailored to the circumstances of the Company. The process included individual interviews with the Chair, Chief Executive Officer, Senior Independent Director and Company Secretary; a review of Board agendas from the previous 12 months and sample Board and Committee papers and minutes; completion of a tailored confidential survey by all Directors and the Company Secretary; a shorter questionnaire completed by selected senior executives who regularly attend Board meetings; and an interview with those senior executives. Barry Gould also attended the July 2026 Board meeting as a silent observer.

Reports were produced and reviewed and discussed with the Chair and each Committee Chair

Gould Consulting discussed its draft findings with the Chair, Chief Executive Officer and Company Secretary, before the final report was considered by the Board, including the findings relevant to each Committee. The findings were reported to the Board on an aggregated and unattributed basis.

"The Board was found to be operating effectively, with a constructive culture and strong engagement from Directors."

The FY26 evaluation concluded that the Board and its Committees were operating effectively. Overall survey outcomes were positive and the review noted that the Board was well managed, appropriately engaged and supported by a constructive and transparent culture, with effective Board support and generally strong Board and Committee processes.

The review did not identify any significant concerns regarding the effectiveness of the Board, its Committees or the Chair. The principal recommendations are set out opposite.

As part of the evaluation process, the Senior Independent Director, together with the other Non-Executive Directors, considered the Chair's performance.

Outcome: The Board will use the findings to refine agenda planning, provide greater structure for strategic debate, deepen Non-Executive Directors' understanding of the Group's business model and future plans, and support continued oversight of succession, risk and organisational development.

Board performance evaluation: FY26 recommendations

- Build on the Board's existing strategic oversight by ensuring future strategy discussions include sufficient time to consider longer-term opportunities and alternative scenarios.
- Further develop the Board's approach to employee engagement by increasing opportunities for direct employee insight across different markets and business units.
- Continue to support effective Board dynamics by ensuring Board and Committee meetings allow sufficient time for discussion, challenge and reflection, supported by in-depth Management presentations.

Governance Report continued

Director induction
The Company has a formal induction programme for new Directors, tailored to each Director's role, experience and Committee responsibilities. The programme is designed to support Directors in becoming effective contributors as quickly as practicable and includes briefings on the Group's strategy, business model, governance framework, principal risks, internal controls, culture, stakeholder relationships and key policies, together with meetings with senior management and advisers and opportunities to visit the Group's operations.

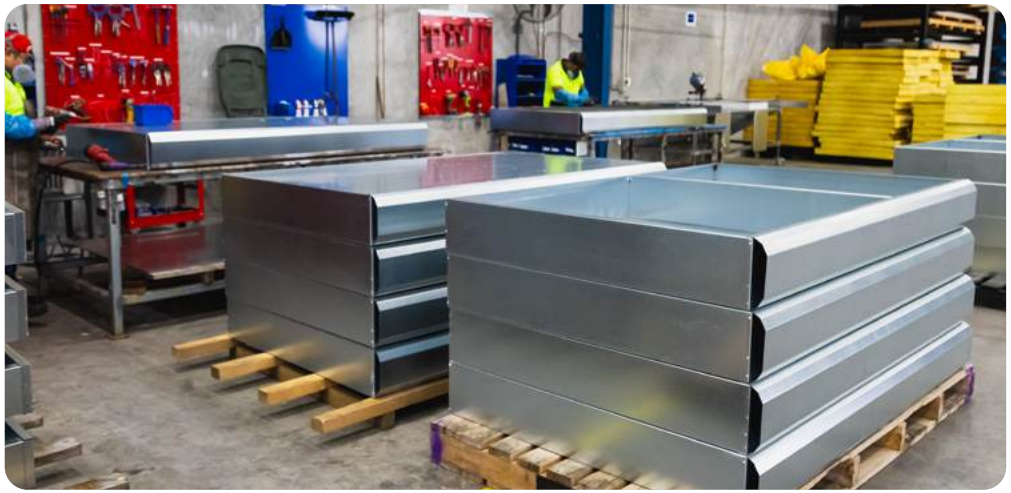
Stakeholder engagement
Directors' Section 172 Statement
For the full Section 172 Statement and information on the Board's engagement with stakeholders, please see pages 42 and 43.

Directors' conflicts of interest
Directors have a statutory duty to avoid situations in which they have or may have interests that conflict with those of the Company, unless that conflict is first authorised by the Board. This includes potential conflicts that may arise when a Director takes up a position with another company. The Company's Articles of Association allow the Board to authorise such potential conflicts, and there is in place a procedure to deal with any actual or potential conflict of interest. The Board deals with each appointment on its individual merit and takes into consideration all the circumstances. All potential conflicts approved by the Board are recorded in a conflicts of interest register, which is reviewed by the Board on a regular basis to ensure that the procedure is working effectively. The Board is satisfied that the arrangements in place regarding conflicts of interest are working effectively.

External directorships
The Board allows Executive Directors to accept one external commercial non-executive director appointment, provided the commitment is compatible with their duties as an Executive Director. Any proposed external appointment is considered by the Board before it is accepted, including the expected time commitment and any potential conflicts of interest. The Executive Director concerned may retain fees paid for these services, subject to approval by the Board. Currently, neither of the Executive Directors holds an external directorship. Details of all Directors' significant directorships can be found in their biographies on pages 84 and 85.

Where Non-Executive Directors have external directorships, the Board considers these commitments annually and is satisfied that they do not impact on the time that any Director devotes to the Company. The Board believes that the experience gained through these appointments enhances the capability of the Board.

Information and support available to Directors
All Board Directors have access to the Company Secretary, who advises them on governance matters. The Chair and the Company Secretary work together to ensure that Board papers are clear, accurate, delivered in a timely manner to Directors, and of sufficient quality to enable the Board to discharge its duties. Specific business-related presentations are given by senior management when appropriate. As well as the support of the Company Secretary, there is a procedure in place for any Director to take independent professional advice at the Company's expense in the furtherance of their duties, where considered necessary.



Governance Report continued

Internal control and risk management
The Board acknowledges its responsibility for determining the nature and extent of the significant risks it is willing to take in achieving its strategic objectives, setting the risk appetite, and for the Group's system of internal control. The principal risks facing the Group are set out in the Strategic Report on pages 44 to 52, being those risks which could threaten our business model, future performance, solvency or liquidity, and mitigation measures are detailed against each risk. The Audit Committee, on behalf of the Board, carried out a review of the effectiveness of the Group's risk management and system of internal control together with a robust assessment of the risks facing the Group in line with the applicable sections of the 2018 Code. Details can be found on pages 109 and 110. Provision 29 of the 2024 Code applies to the Company from 1 August 2026.

The Audit Committee Report on pages 102 to 111 describes the system of internal control and how it is managed and monitored. The Board acknowledges that such a system is designed to manage, rather than eliminate, the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

Speak Up
The Group has an independent Speak Up facility through which employees can raise concerns confidentially and in their own language by telephone or online. The facility is operated by an external provider and supports the Group's culture of openness and accountability. The Audit Committee reviews the appropriateness and effectiveness of the facility and receives updates on matters raised, including any matters requiring escalation.

Further information on the Group's risk management and internal control framework is included in the Audit Committee Report on pages 102 to 111 and the Risk Management and Principal Risks section on pages 44 to 52.

Shareholder relations
Responsibility for shareholder relations rests with the Chair, the Chief Executive Officer and the Chief Financial Officer. They ensure that there is effective communication with shareholders on matters such as governance and strategy, and are responsible for ensuring that the Board understands the views of major shareholders.

The Board aims to present a balanced and clear view of the Group in communications with shareholders and believes that being transparent in describing how we see the market and the prospects for the business is extremely important.

We have communicated with existing and potential shareholders in a number of different ways during the year ended 31 July 2026 as follows:

October 2025	• Full-year results announcement and analyst presentation • Institutional broker sales desk briefings • UK shareholder roadshow • Annual Report and Accounts and Notice of AGM posted to shareholders and placed on website
December 2025	• Trading update • AGM • Investor presentation on the AC Industries acquisition
March 2026	• Half-year results announcement and analyst presentation • Institutional broker sales desk briefings • Shareholder roadshows
July 2026	• Pre-close trading update

In addition to the above, we communicate with existing and potential shareholders in a number of other ways, such as:

- face-to-face meetings and telephone briefings for analysts and investors; and
- arranging periodic visits by analysts and major shareholders to the business sites to give a better understanding of how we manage our business. These visits and meetings are principally undertaken by the Chief Executive Officer and the Chief Financial Officer.

In situations where new material relating to trading is presented, it is also immediately uploaded to the Company's website so it is available to all shareholders.

The Board receives regular updates on the views of its shareholders from the Chief Executive Officer and Company brokers. This is a standing agenda item for all Board meetings. The Company's investor website is also regularly updated with news and information including this Annual Report and Accounts, which sets out our strategy and performance together with our plans for future growth.

During the year, the Chief Executive Officer and the Chief Financial Officer engaged with investors.

Key topics that arise in investor meetings include:

- drivers of demand including regulation;
- resilience of the business to economic cycles;
- sustainability of margin;
- performance of newly acquired businesses and the acquisition pipeline;
- performance against our environmental, social and governance (ESG) KPIs including carbon reduction targets; and
- organisational structure and approach, balance between Group and decentralised local businesses.

In addition, the Chair meets with investors on a regular basis during the year, and the Senior Independent Director is available to meet shareholders if they wish to raise issues separately from the arrangements as described above.

Outcome: Feedback from shareholder engagement was shared with the Board and informed its consideration of strategy, capital allocation, acquisition activity, sustainability priorities, governance matters and market expectations.

Governance Report continued

Further information on how the Board considered stakeholder interests during the year is included in the Directors' Section 172 Statement on pages 42 to 43.

UK Listing Rule (UKLR) 6.6.6 R (9)
As at the Company's chosen reference date, 31 July 2026, and in line with UK Listing Rule 6.6.6 R (9), the Company has met the targets for at least 40% female membership on the Board and for one Director to be from an ethnic minority background. In addition, it has met the target for one of the positions of Chair, Senior Independent Director, Chief Executive or Finance Director to be held by a woman, with Amanda Mellor as Senior Independent Director.

Data under UKLR 6.6.6 R (10)
In line with UKLR 6.6.6 R (10), as at the reference date of 31 July 2026, the composition of the Board and Executive Management was as follows.

Sex	Number of Board members	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, SID and Chair)	Number in Executive Management[1]	Percentage of Executive Management[1]
Men	4	57%	3	9	81%
Women	3	43%	1	2	19%
Not specified/prefer not to say	–	–	–	–	–

Ethnic background	Number of Board members	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, SID and Chair)	Number in Executive Management[1]	Percentage of Executive Management[1]
White British or other White (including minority-white groups)	6	86%	3	8	73%
Mixed/Multiple ethnic groups	–	–	–	1	9%
Asian/Asian British	–	–	–	1	9%
Black/African/Caribbean/Black British	1	14%	1	1	9%
Other ethnic group, including Arab	–	–	–	–	–
Not specified/prefer not to say	–	–	–	–	–

1. Per the definition within the UK Listing Rules, Executive Management within Volution is the Group Executive Committee including the Company Secretary and excluding the Executive Directors. Volution has 100% voluntary completion of sex and ethnicity data which is what is used when reporting the diversity of the Board and the Group Executive Committee. All diversity data is collated in accordance with Volution's Privacy Notice.
2. For the diversity data disclosed in the People section on page 72, we have used our own internal grading system to provide a meaningful analysis of how the Group operates and the proportion of senior managers. The system used excludes Board Directors. Legislation also requires that we disclose 'senior managers' as the directors of our subsidiary companies and, based on this definition, the data would be as follows: male 80%, female 20%. Further information on gender diversity may be found in the People section of this report.

Governance Report continued

Business ethics
Our core values and principles, and the standards of behaviour to which every employee and representative across the Group is expected to work, are set out in the Volution Code of Conduct. These values and principles are applied to dealings with our customers, suppliers and other stakeholders.

We have a zero-tolerance approach to all forms of bribery and corruption. Our Anti-Bribery and Corruption Policy has been approved by the Board and rolled out across the Group. It applies to all businesses, Directors, employees and third parties acting on behalf of the Group to support compliance with all laws and regulations governing bribery and corruption in the countries in which the Group operates.

The Group also has a Fraud Prevention Policy and related training in place to support awareness of fraud risks, the prevention and detection of fraud, and employees' understanding of how to report concerns through the Group's Speak Up arrangements.

Web-based anti-bribery and corruption training is carried out by employees in areas of the business where risk is deemed to be highest. Employees are also encouraged to raise concerns in good faith through the Group's Speak Up arrangements, without fear of retaliation.

A Group policy in relation to Corporate Criminal Offences legislation is also in place.

Outcome: These arrangements support a culture of integrity and accountability by reinforcing expected behaviours, improving awareness of fraud and compliance risks, and ensuring that employees understand how to raise concerns appropriately.

Company values
The Board also oversaw the work undertaken during the year to refresh Volution's values and behaviours, recognising the importance of a clear and consistent cultural framework as the Group continues to grow and evolve. The refreshed values — Customer Excellence, Collaboration, Continuous Improvement and Ownership — build on the strengths that have supported Volution's success and help articulate the behaviours expected across the Group. This work supports the Board's broader oversight of culture, ensuring that the way we deliver our strategy is aligned with our ambition to create sustainable, long-term value.

Human rights
The Board does not currently consider human rights breaches to be a material risk for the Group, but recognises the importance of maintaining appropriate policies and controls to support human rights principles across its operations and supply chain.

Diversity
We employ a diverse workforce and pride ourselves on providing equal opportunities for all. We understand the benefits a diverse workforce brings and recognise that the industry faces under-representation of women as well as people from different ethnic backgrounds. High value is placed on rewarding our people for their commitment, their integrity and their service.

We aim to ensure that no employee is discriminated against, directly or indirectly, on the grounds of colour, race, ethnic or national origin, sex, sexual orientation, gender identity, gender reassignment, marital or civil partnership status, pregnancy or maternity, disability, religion or belief, age or part-time status. We believe that business decisions can be enhanced by having representation from different genders and cultural backgrounds with differing skill sets, experience and knowledge, which reflect our customer base and the wider population in our markets.

Modern Slavery Act
We are opposed to slavery, servitude, forced labour and human trafficking. We take a zero-tolerance approach to modern slavery in the supply chain and businesses under our control. The Board has approved a statement setting out the steps that have been taken to combat modern slavery. This statement can be found on the Group's website at www.volutiongroupplc.com. Group employees, representatives and relevant suppliers are requested to confirm that they do and will continue to comply with our policy, which is set out in our Code of Conduct. During the year, further work was carried out in this area, including ongoing due diligence, supplier engagement and awareness activities, as reflected in our Modern Slavery Statement. Shareholder engagement also took place, providing further insight into investor expectations and emerging practice. For more information, please see our People section on pages 72 to 78.

The Group's approach to responsible sourcing, supply chain due diligence and sustainability governance is also discussed in the Sustainability section on pages 54 to 78.

Fair, balanced and understandable
The Board recognises its duty to ensure that the Annual Report and Accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the performance, strategy and business model of the Company. The Board has placed reliance on the following to form this opinion: a verification process dealing with the factual content of the reports and to ensure consistency across the various sections; a review of the Annual Report and Accounts by senior management to ensure consistency and overall balance; and the Audit Committee reviewed the Annual Report and Accounts and its compliance with the requirements, concluded that the requirements had been met and recommended its approval by the Board as fair, balanced and understandable.

Annual General Meeting
The AGM of the Company will take place at 12.00 noon on Wednesday 9 December 2026 at the offices of Norton Rose Fulbright LLP, 3 More London Riverside, London SE1 2AQ, UK.
The Notice of AGM can be found in a circular which is being posted at the same time as this Annual Report and Accounts. The Notice of AGM sets out the business of the meeting and explanatory notes on all resolutions. Separate resolutions are proposed in respect of each substantive issue.

Nomination Committee Report

"The Committee's work during the year supported Board continuity, strengthened senior leadership capability and helped ensure Volution has the skills and succession depth required for its next phase of growth."

Nigel Lingwood
Chair of the Nomination Committee

Membership and attendance

The Nomination Committee (the Committee) met for five scheduled meetings during the year, with attendance disclosed below.

Committee members	Member since	Attendance
Nigel Lingwood (Chair)	30 April 2020 (appointed Chair on 23 June 2023)	●●●●●
Celia Baxter	5 March 2025	●●●●○
Jonathan Davis	23 June 2023	●●●●●
Emmanuelle Dubu	5 March 2025	●●●●●
Amanda Mellor[1]	19 March 2018	●●●●○

1. Amanda Mellor was unable to attend one scheduled Committee meeting during the year due to a conflicting diary arrangement, which had been notified to the Chair.

Highlights of 2026

- Supported Board continuity and effective governance by reviewing Board composition, Director independence, skills and performance, and recommending Directors for re-election.
- Strengthened Volution's leadership capability by overseeing key appointments in the UK and Group IT, supporting the continued embedding of the regional management structure and the delivery of the Group's IT strategy.

Looking forward to 2027

- Progress an orderly Board succession process by recruiting a new independent Non-Executive Director to replace outgoing Board member Amanda Mellor, with support from Russell Reynolds Associates.
- Oversee the enhanced management development programme due to be implemented in FY27, supporting succession depth, regional leadership capability and a diverse pipeline of talent across the Group.

Dear shareholder,

I am pleased to present the Nomination Committee Report for the year ended 31 July 2026. This report sets out the Committee's role and responsibilities and summarises its principal activities during the year.

Volution's continued growth in scale, geographic reach and operational complexity have reinforced the importance of having the right Board and leadership capability in place. During the year, the Committee's work helped support continuity at Board level, strengthen succession planning and ensure that leadership development remained aligned with the Group's strategy and future growth ambitions.

The Committee reviewed the composition and effectiveness of the Board and its Committees, including the independence, time commitment and contribution of each Director. This supported the Board's recommendation that each Director standing for re-election continued to be effective and able to contribute to Volution's long-term success.

As stated above, Amanda Mellor will retire from the Board at the 2026 AGM, and on behalf of the Committee I would like to thank Amanda for her valuable contribution and commitment during her time with the Group. A recruitment process for her successor is underway, with the Committee focused on ensuring an orderly transition and maintaining an effective and well-balanced Board.

Below Board level, the Committee's oversight supported the continued development of the Group's regional management structure, helping to ensure that the leadership model has the capacity, accountability and capability required to execute the Group's strategy across its markets.

The Committee also received updates on senior leadership appointments and organisational development across the Group. The appointment of a UK Managing Director strengthened the leadership of the UK business, while the appointment of a Group IT Director supports the delivery of the Group's IT strategy and the technology capability required as Volution becomes larger and more complex.

Nomination Committee Report continued

The Committee remains mindful that succession planning is most effective when it is considered proactively and in the context of the Group's strategy, culture and future skills requirements. During the year, we therefore continued to focus on leadership capability, talent development and the strength of succession arrangements for senior and business-critical roles.

Diversity and inclusion also remained important considerations in the Committee's work. The Committee reviewed progress against the Parker Review requirements and continued to monitor the development of a diverse pipeline of talent across the Group, recognising the importance of diversity of background, experience and thought in supporting effective decision-making.

Looking ahead, the Committee's priorities will be focused on outcomes that support Volution's future growth: maintaining the right balance of skills and experience on the Board, and overseeing the development of leadership capability and succession depth across the Group. The Committee also looks forward to the introduction of an enhanced management development programme, which is due to be implemented in FY27.

Nigel Lingwood
Chair of the Nomination Committee
7 October 2026

Role and responsibilities

The key responsibilities of the Committee are:

- assessing whether the structure, size and composition (including the skills, knowledge, independence, experience and gender and ethnic diversity) of the Board continue to meet the Group's business and strategic needs;
- considering succession planning and talent development for the Executive Directors and the Senior Management Team, taking into account the challenges and opportunities facing the Group and the future skills and expertise needed on the Board; and
- identifying and nominating candidates to fill Board vacancies as and when they arise together with leading the process for such appointments and making recommendations to the Board.

Membership and attendance

Nigel Lingwood is the Chair of the Committee and the members of the Committee, being Amanda Mellor, Celia Baxter, Jonathan Davis and Emmanuelle Dubu, are independent Non-Executive Directors.

By invitation, the meetings of the Committee may be attended by the Chief Executive Officer, the Chief Financial Officer and the Group HR Director. The Company Secretary acts as the secretary to the Committee, and minutes of each Committee meeting are provided to Board members.

Claire Tiney retired from the Board and the Committee on 2 August 2025 and Amanda Mellor is due to retire from the Board at the 2026 AGM, as she approaches nine years of service.

The full terms of reference of the Committee are available on the Company's website at www.volutiongroupplc.com.

Activities during the year

During the year, the Committee discussed Board composition, Director independence, re-election recommendations, succession planning and senior leadership development. Matters considered at Committee meetings held during the year included:

- evaluation of the size and composition of the Board, including the balance of skills, knowledge, independence, experience and gender and ethnic diversity;
- recommendations to shareholders for the re-election of Directors at the Annual General Meeting (AGM);
- review of Committee performance evaluation results and progress against the Committee's annual work programme; and
- oversight of senior leadership appointments and organisational development, including the appointment of the UK Managing Director and Group IT Director and the continued development of the Group's regional management structure.

Area of focus/input	How the Committee considered it	Outcome/impact
Board composition and succession	Reviewed Board skills, independence, tenure, Committee membership and future succession requirements.	Supported Board continuity and an orderly refreshment process aligned with Volution's future skills and governance needs.
Leadership capability	Monitored Group senior leadership appointments, organisational development and succession depth for business-critical roles.	Strengthened leadership capacity by the appointment of a UK Regional Director and Group IT Director.
Diversity and inclusion	Considered gender and ethnic diversity at Board and senior management level and the development of a diverse talent pipeline.	Maintained focus on diversity of background, experience and thought to support better decision-making and future succession depth.
Evaluation and effectiveness	Reviewed the outcome of the Committee evaluation and progress against the annual work programme.	Confirmed the Committee continued to operate effectively and used evaluation feedback to shape future areas of focus.

Nomination Committee Report continued

After the year-end at the October 2026 Committee meeting, the Committee considered the outcome of the performance evaluations when discussing the effectiveness of the Non-Executive Directors seeking re-election at the AGM 2026.

The Committee considered Non-Executive Director succession planning in light of Amanda Mellor approaching the conclusion of her nine-year tenure on the Board and considered the Board's overall composition, diversity, independence, and future skills requirements.

The Committee is working with Russell Reynolds Associates on the recruitment process for a new independent Non-Executive Director to replace Amanda. Following Amanda Mellor's retirement from the Board, it is intended that Celia Baxter will assume the role of Senior Independent Director and that Emmanuelle Dubu will assume the role of Non-Executive Director responsible for sustainability matters.

During the year, the Committee also continued its work on executive succession planning as part of its broader responsibility for supporting effective leadership and good governance across the Group. With the assistance of Odgers Berndtson, the Committee considered the capabilities and experience likely to be required for the Group's future development, together with the strength and depth of the internal succession pipeline. Odgers Berndtson and Russell Reynolds Associates have no connections with the Company or any individual Director.

Diversity and inclusion

The Committee pays full regard to the benefits of diversity, including gender and ethnic diversity, when searching for candidates for the Board, Senior Management Team and other appointments. This is reflected in the Board Diversity Policy which also applies to appointments for the Audit, Remuneration and Nomination Committees. The Committee and Board believe that business decisions are enhanced by having representation from different genders and cultural backgrounds with differing skill sets, experience and knowledge, which reflect our customer base and the wider population in our markets.

Diversity of Board members is important to provide the necessary range of background experience, values, and diversity of thinking and perspectives to optimise the decision-making process. Gender and ethnicity are important aspects of diversity which the Committee considers when deciding upon the most appropriate composition of the Board.

The Board supports the FTSE Women Leaders Review and the Parker Review on Ethnic Diversity. As at the financial year-end, the Board comprised four male and three female Directors, meaning that over 40% of the Board is female. One Board member is from a minority ethnic background.

Re-election of Directors

On the recommendation of the Committee and in line with the UK Corporate Governance Code and the Company's Articles of Association, all of the Company's Directors will stand for re-election at the AGM in 2026, other than Amanda Mellor, as she will have served nearly nine years on the Board. The biographical details of the Directors can be found on pages 84 and 85. The Committee confirms that the performance of each of the Directors standing for re-election at the AGM continues to be effective and that each demonstrates commitment to their role.

Director appointment and induction process

The Committee leads a formal, rigorous and transparent process for Board appointments, supported by external search advisers where appropriate. In considering Board appointments, the Committee takes account of the skills, experience, independence, diversity, time commitment and personal attributes required to support the Group's strategy and long-term success. A formal induction programme is in place for all new Directors and is tailored to reflect each Director's background, experience, role on the Board and membership of Board Committees. The programme is overseen by the Chair and supported by the Company Secretary, with input from the Executive Directors and senior management. Further information on the Director induction and ongoing development process is included in the Governance Report on pages 93 to 98.

Audit Committee Report

"The Committee's focus this year has been on strengthening evidence-based oversight of risk, controls and assurance as the Group prepares for the next stage of governance reporting."

Jonathan Davis
Chair of the Audit Committee

Membership and attendance

The Audit Committee (the Committee) met for six scheduled meetings during the year, with attendance disclosed below.

Committee members	Member since	Attendance
Jonathan Davis (Chair)	23 June 2023	●●●●●●
Celia Baxter[1]	5 March 2025	●●●●●○
Emmanuelle Dubu	5 March 2025	●●●●●●
Amanda Mellor[1]	19 March 2018	●●●●●○

1. Celia Baxter and Amanda Mellor each missed one Committee meeting during the year due to conflicting appointments which they had notified to the Chair. Celia Baxter had notified the Chair of her conflicting appointment before joining the Board in March 2025.

Highlights of 2026

- Oversaw the Group's preparations for Provision 29 of the 2024 UK Corporate Governance Code during the FY26 pre-implementation year, including refinement of the material controls framework, design and effectiveness testing.
- Reviewed progress against the FY26 Internal Audit Plan and considered internal audit reports across the Group, including newly acquired and integrating businesses, with particular focus on finance, IT, health and safety and compliance controls.
- Approved the FY27 Internal Audit Plan and updated Internal Audit Charter, with increased revenue and stock coverage and continued specialist assurance work in relation to IT, disaster recovery, environmental, social and governance (ESG) reporting and the first year of Provision 29 application.
- Reviewed the FY26 external audit strategy, including scope, materiality, significant risks, audit approach and Auditor independence, and monitored the effectiveness of the FY25 external audit process.
- Considered significant financial reporting matters, including going concern, viability, goodwill and intangible asset impairment, alternative performance measures and accounting judgements and estimates.
- Maintained oversight of governance, risk and compliance matters, including principal and emerging risks, the Speak Up facility, modern slavery reporting, fraud prevention, tax governance and updates to the Committee's terms of reference to reflect developing regulation and market practice.

Looking ahead to 2027

- Overseeing the first year of application of the new Provision 29 material controls declaration in FY27, which applies to the Group from 1 August 2026, including continued testing and reviewing the evidence required to support the Board's assessment of the effectiveness of material controls.
- Continuing to monitor the maturity of the Group's control environment as the business grows, including the integration of acquired businesses and the consistency of core finance, IT, compliance and health and safety controls across the Group.
- Reviewing the delivery of the FY27 Internal Audit Plan, including specialist IT and disaster recovery assurance, further ESG reporting assurance and continued follow-up of agreed management actions.
- Keeping under review evolving governance, audit committee market practice, fraud prevention, tax governance and other regulatory developments relevant to the Committee's remit.

Audit Committee Report continued

Dear shareholder,

I am pleased to present this report of the Committee for the year ended 31 July 2026. Over the course of the year, the Committee's work has been shaped by the continuing development of the Group and by the increasing emphasis placed on clear, evidence-based oversight of risk, controls and assurance. Alongside its core responsibilities for financial reporting and audit, the Committee has spent considerable time reviewing the maturity, consistency and resilience of the Group's control environment.

This focus reflects both the Group's own growth and the wider governance environment in which audit committees are now expected to demonstrate active challenge, clear prioritisation and well-documented assurance over the matters most important to the business. A significant part of the Committee's agenda has therefore been directed towards the Group's readiness for Provision 29 of the 2024 UK Corporate Governance Code. FY26 has been a dry-run year for the Group, ahead of the first year of application from 1 August 2026, when the enhanced declaration on the effectiveness of material controls will apply.

During the FY26 pre-implementation year, the Committee received regular updates on the Provision 29 programme and reviewed progress as the material controls framework was refined and tested. This included completion of design effectiveness work across all material controls, continued operating effectiveness testing, and consideration of the evidence, attestations and ownership documentation that will support the Board's future assessment in FY27.

This dry-run work has been valuable in moving the Group from project planning into practical testing and evidence gathering. It has also helped the Committee and management identify where controls are already operating well and where further formalisation, consistency or remediation was required before the new reporting requirement applies for the first time in FY27.

The Committee also continued to review the Group's principal and emerging risks, risk appetite and risk management processes, including the work of the Risk and Internal Control Committee. As the Group's scale and geographic reach increase, the Committee has focused on the consistent application of core controls across the business and on ensuring that recently acquired businesses are brought within the Group's governance, finance, IT, compliance and health and safety frameworks in a structured way.

Internal Audit remained an important source of independent assurance for the Committee. Reports considered during the year covered businesses and functions across the Group and highlighted both areas of good practice and opportunities to strengthen controls, particularly in relation to finance processes, IT, health and safety and compliance. The Committee monitored progress against management actions and approved the FY27 Internal Audit Plan and the updated Internal Audit Charter, with future work continuing to focus on key risk areas, specialist IT and disaster recovery assurance, ESG reporting assurance and the first year of Provision 29 application.

The Committee's financial reporting work remained focused on the areas requiring the greatest judgement and challenge. These included the Group's significant accounting judgements and estimates, going concern and viability assessments, alternative performance measures and impairment considerations. The Committee also reviewed the FY26 external audit strategy, including scope, materiality, significant risks, audit approach and independence, and considered the outcome of the review of the FY25 external audit process.

The Committee's remit also included oversight of a number of broader governance and compliance matters. During the year, this included the Speak Up facility, modern slavery reporting, tax governance, fraud prevention and the continued development of Group policies and procedures. In light of the new failure to prevent fraud offence, the Committee reviewed the Group's developing fraud prevention framework, including risk assessment, policy, training and related controls.

In FY27, the Committee will move from dry-run preparation to oversight of the first year of application of the Provision 29 material controls declaration, which applies to the Group from 1 August 2026. The Committee will also monitor delivery of the FY27 Internal Audit Plan, continue to assess the maturity and consistency of controls across the Group, and keep under review relevant governance, audit and regulatory developments. In doing so, the Committee will continue to support the Board in maintaining reporting that is fair, balanced and understandable and a control environment that remains appropriate for the Group's scale, strategy and risk profile.

I would like to thank my fellow Committee members for their contribution throughout the year and the finance, governance, risk, internal audit and operational teams across the Group for their continued support and engagement with the Committee's work.

Jonathan Davis
Chair of the Audit Committee
7 October 2026

Audit Committee Report continued

Role and responsibilities

The primary function of the Committee is to assist the Board in fulfilling its responsibilities with regard to the integrity of financial reporting, audit, risk management and internal controls. During the year, the Committee's terms of reference were reviewed and updated to ensure that they remained aligned with the UK Corporate Governance Code 2024, the Financial Reporting Council's Minimum Standard for Audit Committees and developing market practice. The Committee's responsibilities comprise:

- monitoring and reviewing the Group's accounting policies, practices and significant accounting judgements;
- reviewing the annual and half-yearly financial statements, trading statements and any other financial announcements;
- reporting to the Board on whether the Annual Report and Accounts is fair, balanced and understandable;
- reviewing the Board's shorter-term cash flow forecasts and its method for assessing the Group's long-term viability;
- approving the appointment and recommending the re-appointment of the External Auditor and its terms of engagement and fees;
- reviewing the scope of work to be undertaken by the External Auditor and reviewing the results of that work;
- monitoring and reviewing the effectiveness of the external audit process and the External Auditor;
- reviewing and monitoring the independence of the External Auditor and approving its provision of non-audit services;
- monitoring and reviewing the adequacy and effectiveness of the Group's risk management and internal control systems and processes, including the Group's dry-run preparations during FY26 for the enhanced internal controls reporting requirements under Provision 29 of the 2024 UK Corporate Governance Code, which applies to the Group for the first time from 1 August 2026, and, where appropriate, making recommendations to the Board on areas for improvement;
- monitoring and reviewing the effectiveness of the Group's Internal Audit function, and resolution of its material findings, in the context of the Group's overall risk management systems;
- reviewing reports from the Chief Financial Officer on the controls to mitigate fraud risk; and
- overseeing the Group's procedures for employees to raise concerns through the Speak Up facility, as set out in the Code of Conduct.

Membership and attendance

In compliance with the Code, the Committee comprises four members who are independent Non-Executive Directors. Jonathan Davis is Committee Chair, and Amanda Mellor, Celia Baxter and Emmanuelle Dubu are Committee members. Claire Tiney retired from the Board and its Committees at the beginning of the financial year on 2 August 2025.

Financial expert, recent and relevant financial experience

The Board has satisfied itself that the membership of the Audit Committee includes at least one Director with recent and relevant financial experience and has competence in the sector in which the Company operates, and that all members are financially literate and have experience of corporate financial matters. For the purposes of the Code, the Board has determined that Jonathan Davis is independent and may be regarded as an Audit Committee financial expert, having recent and relevant financial experience, and that all members of the Audit Committee are independent Non-Executive Directors with relevant financial and sectoral competence. See pages 84 and 85 for details of the relevant experience of Directors.

Committee meetings are also normally attended by the Chair, the Chief Executive Officer, the Chief Financial Officer and the Company Secretary, who acts as secretary to the Committee. The External and Internal Auditors also attend meetings when appropriate. Other members of management may be invited to attend depending on the matters under discussion. The Committee meets regularly with the External Auditor and Internal Auditor with no members of management present. Meetings are scheduled in accordance with the financial and reporting cycles of the Company and generally take place prior to Board meetings to ensure effective collaboration with the Board. Minutes of each Committee meeting are provided to Board members. The Internal Auditor and the External Auditor have access to the Chair of the Committee outside formal Committee meetings.

The Committee held six scheduled meetings during the year, with attendance disclosed on page 102.

Audit Committee Report continued

Audit Committee activities during the year

During the year, the Committee focused on the following matters and the related outcomes:

Area of focus/input	How the Committee considered it	Outcome/impact
Financial reporting	Reviewed the Annual Report and Accounts, full-year and half-year results announcements, trading updates and reports from the External Auditor. Considered significant financial reporting matters, including judgements and estimates, going concern, viability, alternative performance measures, impairment and acquisition-related accounting where relevant.	Recommended the relevant reporting to the Board for approval, having concluded that the reporting was appropriate, supported by appropriate review and challenge and, where applicable, fair, balanced and understandable.
Risk management and internal controls	Reviewed the Group's risk management framework, principal and emerging risks, risk appetite, Group Risk Register and internal control disclosures. Monitored the Group's FY26 dry-run preparations for the updated Provision 29 requirements, which apply for the first time in FY27 from 1 August 2026.	Supported the Board's annual review of the effectiveness of risk management and internal control systems for FY26 and provided oversight of readiness for the enhanced material controls declaration.
Provision 29 readiness	Received regular updates on the material controls framework, design effectiveness testing, operating effectiveness testing, evidence requirements, control ownership and remediation activity during the FY26 dry-run year.	Increased the Committee's visibility of material controls maturity and helped identify areas requiring further formalisation, consistency or remediation before the first year of application in FY27.
Internal Audit	Reviewed Internal Audit reports across the Group, including finance, IT, health and safety and compliance controls, and monitored progress against agreed management actions. Approved the FY27 Internal Audit Plan and updated Internal Audit Charter.	Enabled the Committee to receive independent assurance over the control environment, supported follow-up of improvement actions and confirmed that the FY27 plan remains aligned to key risks, including IT, disaster recovery, ESG reporting assurance and Provision 29.
External audit	Reviewed the External Auditor relationship, independence, objectivity and effectiveness. Considered the outcome of the FY25 audit effectiveness review and reviewed the FY26 audit strategy, scope, materiality, significant risks, audit approach, engagement terms and fees and non-audit services.	Confirmed the continued independence and effectiveness of the External Auditor, approved the FY26 audit approach and recommended the re-appointment of PwC to the Board.
Governance, compliance and policies	Reviewed and approved the Group Tax Strategy, received updates on tax governance and future Senior Accounting Officer readiness, and monitored the Code of Conduct, anti-bribery and corruption controls, corporate criminal offence policy, Speak Up facility, modern slavery reporting and fraud prevention framework. Reviewed Committee evaluation feedback, work programme and terms of reference.	Strengthened oversight of key governance and compliance matters, including the developing fraud prevention framework, and confirmed that the Committee's terms of reference and annual programme remained aligned with regulatory developments and market practice.

Significant accounting matters

The Committee identified the matters set out on the following pages as being significant in the context of the consolidated financial statements for the year ended 31 July 2026.

In considering these matters, the Committee reviewed papers prepared by management, discussed the areas of judgement with management and the External Auditor, and challenged the assumptions, estimates and disclosures where appropriate.

The Committee also considered the work performed by the External Auditor in relation to these matters and discussed the conclusions reached, together with any findings or observations reported to the Committee.

The Committee also considered correspondence received from the Financial Reporting Council following its review of the Company's 2025 Annual Report and Accounts, which related to the classification of contingent consideration payments within the consolidated statement of cash flows. The matter was closed during the year, and the Group has included additional accounting policy disclosure in the 2026 Annual Report and Accounts in response (see note 1). The FRC's review did not provide assurance that the Annual Report and Accounts were correct in all material respects.

Audit Committee Report continued

Area of focus	Why was this significant?	How did the Committee address this area?
Accounting for the acquisition of ACI	There was one business combination during the year: the acquisition of ACI in Australasia in February 2026. This involved the accounting of purchase price allocation (PPA) under IFRS 3, with key items including the valuation of acquired intangible assets and the valuation of contingent consideration based on estimated future performance for the years ending 31 July 2027 and 31 July 2029. The valuation of customer relationships on acquisition at £41.1 million and contingent consideration liability valued at £7.7 million at acquisition and £8.4 million at year-end are designated as material estimates, as reasonably possible variations in key inputs could have a material impact on the amounts presented at acquisition and at year-end.	The valuation of customer relationships required the application of valuation methodologies and significant judgement, particularly in relation to forecast cash flows and customer attrition rates. The valuation of contingent consideration required estimation of future EBITDA performance, with key inputs being from the budget EBITDA used for the year ending 31 July 2027. The Committee recognised that these judgements could have a material impact on goodwill, amortisation and future impairment assessments. The Committee reviewed management's analysis of the PPA, including the work of external valuation specialists, and challenged the basis for the key assumptions and methodologies applied. The Committee reviewed and challenged key assumptions within management's assessment of expected future EBITDA performance and the calculation of estimated contingent consideration liability at acquisition and year-end. Other PPA adjustments included the valuation of trademark intangible assets, revaluation of IFRS 16 lease assets and liabilities and adjustment to increase the fair value of inventory. These elements of the PPA were not considered to be material as the Group did not consider it reasonably possible that these adjustments could be materially different to those values calculated. The Committee was satisfied that the PPA exercise was conducted appropriately and that the disclosures in the financial statements provide transparent information to shareholders.
Accounting for business combinations with contingent consideration	Excluding the ACI contingent consideration discussed above, there is outstanding contingent consideration for ERI, based on future performance in the year ending 31 December 2029. The value included at the balance sheet date is subject to estimation of future performance of the relevant businesses.	The Committee reviewed the judgements and estimates that management made in assessing the fair value measurement of the contingent consideration for ERI and concluded they were reasonable. The Group did not consider it reasonably possible, at the balance sheet date, that this was a major source of estimation uncertainty that could have a significant risk of resulting in a material adjustment to the liabilities recorded and thus it is not disclosed as such in note 1 to the consolidated financial statements as a key source of estimation uncertainty. The Committee noted that the contingent consideration relating to DVS has been finalised in the year, relating to the year ended 31 March 2026, and therefore at year-end did not involve any judgement or estimation.

Audit Committee Report continued

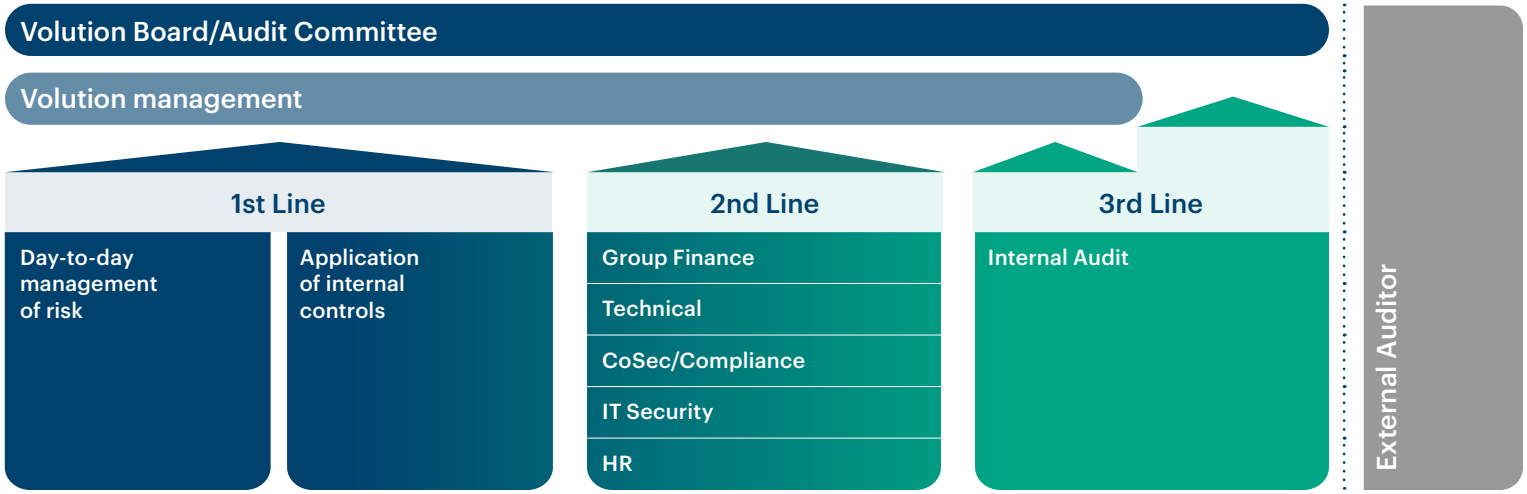
Area of focus	Why was this significant?	How did the Committee address this area?
Impairment of goodwill	The Group's policy on accounting for goodwill on acquired businesses is set out in note 1 to the consolidated financial statements. At 31 July 2026, intangible assets relating to goodwill amounted to £290.4 million. The acquisition of ACI during the year added £49.4 million of goodwill through acquisition. Goodwill on acquisitions is initially recorded at fair value and is subject to testing for impairment at each balance sheet date. As is customary, such testing involves estimation of the future cash flows attributable to the asset, or cash generating unit (CGU) group of which it is part, and discounting these future cash flows.	The Committee reviewed the key assumptions behind these valuations and impairment reviews, notably the expected development of future cash flows and the discount rates used, as well as considering reasonable sensitivities to these estimates, and concluded that these support the carrying values set out in note 12 to the consolidated financial statements and no impairment provision is required. The Committee considered the impact of climate change over the medium and long time period of our climate change assessment (aligned to our impairment review) and considered it reasonable to expect no material adverse impact of climate change to our business model that would materially impact the cash flows used in our impairment reviews. The Committee has also reviewed the additions to goodwill and other intangible assets through the acquisition of ACI in the year, the allocation of goodwill and other intangible assets to the appropriate CGU and CGU group, and the level of CGUs at which the impairment testing is completed. The Committee considered these allocations and judgements to be reasonable. The Group did not consider it reasonably possible, at the balance sheet date, that this was a major source of estimation uncertainty that could have a significant risk of resulting in a material impairment to goodwill recorded and thus it is not disclosed as such in note 1 to the consolidated financial statements as a key source of estimation uncertainty, but is included as an additional disclosure in note 13.
Revenue recognition – liabilities arising from retrospective volume rebates	The Group has a number of customer rebate agreements that are considered to be variable consideration and are recognised as a reduction from revenue. Rebates are based on an agreed percentage of sales, which will increase with the level of sales achieved. These agreements may run to a different reporting period to that of the Group, with some of the amounts payable being subject to confirmation after the reporting date. At the reporting date, management makes estimates of the amount of rebate that will become payable by the Group under these agreements using a probability weighted average to arrive at an expected amount. The liability arising from retrospective volume rebates at 31 July 2026 included within refund liabilities (note 3) is £12.8 million (2025: £12.3 million).	The Committee reviewed management's methodology and judgement in assessing the recognition of rebates. The Committee concurred with its approach. The Group did not consider it reasonably possible, at the balance sheet date, that this was a major source of estimation uncertainty that could have a significant risk of resulting in a material adjustment to the liabilities recorded and thus it is not disclosed as such in note 1 to the consolidated financial statements as a key source of estimation uncertainty, but is included as an additional disclosure.

Audit Committee Report continued

Area of focus	Why was this significant?	How did the Committee address this area?
Going concern	The Board of Directors has a responsibility to assess whether there are any significant doubts about an entity's ability to continue as a going concern. The Group completed a comprehensive and robust assessment in order to support the preparation of the financial statements on the going concern basis. Such testing involves several assumptions regarding the future financial performance of the Group for 18 months from the balance sheet date.	The Committee reviewed the key assumptions used in the going concern assessment and the other relevant factors surrounding going concern, notably the expected liquidity levels of the Group and debt covenant headroom. The Committee also considered reasonable sensitivities to these estimates including the potential impact from the principal risks and concluded that these support the preparation of the financial statements on the going concern basis. The Committee considered the impact of climate change (which is not a standalone principal risk) over the short time period of our climate change assessment (aligned to our going concern review), and considered it reasonable to expect no material adverse impact of climate change over the going concern period, and hence considered it reasonable that no adverse impacts in either the base case or downside scenarios were included. Further details of the going concern assessment prepared by the Group are included on page 47.
In addition, the Committee reviewed policies and provisions with respect to treasury, taxation, warranty, doubtful debts and inventory and weighted average cost of capital rates.		

Audit Committee Report continued

Three lines of defence model



External audit

PwC has acted as External Auditor for the Group for the financial year ended 31 July 2026. The lead partner for the year was Simon Bailey.

The Committee notes the tendering and rotation provisions in the EU Audit Directive and Regulation and the Companies Act 2006, which state that there should be a public tender every ten years and a change of External Auditor at least every 20 years. The Committee also confirms compliance with the provisions of the Statutory Audit Services for Large Companies Market Investigation (Mandatory Use of Competitive Tender Processes and Audit Committee Responsibilities) Order 2014 (the Order).

In line with these requirements, the Committee last conducted a tender process in 2023. EY was the previous External Auditor of the Group prior to the appointment of PwC.

The Committee recommended to the Board that a resolution to re-appoint PwC for the financial year ending 31 July 2026 be proposed to shareholders at the Annual General Meeting in December 2025 and the Board accepted and endorsed this recommendation.

Effectiveness review

During the year, the Committee assessed the effectiveness of PwC and the external audit process for the prior year (the year ended 31 July 2025) using a checklist and questionnaire issued to senior financial management across the Group who had been involved in the audit process.

A summary of the findings was prepared for consideration by the Committee. There were no substantive matters identified during this assessment, and the Committee concluded that the external audit process had been effective.

Non-audit services

The Committee agrees the fees paid to the External Auditor for its services as Auditor.

A formal policy in relation to the provision of non-audit services by the External Auditor was reviewed by the Committee during the year to ensure that there was adequate protection of its independence and objectivity. A copy of the policy is available at the Company's website: www.volutiongroupplc.com.

During the year, PwC charged the Group £0.1 million (2025: £0.1 million) for non-audit services in respect of the interim results.

A breakdown of the fees paid to PwC during the year is set out in note 8 to the consolidated financial statements.

Internal control and risk management

The Board is responsible for the effectiveness of the Group's system of internal control, which has been designed and implemented to meet the requirements of the Group and the risks to which it is exposed. Details are set out on the next page on the Group's internal control environment, how risk is managed, and the Committee's review of the effectiveness of the risk management and internal control systems.

Audit Committee Report continued

Internal control environment

In seeking to achieve the Group's business objectives, we face a number of risks, as defined on pages 44 to 52. The following key elements comprise the internal control environment, which has been designed to identify, evaluate and manage these risks in line with our risk appetite, and to ensure accurate and timely reporting of financial data for the Company and the Group:

- an appropriate organisational structure with clear lines of responsibility, including adopting the three lines of defence model to effectively manage the risks;
- an experienced and qualified Finance function, which regularly assesses the possible financial impact of the risks facing the Group;
- a comprehensive annual business planning process;
- key control procedures as defined in our risk and control matrix;
- delegation of authority devolved from the Board which sets the approval limits for capital and operating expenditure and other key business transactions and decisions;
- a robust financial control, budgeting and forecasting system, which includes regular monitoring, variance analysis, key performance indicator reviews and risk and opportunity assessments at Board level;
- procedures by which the consolidated financial statements are prepared, which are monitored and maintained through the use of internal control frameworks addressing key financial reporting risks arising from changes in the business or accounting standards;
- established policies and procedures setting out expected standards of integrity and ethical standards which reinforce the need for all employees to adhere to all legal and regulatory requirements; and
- an annual internal controls checklist based on our risk and control matrix.

Internal Audit

Internal Audit plays an important role in helping the organisation deliver its vision and objectives by providing independent and objective assurance to management, the Committee and Board on the effectiveness of Volution's risk management activities, internal controls and corporate governance framework, as well as advising on emerging risks and supporting the Group's FY26 dry-run preparations for Provision 29 of the 2024 Code, which applies from 1 August 2026.

The purpose, scope and authority of Internal Audit is defined within its charter which is approved annually by the Committee.

For the financial period ended 31 July 2026, the Head of Internal Audit led the provision of the internal audit service, supported by external specialist audit resource. The Audit Committee agreed the Internal Audit Plan prior to the commencement of the financial year, which was designed to ensure that there was appropriate coverage of the internal control environment, strategic priorities and key risks identified by the Board in its annual risk management process.

The Head of Internal Audit regularly attends and reports to the Audit Committee, including progress on the current year's Internal Audit Plan and any amendments to it, reporting key findings from internal audit reports, tracking actions arising from the reports, highlighting any overdue actions, and identifying key themes arising from the reports. Updates provided in the year included detailed reports on controls across a range of businesses and functions, including finance, IT, health and safety and compliance, as well as updates on Provision 29 dry-run testing and other key risk areas.

The Committee meets at least once annually with the Head of Internal Audit in the absence of management. The Chair of the Audit Committee routinely meets with the Head of Internal Audit privately to discuss the results of the audits performed, and any additional insights obtained on the risk management and control environment across the organisation.

Risk management

The Board sets the risk appetite that forms the basis of the approach to risk management, accepting that some level of risk-taking is necessary to meet business objectives.
The Group has a risk management process which is led by the Risk and Internal Control Committee. This process identifies risks and assesses the probability and impact from these risks, and assigns an owner to manage mitigation activities at the operational level. Each business unit operates a process to ensure that key risks are identified, evaluated, managed in line with our risk appetite, and reviewed appropriately. This process is also applied at Board level to major business decisions such as acquisitions. The business unit risk registers form the basis for the Group Risk Register, which is maintained for all corporate risks and is monitored by senior management and reviewed by the Committee. During the year, the Group Risk Register and the methodology applied were the subject of review by senior management and updated to reflect new and developing areas which might impact business strategy. The Committee also considered the risk appetite levels in relation to each of the principal risks and reviewed appetite categories. The Audit Committee reviews the Group Risk Register at least twice a year and assesses the actions being taken by senior management to monitor and mitigate the risks. The Group's principal risks and uncertainties, the areas which they impact and how they are mitigated are described on pages 44 to 52.

Review of effectiveness

Provision 29 of the 2018 Code, which applies to the financial year under review, states that the Board should monitor the Company's risk management and internal control systems and, at least annually, carry out a review of their effectiveness. The Committee receives an annual report on the performance of the system of internal control, and on its effectiveness in managing risks and in identifying control failings or weaknesses. The Committee has reviewed the Group's risk management process and the effectiveness of the Group's risk management and internal control systems for the period from 1 August 2025 to the date of this report.
Taking into account the matters set out on pages 44 to 52 relating to principal risks and uncertainties and the internal audit reports from the Head of Internal Audit, the Board, with the advice of the Committee, is satisfied that the Group has in place effective risk management and internal control systems. The Committee has also overseen the Group's FY26 dry-run preparations for the updated Provision 29 requirements in the 2024 Code, which apply to the Group for the first time from 1 August 2026.

Code of Conduct, Anti-Bribery, Fraud Policy and Speak Up facility

The Committee reviewed the operation of the Group's Speak Up facility and relevant governance and compliance arrangements during the year, including reports received and actions taken where appropriate. Further information on the Group's Code of Conduct, anti-bribery and corruption arrangements, corporate criminal offence policy, Fraud Policy and Speak Up facility is set out in the Governance Report on pages 96 and 98. During the year, the Group received a small number of notifications through its speak-up arrangements, all of which related to employment or workplace matters. Each notification was investigated and addressed in accordance with the Group's

Audit Committee Report continued

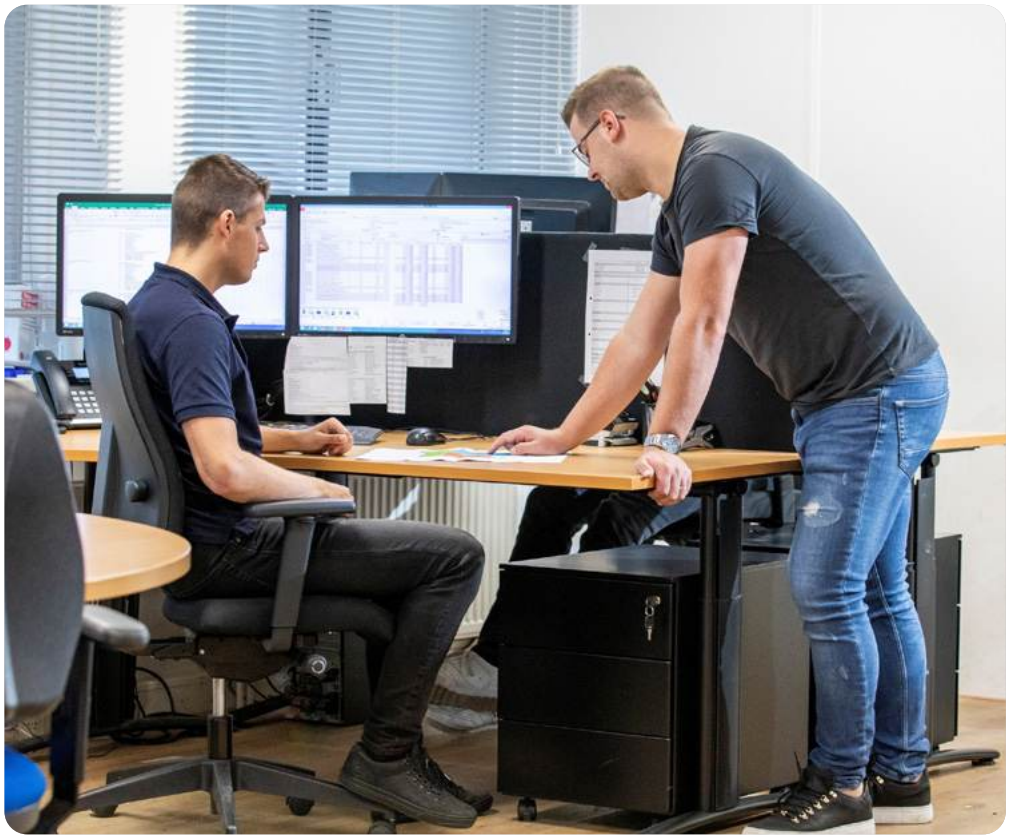
established procedures, and the Committee received appropriate reporting on the nature and outcome of the matters raised.

Committee performance evaluation
During the year, the Board conducted an external evaluation of the performance of the Board, its Committees, the Directors and the Chair. The external facilitator was Gould Consulting. This process concluded that the Committee had fulfilled its role effectively and did not identify any significant development points requiring action.

Fair, balanced and understandable
The Board has responsibility under the 2018 Code, which applies to the financial year under review, for preparing the Company's Annual Report and Accounts, ensuring that it presents a fair, balanced and understandable (FBU) assessment of the Group's position and prospects and that it provides the information necessary for shareholders to assess the Group's performance, business model and strategy. The review of the Annual Report and Accounts took the form of a detailed assessment of the collaborative drafting process, which involves the Board members, the Senior Management Team, Group Finance and the Company Secretary, with guidance and input from external advisers. This ensures that there is a clear and unified link between this Annual Report and Accounts and the Group's other external reporting, and between the three main sections of the Annual Report and Accounts: the Strategic Report; the Governance Report; and the Financial Statements. In addition, the Committee receives a report highlighting areas for FBU consideration to ensure compliance before approval of the Annual Report and Accounts.

The detailed work in this area is delegated to, and carried out by, the Audit Committee. As part of this work, the Committee: reviewed all material matters, as reported elsewhere in this Annual Report and Accounts; ensured that it fairly reflected the Group's performance in the reporting year; ensured that it reflected the Group's business model and strategy; ensured that it presented a consistent message throughout; and considered whether it presented the information in a clear and concise manner, illustrated by appropriate KPIs, to facilitate shareholders' access to relevant information.

A summary of the process, and of the Committee's findings, was considered by the Board at its meeting on 6 October 2026. The outcome of that review was that the Committee confirmed to the Board that the Annual Report and Accounts 2026 met the requirements of the 2024 Code, which applies to the financial year under review, and the Board's formal statement to that effect is set out on page 82.



Directors' Remuneration Report

"Ensuring our Remuneration Policy and practices support delivery of strong business growth"

Celia Baxter
Chair of the Remuneration Committee

Membership and attendance

The Remuneration Committee (the Committee) met for five scheduled meetings during the year, with attendance disclosed below.

Committee members	Member since	Attendance
Celia Baxter (Chair)	5 March 2025 (appointed Chair on 10 July 2025)	●●●●●
Jonathan Davis	23 June 2023	●●●●●
Emmanuelle Dubu	5 March 2025	●●●●●
Nigel Lingwood	30 April 2020	●●●●●
Amanda Mellor	19 March 2018	●●●●○

Dear shareholder,

On behalf of the Committee, I am pleased to present the Directors' Remuneration Report for the year ended 31 July 2026.

At the Annual General Meeting (AGM) in December 2025, the Directors' Remuneration Report received strong support from shareholders, with 96.6% of the votes cast being in favour of the resolution. One of the primary objectives for the Committee over the last year has been to review the Remuneration Policy (the Policy), which was last approved by shareholders at our 2023 AGM. In line with the three-year remuneration policy cycle, the Policy is due to be voted on by shareholders at the 2026 AGM. In advance of this, the Committee has undertaken a comprehensive review of the remuneration framework in the context of the sustained strong performance of the Group, its increased complexity, our forward-looking strategy, shareholder views and evolving market practice. The Committee also ensured that it appropriately supports our remuneration principles, which are to:

- attract and retain the best talent;
- drive behaviours that support the Group's strategy and business objectives, which are developed in the long-term interests of the Company and its shareholders;
- reward senior management appropriately for their personal and collective achievements;
- provide incentives that help to maintain commitment over the longer term and align the interests of senior management with those of shareholders; and
- ensure that a significant percentage of the overall remuneration package of the Executive Directors and senior management remains at risk, dependent on performance, and that their pay and benefits adequately take account of reward versus risk.

Wider workforce considerations

The Committee is aware of the continued impact of global macroeconomic uncertainty on our employees, and the Group has taken a number of actions to support the workforce, including access to various training and development opportunities across the Group, local bonus and incentive arrangements, and the launch of the Group's share scheme globally. The Group has also continued to focus on employee engagement, wellbeing initiatives and talent development, recognising the importance of retaining and motivating colleagues across all of our businesses.

Business context

Volution has continued to deliver a period of strong, sustained growth, consistently demonstrating the quality and resilience of its business model against a challenging backdrop of subdued new-build volumes and inflationary cost pressures.

In FY26, revenue grew 15.7% (13.8% at constant currency (cc)) to £484.8 million, supported by organic growth of 2.8% cc alongside an 11.0% contribution from acquisitions, whilst adjusted operating profit rose 20.2% to £112.4 million. Adjusted basic earnings per share increased by 15.4% to 38.2 pence. This continued performance reflects our strong execution across all three geographic regions.

Directors' Remuneration Report continued

Over recent years, the Group's acquisition programme has continued at pace internationally. Following the acquisition of Fantech in 2024, our largest transaction to date, in February 2026, the Group acquired AC Industries, further strengthening our broad proposition in the region and providing entry into the attractive underground mining ventilation market. These acquisitions reflect the growing international scale and complexity of the organisation that the executive team is managing.

Collectively, this has resulted in consistent strong returns to our shareholders. Since the last Policy was approved by shareholders, the Company has delivered total shareholder returns of over 70% (as at the time of this report), significantly outperforming the FTSE 250 over the same period.

Review of the Policy

As set out earlier, over the last year the Committee has undertaken a comprehensive review of the Policy in the context of sustained strong performance of the Group, its increased complexity, our forward-looking strategy, shareholder views and evolving market practice. Overall, the Committee is satisfied that the existing remuneration structure, consisting of salary, benefits, annual bonus and performance shares, remains appropriate and aligned to our strategy and pay-for-performance culture.

However, we are proposing two changes to the Policy to ensure sufficient flexibility is built-in as the business evolves over the next three-year Policy cycle, as set out below:

- **Incentive headroom –** the current maximum incentive opportunities for the Executive Directors in the existing Policy are 150% of salary for the annual bonus and 175% of salary for the Long-term Incentive Plan (LTIP). Whilst no changes to the award opportunities or their implementation are proposed for FY27, the Committee is proposing to build additional headroom of 25% for both bonus (to a maximum of 175% of salary) and LTIP (to a maximum of 200% of salary) into the Policy. This would provide sufficient flexibility over the next three-year lifecycle of the Policy to reflect performance and any further increase in the size and complexity of the Group. The Committee intends to consult with shareholders if it were minded to take advantage of the proposed increased headroom.
- **Bonus deferral –** we have historically deferred one-third of earned bonus for three years, and this will continue to apply where the Executive Director has not met the shareholding guideline. However, the Committee is proposing to disapply the deferral requirements where Executive Directors have met 1.5x their shareholding guideline. This is on the basis that executives have strong shareholder alignment through the shares held to meet the shareholding guideline, as well as through in-flight LTIP awards including those within a holding period. It is also recognised that it is often difficult for Executive Directors to dispose of shares in role and this will allow them to manage their personal assets and allow for appropriate diversification. The current CEO and CFO have significant current shareholdings of 1,485% and 625% of salary respectively, ensuring full alignment with shareholders. The Committee is also satisfied that the malus and clawback provisions and documentation in place across the incentives provide appropriate safeguards should they ever be needed.

Incentive outcomes for the year ended 31 July 2026

Adjusted operating profit, adjusted EPS and working capital management were the key measures used by the Committee to assess performance and, accordingly, were the performance measures used for the bonus. Performance against these measures resulted in the Committee awarding a bonus of 100% of maximum to both Ronnie George and Andy O'Brien.

We have provided full retrospective disclosure of the bonus targets as well as the actual performance against them. In accordance with the existing Policy, one-third of the total annual bonus payment will be deferred into awards over the Company's shares, which will vest after three years. Further details can be found on page 125.

The LTIP awards granted in the 2023/24 financial year (in October 2023) had a performance period that ended on 31 July 2026 and are subject to a two-year holding period. Due to EPS growth, good performance against our ESG targets, and TSR performance over the period (with a TSR over the performance period being above the upper quartile), the October 2023 LTIP awards will vest at 90% of maximum. Further details can be found on page 125.

When determining variable pay outcomes, the Committee also took account of the shareholder experience, the employee experience and the wider stakeholder experience alongside all of the performance context provided above. Overall, the Committee considered that remuneration outcomes were appropriate and, as such, determined that no discretion would be applied.

Implementation of Policy in FY27

Executive Director salaries

As set out in the Directors' Remuneration Report last year, the Committee recognises that salaries are positioned towards the lower end of the market for a company of our size and scale and, as part of the Policy review process, the Committee reviewed them in the context of the sustained growth and increased complexity of the business, the performance of the individuals, and market positioning. Since FY23, the year before the last Policy was approved, the Group and the individuals have performed strongly. Key highlights include:

- total revenue growth of 47.8% to FY26, reflecting both organic and inorganic growth;
- adjusted basic earnings per share growth of 48.1% to FY26, delivering against our target of double-digit growth;
- international revenue increasing by 500bps in FY26, with 68% of revenues being outside of the UK in FY26 (2025: 63%);
- strong progress against our sustainability strategy;
- the successful acquisition of Fantech, our largest acquisition to date, alongside the acquisition of AC Industries, and the completed buy-out of ClimaRad; and
- significant shareholder returns, with a total shareholder return (TSR) of c.70% to today vs a FTSE 250 index TSR of c.45% over the same period, comprising a material increase in the share price and dividends over the period.

Directors' Remuneration Report continued

As part of the review, the Committee also referenced market data, as follows:

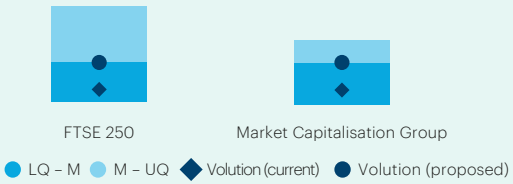
- the FTSE 250 index, excluding financial services companies and investment trusts, of which we are a constituent and which is the same comparator now used as the TSR comparator group for our LTIPs' performance condition; and
- a subset of the FTSE 250 that includes companies of a similar market capitalisation to Volution, excluding financial services companies and investment trusts.

The Committee is conscious that current salaries have fallen behind market for the size and scope of our organisation, and these proposed increases would move the Executive Directors' salaries in line with market against the relevant benchmarking groups.

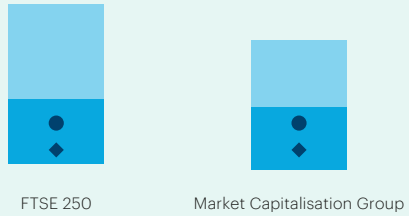
	Current salary	Proposed salary	% increase
CEO	£600,000	£660,000	10%
CFO	£411,000	£465,000	13%

CEO

Salary

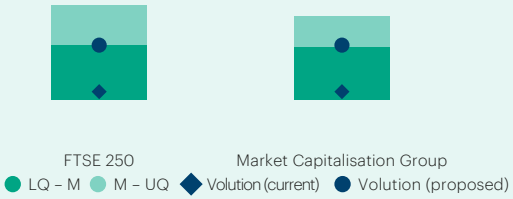


Total maximum remuneration



CFO

Salary



Total maximum remuneration

The Committee believes that the proposed salaries are a fairer reflection of our organisational size, the complexity of the Executive Directors' roles as the Group continues to grow, both within the UK and internationally, and the sustained excellent performance of the Executive Directors in delivering against our strategy and creating value for shareholders.

In terms of the wider workforce, standard salary increases across the global business are expected to range between 1.5% and 8% for FY27. In the UK, the average increase is expected to be 3%.

Variable remuneration

As set out previously, the Committee is maintaining existing maximum award opportunities for the period ending 31 July 2027, being 150% of salary for the annual bonus and 175% of salary and 150% of salary for the CEO and CFO respectively for the LTIP. The performance measures applicable to the annual bonus and LTIP both remain unchanged and the Committee continues its policy of setting stretching performance targets which take into account a number of internal and external factors. The weightings for the annual bonus are also unchanged and will be: adjusted EPS (52%); adjusted operating profit (36%); and working capital management (12%). Performance targets will be disclosed retrospectively due to commercial sensitivity. Meanwhile, the weightings applicable to the LTIP remain at: EPS growth (60%); relative TSR (20%); and environmental, social and governance (ESG) (20%), with performance targets found on page 131.

Shareholder consultation

As part of the review and design of the new Policy and the implementation of the Policy for FY27, the Committee consulted with the proxy voting agencies and shareholders representing over 65% of the total shareholder register. We were pleased that the vast majority of shareholders consulted were fully supportive of the Committee's proposals and of the objectives these proposals are intended to achieve. Following consultation, we made one minor modification to the proposals, significantly increasing the shareholding that will be required to be held by executives before bonus deferral is disapplied (to address a concern raised by a small number of shareholders). Our original proposal was to disapply deferral once the shareholding guidelines were met, although, as set out above, this has now been increased to 1.5x the shareholding guidelines.

Annual General Meeting 2026

The Committee would like to thank shareholders for taking the time to provide feedback on our proposals and actively engaging in the consultation process. Please feel free to contact me should you have any further questions or comments. On behalf of the Board, I would like to thank shareholders for their continued support and do hope that you will support the resolutions requesting approval of the Directors' Remuneration Report and the Policy at this year's AGM on 9 December 2026.

Celia Baxter
Chair of the Remuneration Committee
7 October 2026

Directors' Remuneration Report continued

At a glance: implementation of the Remuneration Policy for 2027 and key decisions in 2026

The table below summarises how key elements of the Remuneration Policy will be implemented in the period ending 31 July 2027 and key decisions taken by the Committee for the year ended 31 July 2026. The full Directors' Remuneration Policy can be found on pages 116 to 122.

Element	Chief Executive Officer Ronnie George	Chief Financial Officer Andy O'Brien
Base salary (from 1 August 2026)	£660,000	£465,000
Pension	5.5%	5.5%
Annual bonus opportunity 2027	Maximum: 150%	Maximum: 150%
Annual bonus measures	• The majority of the bonus will be based on financial measures and the remainder will be based on non-financial measures. • For the period ending 31 July 2027, the financial measures include: adjusted EPS (52%); adjusted operating profit (36%); and working capital management (12%). • Full disclosure of performance targets will be disclosed retrospectively.	
Annual bonus deferral	• One-third of the annual bonus will be deferred into shares for a period of three years until 1.5x (300% of salary) the shareholding guideline is met. As both the CEO and CFO currently exceed this guideline, no annual bonus deferral is anticipated to apply.	
LTIP opportunity 2027	Maximum: 175%	Maximum: 150%
LTIP measures	• LTIP awards will be based on the EPS growth (60%); relative TSR (20%); and ESG (20%). A Return on Invested Capital (ROIC) underpin will apply. Performance will be measured over a three-year period.	
LTIP holding requirement	• LTIP awards are subject to a two-year holding period after the three-year performance period.	
Shareholding guideline	• 200% of salary in-employment shareholding guideline. • Post-cessation shareholding requirements apply at the same level as the in-employment guideline (or actual shareholding, if lower) for two years after departure.	
Malus and clawback	• Malus and/or clawback provisions apply up to the third anniversary of payment of the cash bonus, and the earlier of the sixth anniversary of grant and the third anniversary of satisfying awards for Deferred Share Bonus Plan (DSBP) and LTIP awards. • The detailed malus and clawback provisions can be found in the Remuneration Policy set out on pages 116 to 122.	
Notice period	12 months	9 months
31 July 2026 year-end outcomes:		
Bonus outcome	• 100% of maximum pay-out.	
2023–26 LTIP outcome	• 90% of maximum vesting.	

Directors' Remuneration Policy

This section of the Directors' Remuneration Report sets out the Remuneration Policy for Executive and Non-Executive Directors. As required, it complies with Schedule 8 to The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (as amended). It is intended that the Policy will be put before shareholders for approval by way of a binding vote at the Company's AGM in December 2026. If approved by shareholders, the Policy will have effect immediately thereafter. Until such approval, the Company's existing Remuneration Policy will continue to apply.

Operation	Maximum opportunity	Performance metrics
Base salary		
Purpose and link to strategy: Core element of remuneration set at a level to attract, retain and reward Executive Directors of the required calibre to successfully deliver Company strategy.		
Normally reviewed annually. In determining base salaries, the Committee considers: • Company performance and external market conditions; • pay and conditions elsewhere in the Group; • role, experience and personal performance; and • salary levels at companies of a similar size and complexity. There is no automatic entitlement to an increase each year. An exceptional review may take place to reflect a change in the scale or scope of a Director's role, for example (but not limited to) a major acquisition.	The current salaries for the Executive Directors are set out in the Annual Report on Remuneration. While the Committee does not consider it appropriate to set a maximum salary, annual increases will generally be no more than those of the wider workforce (in percentage of salary terms). Increases beyond those awarded to the wider workforce may be awarded in certain circumstances such as (but not limited to) progression in the role, where there is a change in responsibility or experience, or a significant increase in the scale of the role and/or size, value and/or complexity of the Group.	Company and individual performance are factors considered when reviewing salaries.
Pension		
Purpose and link to strategy: The Company aims to provide an appropriate means of saving for retirement.		
Executive Directors may receive an employer's pension contribution to a personal or Group pension scheme and/or any other arrangement the Committee considers has the same economic benefit (including a cash allowance).	The maximum pension contribution or allowance for Executive Directors will take into account what is available to UK employees or to participants in the pension plan in the relevant country. The Executive Directors pension contribution or allowance is currently 5.5% of salary.	N/A
Annual Bonus Plan (ABP)		
Purpose and link to strategy: To incentivise Executive Directors to achieve specific, pre-determined goals. Rewards achievement of objectives linked to the Company's strategy.		
Annual bonus payment is determined by the Committee after the financial year-end, based on performance against targets set by the Committee for the year or part of the year. Where an Executive Director has not met 1.5x their shareholding guideline (as determined by the Committee), normally one-third of any annual bonus payment earned will be deferred into awards over the Company's shares under the Company's DSBP, which normally vest after three years. Once an Executive Director has met 1.5x their shareholding guidelines (as determined by the Committee), the deferral requirements will typically no longer apply, with the full bonus normally being paid in cash. Malus and clawback provisions apply, as set out in the notes to this table.	175% of base salary 2026/27 financial year maximum: 150% of base salary.	Performance measures are determined with reference to the Company's key strategic business objectives. Typically no less than 50% of the bonus will be dependent on financial measures and the remainder (if any) will be based on non-financial or individual measures that are aligned to the strategic priorities of the business. Typically, at threshold performance up to 25% of the maximum pays out. Below this level of performance, no bonus pays out. On-target bonus is typically set at 50% of the maximum opportunity. The Committee retains the discretion to vary the level of bonus paid away from the formulaic outcome to reflect overall Company and individual performance and any other circumstances as determined by the Committee.

Directors' Remuneration Policy continued

Operation	Maximum opportunity	Performance metrics
Long-term Incentive Plan		
Purpose and link to strategy: To incentivise the delivery of key strategic objectives over the longer term and align the interests of Executive Directors with those of our shareholders.		
Vesting of the awards is dependent on the achievement of performance targets set by the Committee, normally measured over a period of at least three years. Shares will then normally be subject to an additional two-year holding period (which can be structured on a gross or net of tax basis). During this holding period, no further performance measures will apply. Malus and clawback provisions apply, as set out in the notes to this table.	200% of base salary	Awards vest based on challenging financial, non-financial or share price targets. At least 50% will be based on financial and/or share price-based measures. No more than 25% vests at threshold with 100% of awards vesting at maximum performance. The Committee retains the discretion to vary the level of LTIP vesting away from the formulaic outcome to reflect overall Company and individual performance and any other circumstances as determined by the Committee.
Other benefits		
Purpose and link to strategy: To provide a market-competitive package of benefits consistent with the role to attract, retain and reward Executive Directors of the required calibre to successfully deliver Company strategy.		
Various cash/non-cash benefits are provided to Executive Directors which may include (but are not limited to) a company car (or cash equivalent), life assurance, expatriate benefits, private medical insurance (for the Executive Director and their immediate family) and relocation benefits and any tax liability that may be due on these benefits. The Committee may introduce other benefits if it is considered appropriate to do so. Reimbursement of all costs associated with reasonable expenses incurred for the proper performance of the role including tax thereon where a business expense is deemed taxable by HMRC. Executive Directors are also eligible to participate in any all-employee share plans (e.g. the Sharesave Scheme) on the same basis as other eligible employees.	Although the Committee does not consider it appropriate to set a maximum benefits level, it is set at an appropriate level for the specific nature of the role and the individual's personal circumstances.	N/A

Directors' Remuneration Policy continued

Operation	Maximum opportunity	Performance metrics
Share ownership guidelines		
Purpose and link to strategy: To provide close alignment between the longer-term interests of Executive Directors and shareholders.		
Executive Directors are expected to achieve and retain a holding of the Company's shares worth 200% of their base salary. Executive Directors will normally be expected to remain aligned with the interests of shareholders for an extended period after leaving the Company. Executive Directors will typically be expected to retain a shareholding at the level of the in-employment shareholding guideline for two years (or the actual shareholding on stepping down, if lower), unless the Committee determines otherwise in exceptional circumstances. Further detail is set out in the Annual Report on Remuneration. The Committee has discretion to disapply or reduce the share ownership guidelines in extenuating circumstances, for example in compassionate circumstances.	There is no maximum, but minimum levels have been set at 200% of base salary for the current Executive Directors. It is expected that Executive Directors will normally retain at least 50% of any shares delivered under the DSBP and LTIP, after the deduction of applicable taxes, until the guideline is met.	N/A
Chair and Non-Executive Director fees		
Purpose and link to strategy: To enable the Company to attract and retain Non-Executive Directors of the required calibre by offering market-competitive fees.		
The Chair is paid an all-inclusive fee for all Board responsibilities. Non-Executive Directors receive a basic Board fee. Neither the Chair nor Non-Executive Directors are eligible to participate in any of the Company's incentive arrangements or receive any pension provision. Additional fees may be payable for additional Board responsibilities such as chair of the Board role or membership of a Committee or performing the Senior Independent Director role or for an increased time commitment. The Committee reviews the fees paid to the Chair and the Board reviews the fees paid to the Non-Executive Directors annually, with reference to the time commitment of the role and market levels in companies of comparable size and complexity. Fees may be paid in cash and/or shares (currently the whole fee is paid in cash). Travel expenses, hotel costs and other benefits related to the performance of the role, including any tax due, are also paid where necessary. Benefits may be introduced if appropriate.	Fees are set within the aggregate limits set out in the Company's Articles of Association from time to time. Non-Executive Directors and the Chair may receive fee increases to ensure they continue to appropriately recognise the responsibilities and time commitment of the role and fee levels in companies of a similar size and complexity. Any increase in fees would normally be no more than the wider workforce salary increase (in percentage terms). Increases beyond those awarded to the wider workforce may be awarded, including on an ongoing, temporary or ad hoc basis, in certain circumstances such as where there is a significant increase in the time commitment or responsibilities of the role.	N/A

Directors' Remuneration Policy continued

Summary of the decision-making process and changes made to the Policy
In determining the new Remuneration Policy, the Committee followed a robust process which included discussions on the content of the Policy at five Remuneration Committee meetings. The Committee considered input from management and our independent advisers, ensuring that any conflicts of interest were suitably managed, and sought the views of Volution's major shareholders.

The Committee is of the view that the current remuneration framework has worked as intended, with strong alignment between pay and performance, and remains aligned to Volution's remuneration philosophy and business strategy, as well as best practice. The main changes to the previous Policy are: i) the headroom built in to the annual bonus and LTIP; and ii) requirement for an element of the bonus to be deferred only in the case where 1.5x the shareholding guideline has not been met. Further detail is set out in the Committee Chair's letter.

Choice of performance measures and approach to setting targets
The performance metrics and targets that will be set for the Executive Directors for the ABP and LTIP will be carefully selected to align closely with the Company's strategic plan and key performance indicators.

Awards under the ABP will be determined by reference to financial measures as regards at least 50% of the award, with any balance (if any) based on non-financial measures appropriate to an individual's role.

The long-term performance metrics relating to the LTIP awards will be set at the time of each grant but will normally include at least 50% based on financial and/or share price performance in line with the Company's key strategic objectives.

Challenging targets for both plans will be set each year based on a number of internal and external reference points.

The Committee will review the choice of performance measures and the appropriateness of the performance targets prior to each grant under the LTIP and will normally consult with major shareholders in the event of any significant proposed change.

Legacy arrangements
The Committee reserves the right to make any remuneration payments and/or payments for loss of office (including exercising any discretions available to it in connection with such payments) notwithstanding that they are not in line with the Policy set out above where the terms of the payment were agreed:

(i) before the Policy set out above came into effect, provided that the terms of the payment were consistent with the shareholder approved Directors' Remuneration Policy in force at the time they were agreed; or

(ii) at a time when the relevant individual was not a Director of the Company (or other person to whom the Policy applies) and, in the opinion of the Committee, the payment was not in consideration of the individual becoming a Director of the Company (or other such person).

For these purposes, 'payments' includes the Committee satisfying awards of variable remuneration and, in relation to an award over shares, the terms of the payment are 'agreed' at the time the award is granted.

Common award terms
The Committee will operate the LTIP and DSBP in accordance with the respective rules, the Policy set out above and the Listing Rules where relevant. Awards under the LTIP and DSBP may:

- be granted as conditional share awards or nil-cost options or in such other form that the Committee determines has the same economic effect;
- have any performance conditions applicable to them amended or substituted by the Committee if an event occurs, or other exceptional circumstances arise, which causes the Committee to determine an amended or substituted performance condition would be more appropriate;
- incorporate the right to receive additional shares or cash with a value equal to the value of dividends which would have been paid on the shares under an award that vests up to the time of vesting (or, where the award is subject to a holding period, release) or such later date as the Committee may determine. This amount may be calculated assuming that the dividends have been reinvested in the Company's shares on a cumulative basis;
- be settled in cash at the Committee's discretion in exceptional circumstances; and
- be adjusted in the event of any variation of the Company's share capital or any demerger, delisting, special dividend or other event that may affect the Company's share price.

Performance conditions applying to the annual bonus may be amended in the same way as performance conditions for LTIP awards.

Any use of the above discretions would, where relevant, be explained in the Annual Report on Remuneration and may, as appropriate, be the subject of consultation with the Company's major shareholders.

Malus and clawback
Malus and clawback provisions (as relevant) may be operated at the discretion of the Committee in respect of any awards granted under the ABP, DSBP and LTIP in certain circumstances including, but not limited to, a material misstatement of the Company's financial results, a material failure of risk management by any member of the Group or a relevant business unit, material reputational damage to any member of the Group or relevant business unit, corporate failure, an error in assessing a performance condition applicable to the award or in the information or assumptions on which the award was based, or if the participant is summarily dismissed or in any other circumstances that the Committee considers to be similar in their nature or effect. Clawback may be applied at the discretion of the Committee up to the third anniversary of payment of the cash bonus, and the earlier of the sixth anniversary of grant and the third anniversary of satisfying awards for DSBP and LTIP awards. These timeframes are considered appropriate to allow sufficient time for any of the above circumstances to be identified.

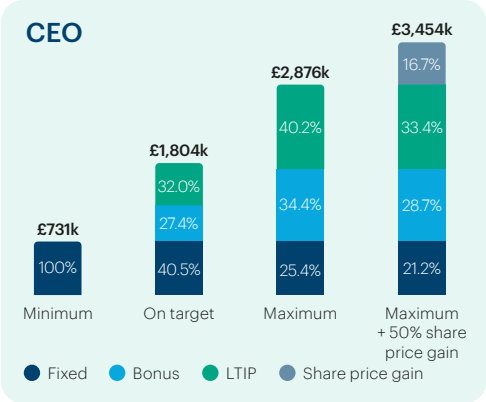
In line with the UK Corporate Governance Code 2024 requirements, the Committee confirms that there was no application of malus and clawback provisions in the reporting period.

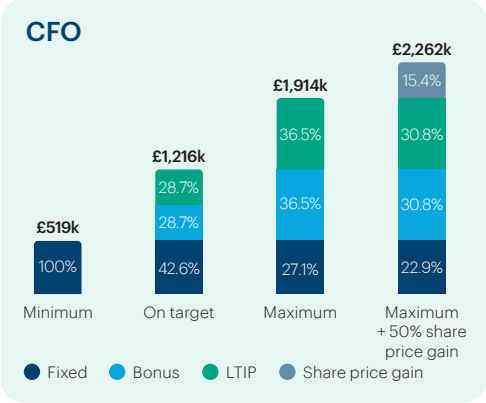
Minor changes
The Committee may make minor amendments to the Policy set out in this report (for regulatory, exchange control, tax or administrative purposes or to take account of a change in legislation) without obtaining shareholder approval for the amendment.

Directors' Remuneration Policy continued

Illustrations of the application of the Remuneration Policy
The Company's remuneration arrangements have been designed to ensure that a significant proportion of pay is dependent on the delivery of stretching short-term and long-term performance targets.

The charts below provide illustrative values of the remuneration package for Executive Directors under four assumed performance scenarios. The charts are for illustrative purposes only and actual outcomes may differ from that shown.





The assumptions used for these charts are as follows:

Levels of performance		Assumptions
Fixed pay	All scenarios	• Total fixed pay comprises base salary, benefits and pension • Base salary – effective as at 1 August 2026 • Benefits – as set out in the single figure table for the 2025/26 year • 5.5% of base salary pension contributions
Variable pay	Below threshold performance	• No pay-out under the ABP • No vesting under the LTIP
	In line with expectations	• 50% of the maximum potential pay-out under the ABP • 50% vesting under the LTIP, assuming awards equivalent to 175% and 150% of base salary are granted to the CEO and the CFO, respectively
	Maximum performance	• 100% of the maximum potential pay-out under the ABP (i.e. 150% of base salary) • 100% vesting under the LTIP, assuming awards equivalent to 175% and 150% of base salary are granted to the CEO and the CFO, respectively
	Maximum performance – 50% share price growth assumption	• The same as the maximum performance row above but incorporating a 50% share price growth assumption for the LTIP over the three-year performance period

External appointments of Executive Directors
The Board allows Executive Directors to accept external commercial non-executive director appointments provided the commitment is compatible with their duties as an Executive Director. The Executive Director concerned may retain fees paid for these services which will be subject to approval by the Board.

Approach to recruitment
The Committee will aim to set a new Executive Directors' remuneration package in line with the Policy approved by shareholders.

In arriving at a total package and in considering value for each element of the package, the Committee will take into account the skills and experience of a candidate and the market rate for a candidate of that experience, as well as the importance of securing the preferred candidate.

The maximum level of variable remuneration (excluding any buy-outs) in respect of an appointment will be in line with the maximum levels as set out in the Policy table. The Committee retains discretion to flex the balance of the annual bonus and LTIP and the measures used to assess performance.

The Committee may make additional cash and/or share-based awards as it deems appropriate and if the circumstances so demand may replace remuneration arrangements forfeited by an Executive Director on leaving a previous employer. This may include the use of the relevant provisions in the Financial Conduct Authority's Listing Rules allowing for exceptional awards to be made without shareholder approval.

Directors' Remuneration Policy continued

Awards to replace forfeited remuneration would, where possible, take into account the delivery mechanism (cash or shares) of forfeited awards, time horizons, value and whether or not they were subject to performance conditions.

Other payments may be made in relation to relocation expenses, legal fees and other support as appropriate.

In the case of an internal appointment, any element of remuneration in respect of the prior role would be allowed to continue according to its original terms, or adjusted if appropriate to take into account the appointment.

For the appointment of a new Chair or Non-Executive Director, the fee would be set in accordance with the approved Policy. The length of service and notice periods will be set at the discretion of the Committee taking into account market practice, corporate governance considerations and the particular candidate at that time.

The Committee retains discretion to make appropriate remuneration decisions and include other elements to meet the individual circumstances of recruitment when:

- an interim appointment is made to fill an Executive Director role on a short-term basis; and
- exceptional circumstances require that the Chair or a Non-Executive Director takes on an executive function on a short-term basis.

Service agreements and letters of appointment

Each of the Executive Directors' service agreements is for a rolling term and may be terminated by the Company or the Executive Director by giving not less than (in the case of the CEO) twelve months' prior written notice and (in the case of the CFO) nine months' prior written notice.

The Chair and each of the Non-Executive Directors of the Company do not have service contracts. Each of these Directors has a letter of appointment which has a three-year term which is renewable and is terminable by the Company or the individual on one month's written notice.

The terms of the Non-Executive Directors' positions are subject to their election by the Company's shareholders at the 2026 AGM. No contractual payments would become due on termination.

The Executive Directors' service agreements and Non-Executive Directors' letters of appointment are available for inspection at the Company's registered office and will be available at the 2026 AGM.

Policy on Directors leaving the Group

The Committee must satisfy any contractual obligations agreed with the Executive Director. This is dependent on the contractual obligations not being in contradiction with the Policy set out in this report.

If an Executive Director's employment is terminated, in the absence of a breach of service agreement by the Director, the Company may, although it is not obliged to, terminate the Director's employment immediately by payment of an amount equal to base salary and benefits (including pension scheme contribution) in lieu of the whole or the remaining part of the notice period. Payments in lieu of notice will ordinarily be paid in monthly instalments over the length of the notice period. Payments will be subject to mitigation in the event alternative employment is taken up during the notice period.

Discretionary bonus payments will not form part of any payments made in lieu of notice. Annual bonus may be payable for 'good leavers' at the Committee's discretion and, unless the Committee determines otherwise, will normally be subject to the original performance conditions, deferral requirements, time pro-rating and paid at the normal payment date.

Any share-based entitlements granted to an Executive Director under the Company's share plans will be determined based on the relevant plan rules.

The default treatment under the LTIP is that any outstanding awards lapse when the individual leaves the Group. However, in certain prescribed circumstances, such as death, ill health, injury or disability, transfer of the employing entity outside of the Group or in other circumstances at the discretion of the Committee (except where the Director is summarily dismissed), 'good leaver' status may be applied.

For good leavers, LTIP awards will normally continue until the normal vesting date, or when awards are subject to a holding period, to the end of the holding period, although the Committee may allow awards to vest (and be released from any holding periods) as soon as reasonably practicable after leaving in the case of death or such other circumstances the Committee considers appropriate. Awards will normally be subject to the original performance conditions, time horizons, and will be pro-rated for time, unless the Committee determines otherwise.

If a participant of the DSBP leaves the Group for any reason, the default position under the plan rules is that the award will vest in full on the normal vesting date, unless the Committee determines otherwise.

In the event that a buy-out award is made on recruitment, the leaver provisions would be determined at the time of the award.

The Committee reserves the right to make any other payments in connection with a Director's cessation of office or employment where the payments are made in good faith in discharge of an existing legal obligation (or by way of damages for breach of such an obligation) or by way of settlement of any claim arising in connection with the cessation of a Director's office or employment or for any fees for outplacement assistance and/or the Director's legal and/or professional advice fees in connection with his cessation of office or employment. In exceptional circumstances, benefits (e.g. private health insurance) may continue for a limited period after the Director leaves the Company. The Committee may, in its discretion, grant a departing gift as a benefit (and cover any associated tax liability) upon an individual's departure.

Directors' Remuneration Policy continued

Takeover or other corporate event
In the event of a change of control, outstanding DSBP awards will normally vest in full as soon as practicable after the date of the event.

For outstanding LTIP awards, generally the performance period and holding period applicable to them will end on the date of the event. The Committee will determine the level of vesting of unvested awards taking into account the extent to which performance conditions have been achieved at this point. Unless the Committee determines otherwise, unvested awards will generally vest on a time pro-rata basis.

Alternatively, the Committee may permit a participant to exchange his awards for equivalent awards which relate to shares in a different company. If the change of control is an internal re-organisation of the Group, or if the Committee so decides, participants will be required to exchange their awards (rather than awards vesting).

If other corporate events occur, such as a winding-up of the Company, demerger, delisting, or other event which, in the opinion of the Committee, may affect the current or future value of the Company's shares, the Committee may determine that awards will vest on the same basis as set out above for a takeover.

Differences in the Policy for Executive Directors compared with other employees
The Committee has regard to pay structures across the wider Group when setting the Policy for Executive Directors. The Committee considers the general basic salary increase for the broader workforce when determining the annual salary review for the Executive Directors.

Overall, the Policy for the Executive Directors is more heavily weighted towards performance-related pay than for other employees. The time horizons of awards for Executive Directors are also longer with the annual bonus deferral and LTIP holding period.

The level of performance-related pay varies within the Group by grade of employee and is calculated by reference to the specific responsibilities of each role as appropriate.

All employees are able to participate in all-employee share plans on the same basis as the Executive Directors.

When designing the variable incentive schemes, the Company's people, culture, purpose, values and strategy are kept in mind.

Statement of consideration of employment conditions elsewhere in the Group
Although pay and employment conditions elsewhere in the Group are taken into account to ensure the relationship between the pay of Executive Directors and employees remains appropriate, the Committee does not consult with employees directly when formulating the Policy. However, the Chair of the Remuneration Committee attends the Volution Employee Forum, where employee representatives present views from the employees they are representing and there is the opportunity for interaction. As part of these sessions, Celia Baxter provides an update on approach to executive pay and the work of the Remuneration Committee. There have been no questions or concerns raised regarding executive pay.

Consideration of shareholder views
We take an active interest in shareholder views on our Executive Remuneration Policy. The Committee is also committed to maintaining an ongoing dialogue with major shareholders and shareholder representative bodies whenever material changes are under consideration. During the year, the Committee Chair consulted with shareholders representing over 65% of the shareholder register and the proxy voting agencies when formulating this Policy. Although the vast majority of shareholders consulted fully supported our proposal, in direct response to the feedback received from a small number of shareholders, the Committee decided to increase the requirement to disapply deferral to 1.5x the shareholding guideline.

Annual Report on Remuneration

This section provides details of how the Remuneration Policy was implemented during the year and how the Committee intends to apply the Policy during the financial year ending 31 July 2027. Certain sections of this report are audited and indicated as such where applicable. The Annual Report on Remuneration will be subject to an advisory shareholder vote at the 2026 AGM and the new Remuneration Policy will be subject to a binding vote at the 2026 AGM.

Role of the Committee

The role of the Committee is to recommend to the Board a strategy and framework for remuneration for Executive Directors and the Senior Management Team in order to attract and retain leaders who are focused and incentivised to deliver the Company's strategic business priorities, within a remuneration framework which is aligned with the interests of our shareholders and thus designed to promote the long-term success of the Company.

The Committee has clearly defined terms of reference which are available on the Company's website, www.volutiongroupplc.com. The Committee's main responsibilities are to:

- establish and maintain formal and transparent procedures for developing policy on executive remuneration and for fixing the remuneration packages of individual Directors, and to monitor and report on them;
- determine the remuneration, including pension arrangements, of the Executive Directors, taking into account pay and policies across the wider workforce;
- approve annual and long-term incentive arrangements together with their targets and levels of awards;
- determine the level of fees for the Chair of the Board; and
- select and appoint the external advisers to the Committee.

Membership

The Committee currently comprises four independent Non-Executive Directors, Celia Baxter (Chair), Jonathan Davis, Amanda Mellor, Emmanuelle Dubu and, in addition, the Non-Executive Chair, Nigel Lingwood. The Chair of the Board is a member of the Committee because the Board considers it essential that the Chair is involved in setting Remuneration Policy (although he is not party to any discussion directly relating to his own remuneration). Celia Baxter is the Chair of the Committee and has chaired the Committee since 10 July 2025. Celia has extensive experience of chairing listed company remuneration committees. During the year the Committee also consulted with the Chief Executive Officer, the Chief Financial Officer and the Company Secretary, but not on matters relating to their own remuneration.

Attendance

The Committee met for five scheduled meetings and for additional meetings as required during the year. It has had two meetings to date in 2026/27. Committee member attendance can be found in the table on page 112.

Committee activity and key decisions during the year ended 31 July 2026

Matters considered and decisions reached by the Committee during the year include:

- considered and approved the Directors' Remuneration Report for the year ended 31 July 2025;
- reviewed the impact of the Fantech acquisition on bonus and LTIP targets;
- reviewed outcomes for Executive Director and Senior Management Team bonuses for the year ended 31 July 2025;
- reviewed performance measurement outcomes and vesting of LTIP awards granted in October 2022;
- reviewed and approved the parameters of the ABP, including performance measures and targets for the year ended 31 July 2026 for the Executive Directors and Senior Management Team;
- considered and approved the LTIP awards to the Executive Directors and Senior Management Team for the year ended 31 July 2026;
- reviewed market trends and developments in executive remuneration as well as wider workforce remuneration context in advance of considering Executive Director and Senior Management Team remuneration proposals for 2026/27;
- reviewed and approved the Executive Director and Senior Management Team salaries for 2026/27; and
- evaluated the performance of the Committee.

Committee performance evaluation

During the year, an external evaluation of the performance of the Board, its Committees, the Directors and the Chair was performed. Further details can be found in the Governance Report on pages 93 and 94. I am pleased to confirm that this process concluded that the Committee had fulfilled its role effectively and did not identify any significant development points requiring action.

Advice to the Committee

The Committee keeps itself fully informed on developments and best practice in the field of remuneration and it seeks advice from external advisers when appropriate.

The Committee appoints its own independent remuneration advisers and at the time of listing appointed Deloitte LLP to that role following a competitive tender process. Deloitte LLP has served as adviser to the Committee since listing and throughout the year. Total fees for advice provided to the Committee during the year by Deloitte LLP were £42,000 and were charged based on the time spent and seniority of the staff involved in providing the advice. During the year Deloitte LLP also provided the Company with other reward and share plan-related advice.

Deloitte LLP is a member of the Remuneration Consultants Group and, as such, voluntarily operates under the code of conduct in relation to executive remuneration consulting in the UK. The Committee requests Deloitte LLP to attend meetings periodically during the year. The Committee was satisfied that the advice received from Deloitte LLP during the year was objective and independent.

Annual Report on Remuneration continued

Single total figure of remuneration (audited)

The audited table below sets out the total remuneration for the Directors in the years ended 31 July 2026 and 31 July 2025.

	Salary and fees		Benefits[1]		Pension[2]		Annual bonus[3]		Long-term incentives[4]		Total		Total fixed remuneration		Total variable remuneration	
	2026 £000	2025 £000	**2026 £000**	2025 £000	**2026 £000**	2025 £000	**2026 £000**	2025 £000	**2026 £000**	2025 £000	**2026 £000**	2025 £000	**2026 £000**	2025 £000	**2026 £000**	2025 £000
Chair																
Nigel Lingwood	**210**	200	**–**	–	**–**	–	**–**	–	**–**	–	**210**	200	**210**	200	**–**	–
Executive Directors																
Ronnie George	**600**	580	**35**	35	**33**	32	**900**	725	**1,311**	1,441	**2,879**	2,813	**668**	647	**2,211**	2,166
Andy O'Brien	**411**	397	**28**	28	**23**	22	**617**	496	**748**	841	**1,827**	1,784	**462**	447	**1,365**	1,337
Non-Executive Directors																
Amanda Mellor	**70**	67	**–**	–	**–**	–	**–**	–	**–**	–	**70**	67	**70**	67	**–**	–
Claire Tiney[5]	**–**	66	**–**	–	**–**	–	**–**	–	**–**	–	**–**	66	**–**	66	**–**	–
Jonathan Davis	**70**	67	**–**	–	**–**	–	**–**	–	**–**	–	**70**	67	**70**	67	**–**	–
Celia Baxter	**70**	24	**–**	–	**–**	–	**–**	–	**–**	–	**70**	24	**70**	24	**–**	–
Emmanuelle Dubu	**60**	23	**–**	–	**–**	–	**–**	–	**–**	–	**60**	23	**60**	23	**–**	–

Notes

1. Benefits: this includes an annual car allowance, life assurance and private medical insurance.
2. Pension: a cash payment in lieu of employer's pension contribution, equivalent to 5.5%, was paid to both Executive Directors.
3. Annual bonus: detail on the 2026 bonus performance targets and actual performance is provided on page 125.
4. Long-term incentives: this column relates to the value of long-term awards of which the performance period ends in the year under review. The awards granted in October 2023 had a performance period that ended on 31 July 2026, and this has been included in the table above. This award will vest in October 2026 and, therefore, the value included in the table above represents an estimated value using the average share price of £6.09 over the three months to 31 July 2026. The value of the LTIP attributable to share price appreciation is £493,000 for the CEO and £281,000 for the CFO. Dividend equivalents over the performance period have been added to the LTIP values, in line with market practice. For 2026, the number of additional dividend equivalent shares are 11,425 and 6,516 for the CEO and CFO respectively. Details of the performance measures and achievement against the targets set can be found on page 125. In line with the remuneration reporting requirements, the awards which vested in October 2025 have been restated to reflect the actual share price £6.75 on the date of vesting.
5. Claire Tiney retired from the Board on 2 August 2025. The amount stated in the table above reflect fees for the period of the year spent on the Board.
6. Fees for Emmanuelle Dubu and Celia Baxter in the prior year reflect a partial year of appointment from 5 March 2025.

Annual Report on Remuneration continued

Annual Bonus Plan (audited)

The operation of the Annual Bonus Plan during the year ended 31 July 2026 was consistent with the framework set out in the 2023 Policy. The maximum annual bonus potential for the Executive Directors during the year was 150% of base salary, and bonus for on-target performance was 50% of the maximum opportunity. In line with last year's report, we have provided full retrospective disclosure of the targets and performance against those targets which are set out in the table below. The performance measures for the year ended 31 July 2026 were the same as for the year ended 31 July 2025. The targets were set taking into account the business plan, market conditions and analysts' forecasts at the time. One-third of the annual bonus payment earned by the Executive Directors will be deferred into awards over the Company's shares for three years.

As set out in the Committee Chair's letter, the Committee considered a number of different matters when determining the outcome including wider Company performance, employee experience, shareholder experience and wider stakeholder experience and determined that the remuneration outcomes were appropriate and, as such, no discretion would be applied.

Measure	Strategic objective	Weighting	Threshold[3]	Target	Maximum	Actual performance	% of measure achieved	Payment
Adjusted operating profit[1]	To increase profit	36%	£98.6m	£103.5m	£108.0m	£112.4m	100%	36%
Adjusted EPS[1]	Creation of shareholder value	52%	34.1p	36.1p	37.8p	38.2p	100%	52%
Working capital management[2]	Delivering efficiency of working capital and cash generation	12%	16.8%	16.5%	16.2%	15.7%	100%	12%
Total								100%
Total as a % of maximum								100%

Notes
1. Adjusted operating profit up to target level is purely organic. Between target and maximum, unbudgeted acquisitions will be taken into account. Adjusted EPS includes unbudgeted acquisitions. Bonus is calculated on budgeted rates of exchange (consistent currency basis).
2. Working capital targets for the average of the five quarters: quarters ending 31 July 2025, 31 October 2025, 31 January 2026, 30 April 2026 and 31 July 2026. Working capital management (inventories, right of return assets, trade and other receivables, trade and other payables, refund liabilities and provisions) as a percentage of revenue.
3. There is no pay-out for at or below threshold performance, rising to 50% pay-out for target performance and 100% pay-out for maximum performance.

Long-term Incentive Plan vesting – October 2023 awards (audited)

The LTIP values included in the single total figure of remuneration table for 2026 relate to the LTIP award granted on 11 October 2023. Awards with a face value of 150% of salary were granted to Ronnie George and 125% to Andy O'Brien, and, following a three-year performance period ended on 31 July 2026, are due to vest on 11 October 2026. In accordance with the Policy, this LTIP award is subject to an additional two-year holding period post vesting. Therefore, this award will not be available to exercise until 11 October 2028. Performance against the performance targets is set out below:

Measure	Weighting (% of total award)	Below threshold (0% vesting)	Threshold (25% vesting)[1]	Maximum (100% vesting)[1]	Actual performance outcome	Vesting
EPS growth	60%	Below 6% p.a.	6% p.a.	12% p.a.	14.0% p.a.	60%
TSR vs Direct Peer Group Index[2]	20%	Below median	Median	Upper quartile	Upper quartile	20%
ESG (low-carbon sales as a % of total revenue)[3]	10%	Below 70.0%	70.0%	75.0%	80.7%	10%
ESG (Carbon intensity)[3]	10%	More than 10.1 tonnes of CO_2e for every £1m of revenue	10.1 tonnes of CO_2e for every £1m of revenue	9.3 tonnes of CO_2e for every £1m of revenue	10.5 tonnes of CO_2e for every £1m of revenue	0%
Total vesting (% of maximum)						90%

Notes
1. Awards vest on a straight line basis between these points.
2. The Peer Group comprises 14 companies: Ariston, Belimo, Breedon Group, Eurocell, Forterra, Genuit Group, Ibstock, Lindab, Luceco, Marshalls, Norcros, SIG, SystemAir and Zehnder. Epwin Group and Tyman delisted during the performance period and were therefore removed from the group.
3. The ESG targets and actuals exclude Fantech to ensure a like-for-like comparison.

Annual Report on Remuneration continued

Share awards granted during the year (audited)

Long-term Incentive Plan

2025/26 awards

On 15 October 2025, the Committee made awards under the LTIP in accordance with the Policy. The LTIP awards were made in the form of nil-cost options which will vest following the Committee's determination of the extent to which performance conditions, measured over three financial years to 31 July 2028, have been met. If ROIC in the final year of the performance period is lower than 18%, the Committee will have the ability to reduce the level of LTIP vesting. Awards to the Executive Directors are subject to a two-year holding period post vesting.

Performance measure	Weighting (% of total award)	Below threshold (0% vesting)	Threshold (25% vesting)[1]	Maximum (100% vesting)[1]
EPS growth	60%	Below 6% p.a.	6% p.a.	12% p.a.
TSR[2]	20%	Below median	Median	Upper quartile
ESG (Low-carbon sales as a % of total revenue)	10%	Below 70.1%	70.1%	72.7%
ESG (Carbon intensity)	10%	More than 11.2 tonnes of CO_2 for every £1m of revenue	11.2 tonnes of CO_2 for every £1m of revenue	10.6 tonnes of CO_2 for every £1m of revenue

Notes
1. Awards will vest on a straight line basis between these points.
2. Relative TSR will be measured against the constituents of the FTSE 250, excluding financial service companies and investment trusts, in accordance with the terms applicable to those awards

In addition to the performance conditions set out above, for awards to vest, the Committee must be satisfied with the overall financial performance of the Company over the performance period.

The LTIP awards made on 15 October 2025 were as follows:

Executive Director	Number of shares	Base price	Face value[1]	Face value % of base salary	Release date[2]	Expiry date
Ronnie George	156,405	£6.7133	£1,050,000	175%	15 October 2030	16 October 2035
Andy O'Brien	91,832	£6.7133	£616,500	150%	15 October 2030	16 October 2035

Notes
1. The price used to calculate the number of LTIP awards was the average of the mid-market closing price of a Volution Group plc share on the three consecutive business days immediately preceding the date of grant.
2. The LTIP awards were granted with a three-year performance period and an additional two-year holding period.

Deferred Share Bonus Plan

2025/26 awards

As set out in the 2023 Policy, under which the 2025/26 annual bonus was awarded, one-third of any bonus payment earned by the Executive Directors will be deferred into awards in the form of conditional awards over the Company's shares.

On 15 October 2025, Ronnie George and Andy O'Brien received an award of shares under the DSBP relating to the 2024/25 annual bonus, as follows:

Executive Director	Number of shares	Base price	Face value[1]	Release date
Ronnie George	35,996	£6.7133	£241,652	15 October 2028
Andy O'Brien	24,646	£6.7133	£165,456	15 October 2028

Note
1. The price used to calculate the number of DSBP awards was the average of the mid-market closing price of a Volution Group plc share on the three consecutive business days immediately preceding the date of grant.

Annual Report on Remuneration continued

Equity incentives (audited)

Details of the awards granted, outstanding and vested during the year to the Executive Directors under the LTIP and DSBP are as follows:

Name/plan	Date of award	Number of share awards at 1 August 2025	Shares awarded during the year	Shares lapsed during the year	Shares vested during the year	**Number of share awards at 31 July 2026**	Face value at date of grant £[1]	Vesting date[2]	Expiry date
Ronnie George									
LTIP 2022/23[3]	12/10/2022	229,582	–	27,780	213,537	**–**	–	12/10/2025	13/10/2032
LTIP 2023/24	11/10/2023	226,571	–	–	–	**226,571**	832,490	11/10/2026	12/10/2033
LTIP 2024/25	16/10/2024	143,046	–	–	–	**143,046**	869,958	16/10/2027	17/10/2034
LTIP 2025/26	15/10/2025	–	156,405	–	–	**156,405**	1,050,000	15/10/2028	16/10/2035
DSBP 2022/23[4]	12/10/2022	39,168	–	–	41,444	**–**	–	12/10/2025	N/A
DSBP 2023/24	11/10/2023	37,723	–	–	–	**37,723**	138,606	11/10/2026	N/A
DSBP 2024/25	16/10/2024	38,024	–	–	–	**38,024**	231,249	16/10/2027	N/A
DSBP 2025/26	15/10/2025	–	35,996	–	–	**35,996**	241,652	15/10/2028	N/A
Andy O'Brien									
LTIP 2022/23[3]	12/10/2022	133,881	–	16,200	124,524	**–**	–	12/10/2025	13/10/2032
LTIP 2023/24	11/10/2023	129,275	–	–	–	**129,275**	474,999	11/10/2026	12/10/2033
LTIP 2024/25	16/10/2024	81,618	–	–	–	**81,618**	496,373	16/10/2027	17/10/2034
LTIP 2025/26	15/10/2025	–	91,832	–	–	**91,832**	616,500	15/10/2028	16/10/2035
DSBP 2022/23[4]	12/10/2022	27,409	–	–	29,001	**–**	–	12/10/2025	N/A
DSBP 2023/24	11/10/2023	26,398	–	–	–	**26,398**	96,995	11/10/2026	N/A
DSBP 2024/25	16/10/2024	26,034	–	–	–	**26,034**	158,330	16/10/2027	N/A
DSBP 2025/26	15/10/2025	–	24,646	–	–	**24,646**	165,456	15/10/2028	N/A

Notes

1. The price used to calculate the number of LTIP and DSBP awards was the average of the mid-market closing price of a Volution Group plc share on the three consecutive business days immediately preceding the date of grant, being £3.0878 for the LTIP 2022/23 and DSBP 2022/23, £3.6743 for the LTIP 2023/24 and DSBP 2023/24, £6.0817 for the LTIP 2024/25 and DSBP 2024/25, and £6.7133 for the LTIP 2025/26 and DSBP 2025/26.
2. Shares vested during the year include dividend equivalents over the performance period, in line with market practice.
3. The vested LTIP 2022/23 include additional dividend equivalent shares of 11,735 and 6,843 for the CEO and CFO respectively.
4. The vested DSBP 2022/23 include additional dividend equivalent shares of 2,276 and 1,592 for the CEO and CFO respectively.

Annual Report on Remuneration continued

Employee Benefit Trust
The Volution Employee Benefit Trust (EBT) currently holds 1,949,349 shares in the Company. It is the Company's intention to use shares currently held in the EBT to satisfy all awards made so far under the Long-term Incentive Plan, Deferred Share Bonus Plan and Sharesave Plan. Dividends arising on the shares held in the EBT are waived on the recommendation of the Company.

Funding of future awards under the share incentive plans
It is the Company's current intention to satisfy any future requirements of its share incentive plans in a method best suited to the interests of the Company, either by acquiring shares in the market, utilising shares held as treasury shares or issuing new shares. Where the awards are satisfied by newly issued shares or treasury shares, the Company will comply with the dilution limits as set out in the relevant plan rules.

Statement of Directors' shareholdings and share interests (audited)
We believe that Executive Directors should have shareholdings in the Company to ensure that they are as closely aligned as possible with shareholder interests. As such, during the year the Company had share ownership guidelines in place which stated that Executive Directors were expected to achieve and retain a holding of the Company's shares equal to 200% of their base salary.

It should be noted, as shown below, that Ronnie George and Andy O'Brien have a shareholding in excess of 200% of base salary including vested and unvested DSBP awards and LTIP awards that are not subject to further performance net of tax. A formal post-employment shareholding guideline is also in place requiring Executive Directors to hold a shareholding equal to their in-employment shareholding, or their actual shareholding on leaving, if lower, for two years after departure. This post-employment shareholding requirement applies to shares acquired from incentive plans from DSBP and LTIP awards granted after 1 August 2020.

The Chair and the Non-Executive Directors are also encouraged to hold shares in the Company in order to align their interests with those of shareholders. Directors' interests in ordinary shares held as at 31 July 2026 (together with the interests held by Persons Closely Associated with them) are set out below.

There were no changes in the Directors' shareholdings between 31 July 2026 and the date of this report.

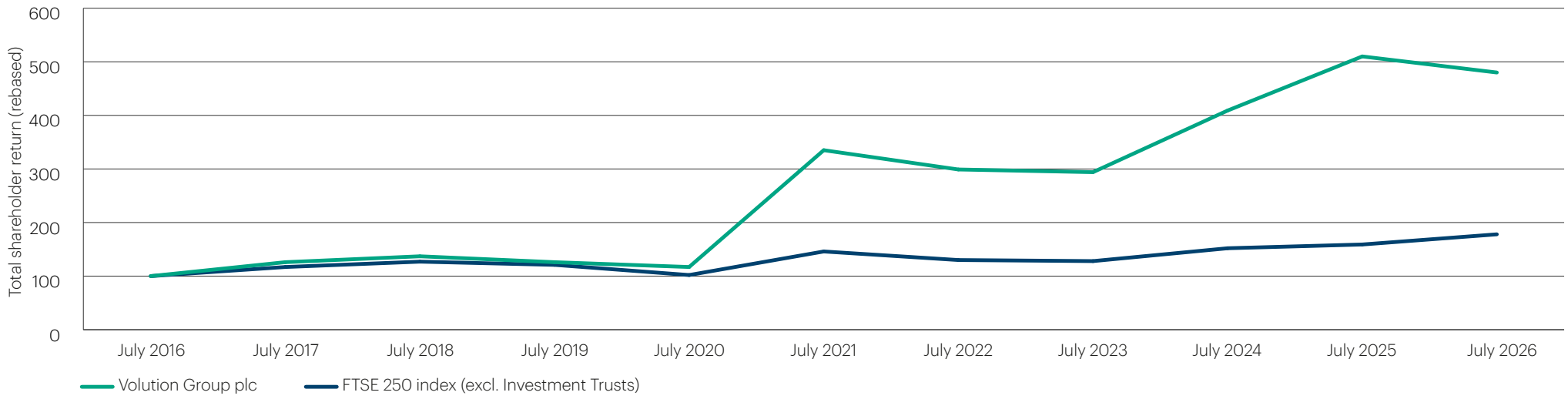
Name/plan	Shares held beneficially at 31 July 2025[1]	Shares held beneficially at 31 July 2026	Shareholding at 31 July 2026 (% of salary)[4]	Target shareholding achieved[2]	LTIP awards (unvested awards subject to performance)[3]	LTIP awards vested but not exercised	DSBP awards (unvested awards, not subject to performance)
Chair							
Nigel Lingwood	19,785	30,000	N/A	N/A	–	–	–
Executive Directors							
Ronnie George	828,557	828,557	1,485%	Yes	526,022	1,041,286	111,743
Andy O'Brien[5]	166,131	271,186	625%	Yes	302,725	193,652	77,078
Non-Executive Directors							
Amanda Mellor	–	–	N/A	N/A	–	–	–
Jonathan Davis	5,000	5,000	N/A	N/A	–	–	–
Celia Baxter	–	3,719	N/A	N/A	–	–	–
Emmanuelle Dubu	–	–	N/A	N/A	–	–	–

Notes
1. Includes any shares held by Persons Closely Associated.
2. The target shareholding achieved has been calculated based on shares held beneficially as at 31 July 2026 using the share price on that date of £6.19 per share.
3. LTIP awards in this column consist of all awards granted as at the date of this report which are structured as nil-cost options. All awards are subject to performance conditions, with performance measured over three financial years.
4. Includes vested and unvested DSBP awards and LTIP awards that are not subject to further performance on a net of tax basis.
5. Andy O'Brien exercised an LTIP award on 20 October 2025 totalling 198,662, 93,607 shares were sold to cover tax and 105,055 shares were transferred to his Nominee account; the market price on exercise date was 6.49.

Annual Report on Remuneration continued

Payments to past Directors and payments for loss of office (audited)
There were no payments to past Directors or payments for loss of office in the year.

Performance graph and Chief Executive Officer remuneration table
The chart below compares the total shareholder return performance of the Company against the performance of the FTSE 250 (excluding investment trusts), of which Volution has been a constituent since May 2021.



The table below summarises the Chief Executive Officer's single figure for total remuneration, annual bonus payments and LTIP vesting levels as a percentage of maximum opportunity.

	2017	2018	2019	2020	2021	2022	2023	2024	2025	**2026**
Chief Executive Officer's single total figure of remuneration (£000)	1,191	909	910	757	2,535	2,227	2,250	2,031	2,813	**2,879**
Annual bonus pay-out (as a % of maximum opportunity)	87.8%	44.3%	44.7%	0%	100%	66%	70%	100%	100%	**100%**
LTIP vesting (as a % of maximum opportunity)	72.1%	61.7%	40.5%	25%	89%	100%	100%	79.5%	87.9%	**90.0%**

Annual Report on Remuneration continued

Chief Executive Officer pay ratio

The table below sets out the ratio at the 25th, median and 75th percentile of the total remuneration received by the Chief Executive Officer (using the amount set out in the single total figure table shown in this report on page 124), compared with the total remuneration received by our UK employees for whom total remuneration has been calculated on the same basis.

For the financial year ended 31 July 2026, Volution delivered strong revenue and profit growth and the CEO's single figure total is heavily influenced by incentive outturns and share price appreciation over the three-year performance period. These factors all contributed to the CEO pay ratio shown below.

CEO pay ratio	31 July 2026	31 July 2025	31 July 2024	31 July 2023	31 July 2022	31 July 2021
Method	Option A	Option A	Option A	Option A	Option A	Option A
75th percentile pay ratio	72:1	76:1	44:1	46:1	70:1	75:1
Median pay ratio	92:1	93:1	78:1	86:1	99:1	104:1
25th percentile pay ratio	105:1	107:1	83:1	98:1	109:1	123:1

The salary and total pay for the individuals identified at the 25th percentile, median and 75th percentile as at 31 July 2026 are set out below:

Employees	25th percentile	Median	75th percentile
Salary	£26,776	£30,728	£36,874
Total pay and benefits	£27,381	£31,445	£39,972

The employees used for the purposes of the table above were identified as based in the UK as at 31 July 2026. Option A was chosen as it is considered to be the most accurate way of identifying the relevant employees required by The Companies (Miscellaneous Reporting) Regulations 2018. Employees have been included on a full-time equivalent basis where appropriate. No other adjustments were necessary and no elements of employee remuneration have been excluded from the pay ratio calculation.

The Board has confirmed that the ratio is consistent with the Company's wider policies on employee pay, reward and progression.

Relative importance of the spend on pay

The following table shows the total expenditure on pay for all of the Company's employees compared with distributions to shareholders by way of dividend and share buy-back. In order to provide context for these figures, adjusted operating profit is also shown.

Employees	2026 £m	2025 £m	% change
Employee remuneration costs	119.7	101.7	17.7
Distributions to shareholders	22.6	19.0	18.9
Adjusted operating profit	112.4	93.5	20.2

Statement of implementation of Remuneration Policy for the financial year ending 31 July 2027

Executive Director base salaries

As set out in the Committee Chair's letter, given the sustained growth and increased complexity of the business, the performance of the individuals and market positioning, the Committee determined that an increase in base salary of 10% and 13% would be awarded to the Chief Executive Officer and the Chief Financial Officer respectively. The increase took effect from 1 August 2026, increasing the base salary of the Chief Executive Officer to £660,000 per annum and the Chief Financial Officer to £465,000 per annum. Further details regarding the Committee decisions and shareholder consultation are set out in the Committee Chair's letter on pages 112 to 114.

Pension contribution and other benefits

In line with the Policy, both the CEO and the CFO will continue to receive a pension of 5.5% of salary, aligned with the pension rates available to the wider UK workforce.

Other benefits received comprise an annual car allowance paid in cash, life assurance equivalent to four times annual salary and private medical insurance.

Annual Report on Remuneration continued

Annual Bonus Plan

The maximum annual bonus opportunity for both the CEO and CFO will be 150% of salary, further detail of which is set out in the Remuneration Committee Chair's statement. As both the CEO and CFO have exceeded 1.5x their shareholding guidelines, it is currently expected that the full bonus for FY27 will be paid in cash.

The performance measures applicable to the Annual Bonus Plan will remain unchanged and the Committee continues its policy of setting stretching annual bonus targets which take into account a number of internal and external factors. The weightings will be: adjusted EPS (52%); adjusted operating profit (36%); and working capital management (12%).

The Committee reviewed the measures and weightings during the year and determined that the current measures remain aligned to our strategy and shareholder interests. The Committee considers it appropriate to retain EPS in the annual bonus as it provides a key measure of shareholder value and has ensured a strong pay for performance link and shareholder alignment to date. Retaining EPS in the annual bonus focuses management on EPS performance year-on-year, whilst retaining EPS in the LTIP provides a long-term focus on EPS performance, with growth measured over the performance period on a stretching, compound basis. The Committee will keep this under review in future years.

The targets set for the year ending 31 July 2027 will be disclosed in the next Annual Report on Remuneration, unless they remain commercially sensitive.

Long-term Incentive Plan

During 2026/27, the Committee intends to grant LTIP awards with a maximum opportunity of 175% of salary and 150% of salary for the CEO and CFO, respectively, further detail of which is set out in the Remuneration Committee Chair's statement.

The Committee will continue its policy of setting stretching LTIP targets which take into account a number of internal and external factors. Volution is committed to its purpose of providing 'healthy air, sustainably' and to the importance of ESG measures in meeting its purpose, and ESG measures are once again included. The measures will be: earnings per share (60%); total shareholder return (20%); and ESG targets (20%). The ROIC underpin at 18% will continue to be considered in determining the outturn.

A two-year holding period will apply to the Executive Directors following the end of the three-year performance period.

Measure		Threshold (25% vesting)	Maximum (100% vesting)
EPS growth (60% weighting)		6% p.a.	12% p.a.
Relative TSR (20% weighting)		Median	Upper quartile
ESG (20% weighting)	Low-carbon sales as a % of total revenue (10%)	76.2%	78.8%
	Carbon intensity (10%)	10.0 tonnes of CO_2 for every £1m of revenue	9.5 tonnes of CO_2 for every £1m of revenue

Note: The TSR peer group is FTSE 250 (excluding financial services and investment trusts).

Chair and Non-Executive Director fees

Fees of Non-Executive Directors are determined by the Board in their absence. The fees of the Chair (whose fees are determined by the Committee in his absence) were reviewed during the year and will be increased to £240,000 for the year ending 31 July 2027 to reflect the growing size and complexity of the organisation, as well as market positioning. The fee remains below the median when compared with the FTSE 250 (excluding financial services) and a subset of FTSE 250 companies that are of similar market capitalisation to Volution. The Committee decided to phase any increase over two years rather than making a bigger adjustment this year, therefore there will be another corrective increase to the Chair's fee next year to better align the fee with the market. The base fee for the Non-Executive Directors, which was also below market, was increased by 8.33% for the year ending 31 July 2027.

The fees with effect from 1 August 2026 are summarised in the table below.

	From 1 August 2026	From 1 August 2025
Chair fee covering all Board duties	£240,000	£210,000
Non-Executive Director basic fee	£65,000	£60,000
Supplementary fees to Non-Executive Directors covering additional Board duties:		
– Senior Independent Director	£14,000	£10,000

Annual Report on Remuneration continued

– Audit Committee Chair	£14,000	£10,000
– Remuneration Committee Chair	£14,000	£10,000

Statement on shareholder voting

The Company is committed to ongoing shareholder dialogue and takes an active interest in voting outcomes in respect of the approval of the Directors' Remuneration Report and the Remuneration Policy. In the event of a substantial vote against a resolution in relation to Directors' remuneration, the Company would seek to understand the reasons for any such vote and would set out in the following Annual Report and Accounts any actions in response to it.

The following table sets out the voting by shareholders at the AGM in December 2025 in respect of our Annual Report on Remuneration and at the AGM in 2023 in respect of our current Remuneration Policy.

Resolution	Votes cast for	% of votes cast	Votes cast against	% of votes cast	Votes withheld
Remuneration Policy (AGM 2023)	169,991,789	97.73%	3,948,373	2.27%	140,197
Remuneration Report (AGM 2025)	173,841,539	96.56%	6,197,915	3.44%	5,388

Approval

This Directors' Remuneration Report was approved by the Board of Directors on 7 October 2026 and signed on its behalf by the Chair of the Remuneration Committee.

Celia Baxter
Chair of the Remuneration Committee
7 October 2026

Directors' Report

Introduction

The Directors present their Annual Report and the audited financial statements of the Company for the year ended 31 July 2026.

This Directors' Report includes additional information required to be disclosed under the Companies Act 2006, the UK Corporate Governance Code published by the Financial Reporting Council in January 2024 (the 2024 Code, which is publicly available at www.frc.org.uk), the Disclosure Guidance and Transparency Rules (DTRs) and the UK Listing Rules (UKLR) of the Financial Conduct Authority. For the purposes of reporting on the effectiveness of the Group's risk management and internal control framework, Provision 29 of the 2018 UK Corporate Governance Code continues to apply for this reporting period.

Certain information required to be included in the Directors' Report is included in other sections of this Annual Report and Accounts and is incorporated by reference into this Directors' Report, as follows:

Information incorporated by reference	Location
Strategic Report	pages 1 to 78
Governance Report	pages 79 to 136
Section 172 Statement	pages 42 and 43
Principal risks and uncertainties	pages 44 to 52
Climate-related financial disclosures	pages 62 to 71 and 189 to 198
Non-Financial and Sustainability Information Statement	page 53
Energy and greenhouse gas emissions disclosures	pages 135 and 189 to 198
Going concern statement	page 47
Viability Statement	page 46
Directors' Remuneration Report	pages 112 to 132
Financial instruments	note 21 to the consolidated financial statements
Related party transactions	note 28 to the consolidated financial statements

This Directors' Report also represents the Management Report for the purpose of compliance with the DTRs.

Corporate structure

Volution Group plc is a public company limited by shares and incorporated in England and Wales. Its shares are listed in the equity shares (commercial companies) category of the Official List and traded on the London Stock Exchange under the ticker symbol FAN.

Results and dividend

The Group's results for the year are shown in the statement of comprehensive income on page 144.

An interim dividend of 4.0 pence per share was paid to shareholders on 5 May 2026 and the Directors are recommending a final dividend in respect of the financial year ended 31 July 2026 of 8.8 pence per share. If approved, the final dividend will be paid on 15 December 2026 to shareholders on the register on 20 November 2026. The total dividend paid and proposed for the year amounts to 12.8 pence per share.

Share capital and related matters

The Company has only one class of share and the rights attached to each share are identical. Details of the rights and obligations attaching to the shares are set out in the Company's Articles of Association which are available from the Company Secretary. The Company may refuse to register any transfer of any share which is not a fully paid share. At a general meeting of the Company, every member has one vote on a show of hands and on a poll one vote for each share held. Details of the voting procedure, including deadlines for exercising voting rights, are set out in the Notice of Annual General Meeting 2026.

As at 31 July 2026, the issued share capital of the Company was 200,000,000 ordinary shares of 1 pence each. Details of the share capital as at 31 July 2026 are shown in note 24 to the consolidated financial statements.

Powers of the Directors

The Directors may exercise all the powers of the Company including, subject to obtaining the required authority from the shareholders in general meeting, the power to authorise the issue of new shares and the purchase of the Company's shares. During the financial year ended 31 July 2026, the Directors did not exercise any of the powers to issue or purchase shares in the Company.

Restrictions on transfer and voting rights

There are no general restrictions on the transfer of ordinary shares in the Company other than in relation to certain restrictions that are imposed from time to time by laws and regulations (for example insider trading laws). Pursuant to the UK Market Abuse Regulation, Directors and certain officers and employees of the Group require the approval of the Company to deal in the ordinary shares of the Company.

Each ordinary share in the capital of the Company ranks equally in all respects. No shareholder holds shares carrying special rights relating to the control of the Company.

The Company has in place certain share incentive plans. Awards under the Company's Long-term Incentive Plan and Deferred Share Bonus Plan are normally made on an annual basis and details can be found in the Directors' Remuneration Report on pages 112 to 132. An invitation under the Company's all-employee Sharesave Scheme, a three-year scheme, was launched in April 2025 with a start date of 1 July 2025.

The Company also has an Employee Benefit Trust (EBT) in which to hold ordinary shares to satisfy awards under the share incentive plans. As at the date of this report, there were 1,949,349 ordinary shares held in the EBT. The trustee of the EBT has the power to exercise the rights and powers incidental to, and to act in relation to, the ordinary shares subject to the EBT in such manner as the trustee in its absolute discretion thinks fit.

The trustee of the EBT has waived the right to receive dividends on any ordinary shares held, except for a nominal amount of 1 pence, other than for those ordinary shares held in the EBT which are the beneficial property of an employee or shareholder. For further details on the EBT please see note 24 to the consolidated financial statements. The trustee does not vote ordinary shares held in the EBT, except for those ordinary shares which are the beneficial property of an employee or shareholder, which the trustee will vote in accordance with the instructions received from the beneficial owner.

Substantial shareholdings

The Company had been notified, in accordance with the DTRs, of the following interests representing 3% or more of the voting rights in the issued share capital of the Company:

Directors' Report continued

Major shareholder	% of voting rights notified 31 July 2026	Date of this report
BlackRock, Inc.	7.65	7.65
The Capital Group Companies, Inc.	5.08	5.08
Aegon Limited	4.99	4.99
Baillie Gifford & Co	4.99	4.99
ODIN Forvaltning AS	3.93	3.93
Alecta Tjänstepension Ömsesidigt	3.02	3.02
Norges Bank	3.00	3.00

This information was correct at the date of notification. It should be noted that these holdings may have changed since they were notified to the Company. However, notification of any change is not required until the next applicable threshold is crossed.

Directors

The Directors of the Company during the year and at the date of this report, and their biographies, are set out on pages 84 and 85. Their interests in the ordinary shares of the Company are shown in the Directors' Remuneration Report on page 128.

Appointment and removal of Directors

Directors may be appointed by ordinary resolution of the Company or by the Board.

All Directors continuing in service will stand for election or re-election on an annual basis, in line with the recommendations of the 2024 Code.

In addition to any powers of removal conferred by the Companies Act 2006, the Company may by special resolution remove any Director before the expiration of their period of office.

Employees

Volution is committed to sustainable development (meeting the needs of the present without compromising the ability of future generations to meet their own needs) as well as encouraging equality, diversity and inclusion amongst our workforce, and eliminating unlawful discrimination.

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of a member of staff becoming disabled, every effort is made to ensure that their employment with the Group continues and that appropriate training is arranged. It is the policy of the Group that the training, career development and promotion of a disabled member of staff should, as far as possible, be identical to that of other employees.

A Responsible Operations Policy covering diversity and inclusion can be found on the Volution website.

Directors' indemnities and insurance

The Articles of Association of the Company permit it to indemnify the Directors of the Company against liabilities arising from or in connection with the execution of their duties or powers to the extent permitted by law.

The Company has directors' and officers' indemnity insurance in place in respect of each of the Directors. The Company has entered into a qualifying third party indemnity (the terms of which are in accordance with the Companies Act 2006) with each of the Directors, all of which were in place during the year and at the date of the financial statements. Neither the indemnity nor insurance provides cover in the event that a Director or officer is proved to have acted fraudulently.

Transactions with related parties

Details of the transactions entered into by the Company with parties who are related to it are set out in note 28 to the consolidated financial statements.

Change of control

There is one significant agreement to which the Company is a party that is affected by a change of control as follows:

- The Facilities Agreement described more fully in note 22 contains provisions to enter into negotiations with the lenders to continue with the facilities set out in the agreement upon notification that there will be a change of control. Further details of the Group's banking facilities are shown in note 22 to the consolidated financial statements.

The provisions of the Company's share incentive plans may cause options and awards granted to employees under such plans to vest on takeover.

The Company does not have agreements with any Director that would provide compensation for loss of office or employment resulting from a change of control.

Amendments to the Company's Articles of Association

The Company may alter its Articles of Association by special resolution passed at a general meeting of shareholders.

Political donations

The Group has not made in the past, nor does it intend to make in the future, any political donations.

Post-balance sheet events

As detailed in note 32 to the consolidated financial statements, on 3 August 2026, the Group acquired 100% of the issued shareholding of getAir GmbH.

As detailed in note 22, on 18 September 2026, the Group concluded an exercise to increase and extend the maturity of our funding facilities, which now stand at £340 million plus a further £150 million accordion facility. This new and increased facility matures in September 2029, with two further one-year optional extensions to September 2031.

Going concern

The Company's statement on going concern can be found on page 47.

Viability Statement

The Board assessed the prospects of the Group over a three-year period and the Viability Statement is set out on page 46.

Shareholder consultation – disapplication of pre-emption rights

In its 2025 Annual General Meeting results announcement, released on 10 December 2025, the Company noted that Resolution 16, in relation to the additional disapplication of pre-emption rights, received 21.05% of votes against (with 78.95% of votes cast being in favour). The resolution was in line with the Statement of Principles published by the Pre-emption Group in November 2022 and the specific authority sought would have been limited to issuance of equity for cash in connection with an acquisition or specified capital investment. In proposing the resolution, the Board considered it to be in the Company's best interest to retain the flexibility to, for example, raise equity finance quickly and without having to incur further time and expense necessary to hold a general meeting of shareholders to obtain consent. The Board also undertook, to the extent practicable, to consult with its major shareholders before exercising the resolution.

Directors' Report continued

In line with the requirements of the UK Corporate Governance Code, the Company engaged with shareholders who voted against, to understand their views on this resolution, and an update statement was published on the Company's website accordingly. Views expressed during the consultation included reservations concerning the increased level of capital that could be raised under the new authority requested. In certain cases, the level of the authority sought conflicted with underlying shareholders' internal voting policies.

The Board has discussed the results of the shareholder consultation and agreed to seek to enhance transparency and communication for the forthcoming 2026 Notice of Annual General Meeting.

Annual General Meeting

The Annual General Meeting of the Company will take place at 12.00 noon on Wednesday 9 December 2026 at the offices of Norton Rose Fulbright LLP, 3 More London Riverside, London SE1 2AQ, UK.

The Notice of Annual General Meeting and an explanation of the items of non-routine business are set out in the explanatory circular that accompanies this Annual Report and Accounts.

Auditor and disclosure of information to Auditor

Each of the Directors in office at the date when this Annual Report and Accounts was approved confirms that:

- so far as the Director is aware, there is no relevant audit information of which the Company's Auditor is unaware; and
- the Director has 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 Company's Auditor is aware of that information.

PwC has expressed its willingness to be re-appointed as Auditor of the Company. A resolution to re-appoint PwC as the Company's independent Auditor will be proposed at the forthcoming Annual General Meeting.

Energy and greenhouse gas (GHG) emissions reporting

The Board presents this report in order to meet the Company's obligation under The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 to disclose the Group's worldwide GHG emissions attributable to human activity measured in tonnes of carbon dioxide equivalent. As stated in the Sustainability section, Volution is committed to reducing and minimising its impact on the environment. Examples of actions taken to increase energy efficiency are given there. The carbon emissions data disclosed in this report covers the same period as the Company's financial year.

Our energy and GHG emissions for 2026 were calculated using the methodology set out in the UK Government's Environmental Reporting Guidelines 2019. Activity data has been converted into GHG emissions using the UK Government's most recent GHG Conversion Factors for Company Reporting (2026) and using country-specific conversion factors for our overseas businesses from reliable sources including the Association of Issuing Bodies (AIB) and the Australian and New Zealand environment ministries. This is in line with standard industry practice and allows fair comparison with other UK businesses.

Energy use and GHG emissions – Scope 1 and 2 – Group and UK

	FY26		FY25	
	Group	UK	Group	UK
Energy use – Scope 1 (MWh)	11,103	5,261	8,725	5,266
Energy use – Scope 2 (MWh)	11,467	6,229	10,883	6,249
Energy use – Scope 1 and 2 (MWh)	22,570	11,490	19,608	11,515
GHG emissions – Scope 1 (CO_2e tonnes)	2,385	1,084	2,294	1,098
GHG emissions – Scope 2 (CO_2e tonnes)	2,692	816	2,736	1,116
GHG emissions – Scope 1 and 2 (CO_2e tonnes)	5,077	1,900	5,030	2,214
Intensity ratio: CO_2e tonnes per £m revenue	10.5	N/A	12.0	N/A

For both energy and emissions data, we have included all subsidiaries within the Group measure, and have included all UK-based subsidiary operations within our UK measure.

Other information that is relevant to the reporting of GHG emissions, including detailed descriptions of methodology and energy efficiency actions, and which is incorporated by reference into this report, can be located on pages 186 to 198.

Forward-looking statements

This Directors' Report and the information incorporated into it by reference may contain forward-looking statements. These statements are based on current expectations and assumptions and are subject to risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied by those statements. Forward-looking statements speak only as at the date of this Annual Report and Accounts. Except as required by applicable law or regulation, the Company does not undertake any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

By order of the Board

Fiona Smith
Company Secretary
7 October 2026

Volution Group plc
Registered office: Fleming Way, Crawley, West Sussex RH10 9YX
Company number: 09041571

Directors' Responsibilities Statement

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the Directors to prepare financial statements for each financial year. Under that law, the Directors have prepared the Group and the parent company financial statements in accordance with UK-adopted international accounting standards.

Under company law, 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 Group and parent company and of the profit or loss of the Group for that period. In preparing the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable UK-adopted international accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and parent company will continue in business.

The Directors are responsible for safeguarding the assets of the Group and parent company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are also responsible for keeping adequate accounting records that are sufficient to show and explain the Group's and parent company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and parent company and enable them to ensure that the financial statements and the Directors' Remuneration Report comply with the Companies Act 2006.

The Directors are responsible for the maintenance and integrity of the parent company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Directors' confirmations

The Directors consider that the Annual Report and Accounts, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the Group's and parent company's position and performance, business model and strategy.

Each of the Directors, whose names and functions are listed in the Governance Report on pages 84 and 85, confirms that, to the best of their knowledge:

- the Group and parent company financial statements, which have been prepared in accordance with UK-adopted international accounting standards, give a true and fair view of the assets, liabilities and financial position of the Group and parent company, and of the profit of the Group; and
- the Strategic Report includes a fair review of the development and performance of the business and the position of the Group and parent company, together with a description of the principal risks and uncertainties facing the Group and parent company.

In the case of each Director in office at the date the Directors' Report is approved:

- so far as the Director is aware, there is no relevant audit information of which the Group's and parent 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's and parent company's Auditors are aware of that information.

On behalf of the Board

Ronnie George
Chief Executive Officer
7 October 2026

Andy O'Brien
Chief Financial Officer
7 October 2026

Independent Auditor's Report to the Members of Volution Group Plc

Report on the audit of the financial statements

Opinion

In our opinion, Volution Group plc's group financial statements and parent company financial statements (the "financial statements"):

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 July 2026 and of the group's profit and the group's and parent company's cash flows for the year then ended;
- have been properly prepared in accordance with UK-adopted international accounting standards as applied in accordance with the provisions of the Companies Act 2006; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report, which comprise:

- the Consolidated Statement of Financial Position as at 31 July 2026;
- the Parent Company Statement of Financial Position as at 31 July 2026;
- the Consolidated Statement of Comprehensive Income for the year then ended;
- the Consolidated Statement of Changes in Equity for the year then ended;
- the Parent Company Statement of Changes in Equity for the year then ended;
- the Consolidated Statement of Cash Flows for the year then ended;
- the Parent Company Statement of Cash Flows for the year then ended; and
- the notes to the financial statements, comprising material accounting policy information and other explanatory information.

Our opinion is consistent with our reporting to the Audit committee of Volution Group Plc.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, as applicable to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

To the best of our knowledge and belief, we declare that non-audit services prohibited by the FRC's Ethical Standard were not provided.

Other than those disclosed in note 8 to the Consolidated Financial Statements, we have provided no non-audit services to the parent company or its controlled undertakings in the period under audit.

Our audit approach

Context

Volution Group plc is a listed supplier of ventilation products in the residential and commercial sectors, with both public and private new build and refurbishment applications. Its primary markets are the UK, Continental Europe and Australasia with trading activity spread across these regions. The Group's financial statements are an aggregation of 78 reporting components and further consolidation adjustments.

Overview

Audit scope

- Our Group audit included full scope audits of five components, including the company, as well as procedures over consolidation adjustments. Taken together, the above procedures included operations covering 68% of revenue and 69% of adjusted profit before tax.
- We also performed audit procedures over specified balances and transactions across five of the Group's remaining components, the AC Industries business combination and associated fair value adjustments and contingent consideration. We also performed targeted analytical procedures over other financially insignificant components.

Key audit matters

- Accounting for business combinations, including contingent consideration (group)
- Valuation of investments in Group undertakings (parent).

Materiality

- Overall group materiality: £4.9 million (2025: £4.2 million) based on 5% of adjusted profit before tax.
- Overall parent company materiality: £3.1 million (2025: £3.0 million) based on 1% of net assets.
- Performance materiality: £3.7 million (2025: £3.2 million) (group) and £2.3 million (2025: £2.3 million) (parent company).

The scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements.

Key audit matters

Key audit matters are those matters that, in the auditors' professional judgement, were of most significance in the 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) identified by the auditors, including 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, and any comments we make on the results of our procedures thereon, 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.

This is not a complete list of all risks identified by our audit.

Independent Auditor's Report to the Members of Volution Group Plc continued

The key audit matters below are consistent with last year.

Key audit matter	How our audit addressed the key audit matter
Accounting for business combinations, including contingent consideration (group)	
Accounting for business combinations, including any associated contingent consideration, is an area of management judgement and the estimates and assumptions involved can be subject to high levels of subjectivity and uncertainty. The inputs to the models used to determine the value of acquisition related intangibles recognised are subject to management estimate and small errors could result in material misstatements. Contingent consideration is judgemental since it is dependent on the future performance of the acquired businesses, and therefore is inherently subject to uncertainty and the ability of management to accurately forecast. During the year, the Group acquired AC Industries Unit Trust ('ACI') for total consideration of £84.8 million, including contingent consideration initially valued at £7.7 million and payable by reference to performance for the year ending 31 July 2027 and the year ending 31 July 2029. As a result of the acquisition the Group recognised Goodwill of £49.4 million and net fair value adjustments of £27.9 million which relate to intangible assets and deferred tax (note 15). These matters represent the more significant areas of judgement and it is where we applied the most audit effort in respect of the Group audit.	With respect to the acquisition of ACI, and with the support of our component team in Australia who performed procedures under our instruction and supervision: • We reviewed management's accounting papers which included the key assumptions and judgements used in the accounting for the business combination; • Using valuation specialists, we tested and evaluated the appropriateness of the methodology used in valuing acquisition related intangible assets and challenged management on the key assumptions and inputs to the models (being business forecasts, including expected revenue and profit growth rates and the customer attrition rate), obtaining supporting evidence where applicable and specifically challenging on the appropriateness of the customer attrition rate used; • We tested other fair value adjustments made and considered the completeness of such adjustments; • We tested the initial consideration by agreeing details to the signed sale and purchase agreement and validating cash payments to bank statements; and • We reviewed the completeness and accuracy of the related disclosures which included challenging the sufficiency of related sensitivity and key assumption disclosures. With respect to the existing acquisitions: • We have reviewed management's accounting papers which included the key assumptions and judgements used in the valuation of contingent consideration; • We recalculated the contingent consideration with reference to the original signed sale and purchase agreements and using latest forecasts. These have been agreed to board approved plans and assessed for reasonableness; • We performed an overall assessment of management's historical forecasting accuracy and; • We performed sensitivity analysis on key assumptions and obtained supporting evidence to support key judgments made by management. We have no issues to report in respect of this work. We concluded that the accounting for business combinations and contingent consideration is appropriate and that management's estimates in respect of business combinations and contingent consideration fall within an acceptable range.
Valuation of investments in Group undertakings (parent)	
The carrying value of Investments in the parent company financial statements is £199.3 million (note 4 to the parent company financial statements). The key judgement is whether the carrying value of the investments are supported by the net asset position and / or forecast future cash flows of the underlying Group undertakings. As such it was this area where we applied the most audit effort in respect of the audit of the parent company.	Audit procedures included, but were not limited to, the following: • We assessed the net assets of the underlying investments to determine whether they were in excess of the carrying value of the parent company's investment in Group undertakings and confirmed that there were no impairment indicators; • We confirmed that the market capitalisation of the Group as at 31 July 2026 exceeded the carrying value of the investment in Group undertakings; and • We verified that the forecast future cash flows for the Group did not indicate an impairment. We have no issues to report in respect of this work.

Independent Auditor's Report to the Members of Volution Group Plc continued

How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the group and the parent company, the accounting processes and controls, and the industry in which they operate.

The Group operates across three regions; the UK, Continental Europe and Australasia. Its operations and the associated financial information relating to each of these regions are disaggregated through a number of operating and non-operating legal entities which, when aggregated, form the basis for the consolidated financial statements. In total there are 78 reporting components and further consolidation adjustments which we group together and consider as a component for the purposes of our scoping. It is at this component level that, for the purposes of the Group audit, we determined the nature of the work to be performed over the financial information. This was based on our assessment of audit risk and evaluation and allocation of our materiality.

In assessing the risk of material misstatement to the Group financial statements, and to ensure we had adequate coverage of material balances in the financial statements, we considered the size of components, the risk profile, organisation structure and the control environment of the Group as well as changes in the business environment and other factors such as the impact of business combinations and recent internal audit reports. We performed full-scope audits of the financial information of five reporting components, including the parent company. We also performed Group-level procedures over the consolidation process and consolidation adjustments. The components were selected based on their size and risk characteristics. Our full scope components comprised two within Australia, one in Sweden and two in the UK (including the parent company). These represent the principal components within the Group and ensured work was performed in all three of the Group's regions.

We also performed specified audit procedures on a further five material account balances, completed by the Group, Australian and Swedish component teams, in addition to the accounting for the AC Industries business combination and associated fair value adjustments and contingent consideration, which was completed by one of our component audit teams. Desktop reviews and targeted analytical procedures were completed on remaining components that were not determined to be inconsequential to the consolidated financial statements.

Overall, our work including the specified audit procedures covered 68% of revenue and 69% of adjusted profit before tax.

In establishing the overall approach to the Group audit, we determined the type of work that needed to be performed by us, as the Group engagement team, or by component auditors operating under our instructions. Where the work was performed by component auditors, we determined the level of involvement we needed to have in the audit work at those components to be able to conclude whether sufficient appropriate audit evidence had been obtained as a basis for our opinion on the Group financial statements as a whole. In addition to instructing and reviewing the reporting from our component audit teams, we conducted file reviews for all components and participated in key meetings with component audit teams and had regular dialogue with component teams throughout the year. We also conducted site visits to those components that were new to the Group in the year to meet with component audit teams and local management teams.

The impact of climate risk on our audit

As part of our audit we made enquiries of management to understand the process management adopted to assess the extent of the potential impact of climate risk on the Group's financial statements and support the disclosures made within the "Planet" section of the Annual Report, which includes the Task Force on Climate-related Financial Disclosures.

The Group has determined that whilst it considers climate change to be a net opportunity for the Group, the most significant future risks from climate change will be from changing weather patterns that may directly damage production facilities or disrupt supply chains; investors and lenders not allocating sufficient capital to the Group and governments implementing taxes or charges which penalise the Group; and also increasing the input cost of energy, freight and materials. In addition to enquiries with management, we also:

- Read additional reporting made by the entity on climate including its Carbon Disclosure Project public submission; and
- Challenged and evaluated the completeness of management's climate risk assessment by;
  - Evaluating the consistency of the disclosures in relation to climate change (including the disclosures in the Task Force on Climate-related Financial Disclosures (TCFD) section) and ESG Data Section within the Annual Report with the financial statements and our knowledge obtained from our audit;
  - Challenging the consistency of management's climate impact assessment with internal climate plans and board minutes, including whether the time horizons management have used take account of all relevant aspects of climate change such as transition risks; and
  - Reading the entity's website and communications for details of climate related commitments, impacts and any related inconsistencies.

Our procedures did not identify any material impact in the context of our audit of the financial statements as a whole, or our key audit matters as of, and for the year ended 31 July 2026.

Independent Auditor's Report to the Members of Volution Group Plc continued

Materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

	Financial statements – group	Financial statements – parent company
Overall materiality	£4.9 million (2025: £4.2 million).	£3.1 million (2025: £3.0 million).
How we determined it	5% of adjusted profit before tax	1% of net assets
Rationale for benchmark applied	Profit before tax is a generally accepted auditing benchmark for listed engagements as this is typically the primary measure of performance. The Directors also use adjusted profit before tax (adjusted for amortisation on assets acquired through business combinations, the fair value movement on financial liabilities and the cost of business combinations) as one of the primary KPIs. These line items are adjusted as they do not represent underlying performance of the Group's core operations, and we believe this adjusted profit before tax is the primary measure used by the other key stakeholders in assessing the performance of the Group. This is also a significant component of adjusted EPS and a key metric for management incentives.	We believe that net assets is the primary measure used by the shareholders in assessing the financial position of the holding entity, and is a generally accepted auditing benchmark.

For each component in the scope of our group audit, we allocated a materiality that is less than our overall group materiality. The range of materiality allocated across components was between £1.0 million and £4.2 million. Certain components were audited to a local statutory audit materiality that was also less than our overall group materiality.

We use performance materiality to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds overall materiality. Specifically, we use performance materiality in determining the scope of our audit and the nature and extent of our testing of account balances, classes of transactions and disclosures, for example in determining sample sizes. Our performance materiality was 75% (2025: 75%) of overall materiality, amounting to £3.7 million (2025: £3.2 million) for the group financial statements and £2.3 million (2025: £2.3 million) for the parent company financial statements.

In determining the performance materiality, we considered a number of factors – the history of misstatements, risk assessment and aggregation risk and the effectiveness of controls – and concluded that an amount at the upper end of our normal range was appropriate.

We agreed with the Audit committee of Volution Group Plc that we would report to them misstatements identified during our audit above £245,000 (group audit) (2025: £205,000) and £155,000 (parent company audit) (2025: £148,000) as well as misstatements below those amounts that, in our view, warranted reporting for qualitative reasons.

Conclusions relating to going concern

Our evaluation of the directors' assessment of the group's and the parent company's ability to continue to adopt the going concern basis of accounting included:

- We tested the mathematical accuracy of the model and the integrity of the underlying data used by management in developing their going concern assessment and agreed their forecast to the budgets approved by the Board. We concur that the model demonstrated sufficient liquidity and headroom during the going concern assessment period;
- We challenged management on the key assumptions used in the model, including agreeing to supporting evidence where appropriate, and assessing whether the sensitivities modelled in the "severe but plausible" scenario were sufficiently severe to model potential future economic downturn and had sufficient liquidity and covenant compliance headroom during the going concern assessment period;
- We considered the historical accuracy of management forecasting by comparing budgeted results to actual performance for the last three financial years and found it to be reasonable;
- We reviewed the increase and extension to the group's multi-currency 'Sustainability Linked Revolving Credit Facility' entered into after the period end and confirmed all key terms had been completely and accurately reflected in management's assessment;
- We reviewed the covenants applicable to the Group's borrowing facilities and confirmed that the forecasts including the corresponding downsides supported ongoing compliance with the covenants in the going concern assessment period;
- We reviewed the disclosures relating to going concern made by management in the financial statements and found these to be consistent with the assessment prepared by management and the procedures we performed.

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 the parent 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 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.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the group's and the parent company's ability to continue as a going concern.

In relation to the directors' reporting on how they have applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the directors' statement in the

Independent Auditor's Report to the Members of Volution Group Plc continued

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.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, 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 audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. 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 based on these responsibilities.

With respect to the Strategic report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' Report for the year ended 31 July 2026 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the group and parent company and their environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' Report.

Director's Remuneration

In our opinion, the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006.

Corporate governance statement

The Listing Rules require us to review the directors' statements in relation to going concern, longer-term viability and that part of the corporate governance statement relating to the parent company's compliance with the provisions of the UK Corporate Governance Code specified for our review. Our additional responsibilities with respect to the corporate governance statement as other information are described in the Reporting on other information section of this report.

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, and we have nothing material to add or draw attention to in relation to:

- The directors' confirmation that they have carried out a robust assessment of the emerging and principal risks;
- The disclosures in the Annual Report that describe those principal risks, what procedures are in place to identify emerging risks and an explanation of how these are being managed or mitigated;
- The directors' statement in the financial statements about whether they considered it appropriate to adopt the going concern basis of accounting in preparing them, and their identification of any material uncertainties to the group's and parent company's ability to continue to do so over a period of at least twelve months from the date of approval of the financial statements;
- The directors' explanation as to their assessment of the group's and parent company's prospects, the period this assessment covers and why the period is appropriate; and
- The directors' statement as to whether they have a reasonable expectation that the parent company will be able to continue in operation and meet its liabilities as they fall due over the period of its assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

Our review of the directors' statement regarding the longer-term viability of the group and parent company was substantially less in scope than an audit and only consisted of making inquiries and considering the directors' process supporting their statement; checking that the statement is in alignment with the relevant provisions of the UK Corporate Governance Code; and considering whether the statement is consistent with the financial statements and our knowledge and understanding of the group and parent company and their environment obtained in the course of the audit.

In addition, 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 that they consider the Annual Report, taken as a whole, is fair, balanced and understandable, and provides the information necessary for the members to assess the group's and parent company's position, performance, business model and strategy;
- The section of the Annual Report that describes the review of effectiveness of risk management and internal control systems; and
- The section of the Annual Report describing the work of the Audit committee of Volution Group Plc.

We have nothing to report in respect of our responsibility to report when the directors' statement relating to the parent company's compliance with the Code does not properly disclose a departure from a relevant provision of the Code specified under the Listing Rules for review by the auditors.

Independent Auditor's Report to the Members of Volution Group Plc continued

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they 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 parent 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 parent company or to cease operations, or have no realistic alternative but to do so.

Auditors' 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 auditors' 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.

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.

Based on our understanding of the group and industry, we identified that the principal risks of non-compliance with laws and regulations related to health and safety regulations, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as tax regulations, London Stock Exchange Listing Rules and the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to inappropriate manipulation of reported results through posting of fraudulent journals and management bias in accounting estimates. The group engagement team shared this risk assessment with the component auditors so that they could include appropriate audit procedures in response to such risks in their work. Audit procedures performed by the group engagement team and/or component auditors included:

- Enquiry with management, internal audit and Audit Committee regarding any litigations or claims from non-compliance with laws and regulation and whether there were any known or suspected instances of fraud;
- Review of internal audit reports and board meeting minutes for any instances of known or suspected non-compliance with laws and regulation and fraud;
- Reviewing financial statement disclosures against specific legal requirements and relevant legislation;
- Review of any employment disputes or litigation to ensure there were no broader non-compliance issues with employment laws and regulations;
- Challenging the assumptions and judgements made by management in determining their significant accounting estimates; and
- Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations, including significant transactions outside the normal course of business, and evaluating their business rationale.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

Our audit testing might include testing complete populations of certain transactions and balances, possibly using data auditing techniques. However, it typically involves selecting a limited number of items for testing, rather than testing complete populations. We will often seek to target particular items for testing based on their size or risk characteristics. In other cases, we will use audit sampling to enable us to draw a conclusion about the population from which the sample is selected.

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 auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the parent company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Independent Auditor's Report to the Members of Volution Group Plc continued

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the parent company financial statements and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Appointment

We were first appointed by the parent company for the financial year ended 31 July 2024. Our uninterrupted engagement covers three financial years.

Other matter

The company is required by the Financial Conduct Authority Disclosure Guidance and Transparency Rules to include these financial statements in an annual financial report prepared under the structured digital format required by DTR 4.1.15R – 4.1.18R and filed on the National Storage Mechanism of the Financial Conduct Authority. This auditors' report provides no assurance over whether the structured digital format annual financial report has been prepared in accordance with those requirements.

Simon Bailey (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
7 October 2026

Consolidated Statement of Comprehensive Income

For the year ended 31 July 2026

	Notes	2026 £m	2025 £m
Revenue from contracts with customers	3	**484.8**	419.1
Cost of sales		**(235.6)**	(213.5)
Gross profit		**249.2**	205.6
Administrative and distribution expenses		**(150.8)**	(130.5)
Operating profit before separately disclosed items	7	**98.4**	75.1
Costs of business combinations		**(1.1)**	(3.1)
Fair value movement in contingent consideration	21	**(1.4)**	(4.7)
Operating profit		**95.9**	67.3
Finance income	5	**0.6**	0.3
Finance costs	5	**(13.6)**	(9.4)
Re-measurement of financial liabilities	21	**–**	(0.5)
Unwinding of discounting on future consideration	21	**(0.8)**	(3.2)
Profit before taxation		**82.1**	54.5
Taxation	9	**(19.6)**	(13.0)
Profit for the year		**62.5**	41.5
Other comprehensive gain			
Other comprehensive gain that may be reclassified to profit or loss in subsequent periods:			
Exchange differences arising on translation of foreign operations		**8.7**	(3.0)
(Loss)/gain on currency loans relating to the net investment in foreign operations		**(8.0)**	3.2
Other comprehensive gain for the year		**0.7**	0.2
Total comprehensive income for the year, net of tax		**63.2**	41.7
Earnings per share			
Basic earnings per share	10	**31.5p**	21.0p
Diluted earnings per share	10	**31.1p**	20.7p

Consolidated Statement of Financial Position

At 31 July 2026

	Notes	2026 £m	2025 restated £m
ASSETS			
Non-current assets			
Property, plant and equipment	11	36.4	34.0
Right-of-use assets	20	50.2	39.9
Intangible assets – goodwill	12	290.4	235.8
Intangible assets – other	14	155.9	125.2
Total non-current assets		532.9	434.9
Current assets			
Inventories	16	80.9	71.3
Trade and other receivables	17	81.5	77.5
Income tax asset		0.8	–
Cash and short-term deposits	18	21.9	18.7
Total current assets		185.1	167.5
Total assets		718.0	602.4
LIABILITIES			
Current liabilities			
Trade and other payables	19	(79.6)	(71.7)
Refund liabilities	3	(13.3)	(12.9)
Income tax liabilities		(5.7)	(2.3)
Other financial liabilities	21	(4.0)	(31.6)
Lease liabilities	20	(6.8)	(6.4)
Interest-bearing loans and borrowings	22	(0.2)	–
Provisions	23	(2.9)	(2.1)
Total current liabilities		(112.5)	(127.0)
Non-current liabilities			
Other financial liabilities	21	(10.0)	(1.5)
Lease liabilities	20	(44.8)	(33.3)
Interest-bearing loans and borrowings	22	(204.7)	(143.7)
Provisions	23	(0.7)	(0.7)
Deferred tax liabilities	25	(35.5)	(26.2)
Total non-current liabilities		(295.7)	(205.4)
Total liabilities		(408.2)	(332.4)
Net assets		309.8	270.0
Equity			
Share capital	24	2.0	2.0
Share premium	24	11.5	11.5
Treasury shares		(8.2)	(7.4)
Capital reserve		93.9	93.9
Share-based payment reserve		6.2	6.4
Foreign currency translation reserve		(5.3)	(6.0)
Retained earnings		209.7	169.6
Total equity		309.8	270.0

The consolidated financial statements of Volution Group plc (registered number: 09041571) on pages 145 to 178 were approved by the Board of Directors and authorised for issue on 7 October 2026.

On behalf of the Board

Ronnie George
Chief Executive Officer
7 October 2026

Andy O'Brien
Chief Financial Officer
7 October 2026

Consolidated Statement of Changes in Equity

For the year ended 31 July 2026

	Share capital £m	Share premium £m	Treasury shares £m	Capital reserve £m	Share-based payment reserve £m	Foreign currency translation reserve £m	Retained earnings £m	Total equity £m
At 1 August 2024 as audited	2.0	11.5	(2.3)	93.9	5.4	(6.2)	141.7	246.0
Impact of accounting policy change (note 1)	–	–	(4.4)	–	–	–	4.4	–
At 1 August 2024 as restated	2.0	11.5	(6.7)	93.9	5.4	(6.2)	146.1	246.0
Profit for the year	–	–	–	–	–	–	41.5	41.5
Other comprehensive gain	–	–	–	–	–	0.2	–	0.2
Total comprehensive income	–	–	–	–	–	0.2	41.5	41.7
Correction to IFRS 16 lease transition*	–	–	–	–	–	–	0.9	0.9
Purchase of own shares	–	–	(3.0)	–	–	–	–	(3.0)
Vesting of share options	–	–	2.3	–	(1.7)	–	0.1	0.7
Share-based payment including tax	–	–	–	–	2.7	–	–	2.7
Dividends paid (note 26)	–	–	–	–	–	–	(19.0)	(19.0)
At 31 July 2025 as restated	2.0	11.5	(7.4)	93.9	6.4	(6.0)	169.6	270.0
Profit for the year	–	–	–	–	–	–	**62.5**	**62.5**
Other comprehensive gain	–	–	–	–	–	**0.7**	–	**0.7**
Total comprehensive income	–	–	–	–	–	**0.7**	**62.5**	**63.2**
Purchase of own shares	–	–	**(2.4)**	–	–	–	–	**(2.4)**
Vesting of share options	–	–	**1.6**	–	**(1.5)**	–	**0.2**	**0.3**
Share-based payment including tax	–	–	–	–	**1.3**	–	–	**1.3**
Dividends paid (note 26)	–	–	–	–	–	–	**(22.6)**	**(22.6)**
At 31 July 2026	**2.0**	**11.5**	**(8.2)**	**93.9**	**6.2**	**(5.3)**	**209.7**	**309.8**

* The IFRS 16 item above relates to the correction of an immaterial error identified in the value of lease liabilities and corresponding retained earnings adjustment recognised on transition to IFRS 16.

Consolidated Statement of Cash Flows

For the year ended 31 July 2026

	Notes	2026 £m	2025 £m
Operating activities			
Profit for the year after tax		62.5	41.5
Adjustments to reconcile profit for the year to net cash flow from operating activities:			
Income tax		19.6	13.0
Gain/(loss) on disposal of property, plant and equipment and intangible assets – other		0.1	(0.2)
Amortisation of acquired inventory fair value adjustment		0.6	7.1
Fair value movement in contingent consideration	21	1.4	4.7
Re-measurement of financial liabilities	21	–	0.5
Unwinding of discounting on future consideration	21	0.8	3.2
Finance income	5	(0.6)	(0.3)
Finance costs	5	13.6	9.4
Share-based payment expense	31	1.9	2.2
Depreciation of property, plant and equipment	11	5.6	4.7
Depreciation of right-of-use assets	20	7.9	6.1
Amortisation of intangible assets	14	15.6	13.5
Working capital adjustments net of the effect of acquisitions:			
Decrease/(increase) in trade receivables and other assets		1.1	(7.2)
(Increase)/decrease in inventories		(4.6)	6.1
Amortisation of acquired inventory fair value adjustment		(0.6)	(7.0)
Increase in trade and other payables		4.4	12.0
Increase in provisions		0.5	0.4
Cash generated by operations		129.8	109.7
UK income tax paid		(5.5)	(5.5)
Overseas income tax paid		(16.7)	(14.6)
Payment of ERI contingent consideration		–	(4.6)
Net cash flow generated from operating activities		107.6	85.0

	Notes	2026 £m	2025 £m
Investing activities			
Purchase of intangible assets	14	(1.9)	(2.0)
Purchase of property, plant and equipment	11	(6.6)	(6.6)
Proceeds from disposal of property, plant and equipment and intangible assets – other		0.4	0.4
Business combination of subsidiaries, net of cash acquired	15	(75.8)	(107.4)
Payment of Fantech deferred consideration	15	(29.6)	–
Interest received		0.4	0.3
Net cash flow used in investing activities		(113.1)	(115.3)
Financing activities			
Repayment of interest-bearing loans and borrowings		(69.0)	(100.7)
Repayment of debt acquired		(0.3)	(0.2)
Repayment of ClimaRad vendor loan		–	(9.5)
Consideration paid for ClimaRad non-controlling interest		–	(20.9)
Proceeds from new borrowings		122.4	198.8
Issue costs of new borrowings		(0.7)	(1.8)
Interest paid		(12.1)	(8.0)
Payment of principal portion of lease liabilities		(7.0)	(5.9)
Dividends paid to equity holders of the parent	26	(22.6)	(19.0)
Purchase of own shares		(2.4)	(2.3)
Net cash flow generated from financing activities		8.3	30.5
Net increase in cash and cash equivalents		2.8	0.2
Cash and cash equivalents at the start of the year		18.7	18.2
Effect of exchange rates on cash and cash equivalents		0.4	0.3
Cash and cash equivalents at the end of the year	18	21.9	18.7

Volution Group plc (the Company) is a public limited company and is incorporated and domiciled in the UK (registered number: 09041571). The share capital of the Company is listed on the London Stock Exchange. The address of its registered office is Fleming Way, Crawley, West Sussex RH10 9YX.

Notes to the Consolidated Financial Statements

For the year ended 31 July 2026

1. Accounting policies

Basis of preparation

The Group's consolidated financial statements have been prepared in accordance with UK-adopted international accounting standards (UK-adopted IAS) and with the requirements of the Companies Act 2006 as applicable to companies reporting under those standards.

The consolidated financial statements have been prepared under the historical cost convention, except for business combinations, other financial liabilities, share based payments, and derivative financial instruments measured at fair value, as referred to in the respective accounting policies below. The consolidated financial statements are presented in GBP, being the functional currency of the parent company. All values are rounded to the nearest 0.1 million (£0.0), except as otherwise indicated.

Change in accounting policy

The accounting policy for treasury shares has been revised to transfer amounts out of the treasury share reserve on exercise rather than on vesting which the Group believes provides users with more relevant information. The only impact of this accounting policy change is within reserves, and the classification of balances between treasury shares and retained earnings. The full impact can be seen in the consolidated statement of changes in equity from 1 August 2024.

Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 31 July 2026. 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 power over the investee.

The Group re-assesses whether or not it controls an investee if there are changes to the facts and circumstances that indicate there are changes to one or more of the three elements of control. The financial statements of subsidiaries are prepared for the same reporting periods using consistent accounting policies. All intercompany transactions and balances, including unrealised profits arising from intra-group transactions, have been eliminated on consolidation.

Going concern

The financial position of the Group, its cash flows and liquidity position are set out in the financial statements. Furthermore, note 27 to the consolidated financial statements includes the Group's objectives and policies for managing its capital, its financial risk management objectives, details of its financial instruments and its exposure to credit and liquidity risk.

The financial statements have been prepared on a going concern basis. In adopting the going concern basis, the Directors have considered external factors, including potential scenarios arising from the political and macroeconomic uncertainty that has arisen in recent years, most recently from the conflict involving Iran and America in the Middle East, and from the Group's other principal risks set out on pages 44 to 52. Under a severe but plausible downside scenario, the Group remains comfortably within its debt facilities and the associated financial covenants within the period of assessment to 31 January 2028. The Directors therefore believe, at the time of approving the financial statements, that the Company is well placed to manage its business risks successfully and remains a going concern. The key facts and assumptions in reaching this determination are summarised below.

Our financial position remains robust, with the new debt facilities of £340 million and an accordion of a further £150 million, both maturing in September 2029. The financial covenants on these facilities are for leverage (net debt/adjusted EBITDA) of not more than 3x and for interest cover (adjusted EBITDA/net finance charges) of not less than 4x. As at 31 July 2026, leverage was 1.5 (31 July 2025: 1.2) and interest cover was 10.8 (31 July 2025: 13.6).

Our base case scenario has been prepared using robust forecasts from each of our operating companies, with each considering the risks and opportunities the businesses face.

We have then applied a severe but plausible downside scenario, based on a more severe downturn than seen during the financial crisis and Covid-19 pandemic, in order to model the potential concurrent impact of:

- a general economic slowdown reducing revenue by 15% compared with forecast, with a corresponding reduction in variable cost base; and
- supply chain difficulties or input price increases reducing gross profit margin by 10%.

A reverse stress test scenario has also been modelled which shows a revenue contraction of c.19% against the base case with no mitigations would be required to breach covenants. The likelihood of this scenario occurring is considered extremely remote. Mitigations available within the control of management include reducing discretionary capex and discretionary indirect costs.

Over the short period of our climate change assessment (aligned to our going concern assessment), we have concluded that there is no material adverse impact of climate change and hence have not included any impacts in either our base case or downside scenarios of our going concern assessment. We have not experienced material adverse disruption during periods of adverse or extreme weather in recent years, and we would not expect this to occur to a material level over the period of our going concern assessment.

The Directors have concluded that the results of the scenario testing, combined with the significant liquidity profile available under the revolving credit facility, confirm that the Group remains a going concern.

Foreign currencies

For the purpose of presenting consolidated financial information, the assets and liabilities of the Group's foreign operations are expressed in GBP using exchange rates prevailing at the end of the reporting period. Income and expenses are translated at the average exchange rate for the period. Exchange differences arising are classified as other comprehensive income and are allocated to the foreign currency translation reserve. All other translation differences are taken to profit and loss with the exception of differences on foreign currency borrowings to the extent that they are used to finance or provide a hedge against Group equity investments in foreign operations, in which case they are taken to other comprehensive income together with the exchange difference on the net investment in these operations.

Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group's accounting policies, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources.

Notes to the Consolidated Financial Statements continued

For the year ended 31 July 2026

1. Accounting policies continued

Critical accounting judgements and key sources of estimation uncertainty continued

The key judgement, apart from any involving estimations, that has the most significant effect on the amounts recognised in the financial statements is the identification of the Group's cash generating units (CGUs) and the grouping of those CGUs for goodwill impairment testing purposes. This judgement could have a significant impact on the carrying value of goodwill and other intangible assets in the financial statements. Hence, the Directors have concluded that this is a key judgement under the scope of paragraph 122 of IAS 1. Further details can be found in note 13 (impairment assessment of goodwill).

Valuation of ACI acquisition – customer relationships intangible and contingent consideration financial liability

The material estimates relevant to the current financial year relate to inputs into the valuation of ACI acquired customer relationships intangibles at acquisition date and contingent consideration liability. Reasonably possible changes to key estimates in the valuation of these assets would have a material impact on the carrying value of acquired customer relationships and hence the Directors have concluded that this is a material accounting estimate. Further details can be found in note 15 (business combinations) and note 21 (other financial liabilities).

The Directors have concluded that there are no additional major sources of estimation uncertainty that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Other judgements and estimates, which the Directors do not believe to be critical accounting judgements or key sources of estimation uncertainty under the scope of paragraph 122 or 125 of IAS 1, but for which additional disclosures have been made in the relevant notes, include estimates and assumptions made related to: impairment assessment of goodwill (note 13), and assumptions relating to future performance of recent acquisitions in the valuation of various contingent financial liabilities (excluding ACI) (note 21).

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Separately disclosed items

The Group discloses some items on the face of the consolidated statement of comprehensive income by virtue of their nature, size or incidence to allow a better understanding of the underlying trading performance of the Group. These separately disclosed items include, but are not limited to, significant restructuring costs and significant business combination and related integration and earn-out costs.

Revenue from contracts with customers (note 3)

Sale of products

Revenue from the sale of products is recognised at the point in time when control of the asset is transferred to the buyer, usually on the delivery of the goods.

The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated (e.g. warranties and volume rebates). In determining the transaction price for the sale of ventilation products, the Group considers the effects of variable consideration (if any).

Volume rebates

The Group provides retrospective volume rebates to certain customers once the quantity of products purchased during the period exceeds a threshold specified in the contract.

Before including any amount of variable consideration in the transaction price, the Group considers whether the amount of variable consideration is constrained. The Group determined that the estimates of variable consideration are not constrained, other than with respect to volume rebates, based on its historical experience, business forecasts and the current economic conditions. In addition, the uncertainty on the variable consideration will be resolved within a short timeframe.

At the reporting date, the Directors make estimates of the amount of rebate that will become payable by the Group under these agreements; to estimate the variable consideration for the expected future rebates, the Group applies the expected value method for contracts with more than one volume threshold. Where the respective customer has been engaged with the Group for a number of years, historical settlement trends are also used to assist in ensuring an appropriate estimate is recorded at the reporting date and that appropriate internal approvals and reviews take place before rebates are recorded.

The sales rebate provision is recognised within refund liabilities, rather than trade receivables, as a significant proportion of the agreements across the Group do not provide for credit notes to be raised against receivable balances. Rather, cash payment of the rebate amount due is expected. Furthermore, the majority of rebate agreements do not contain a clause which provides a legally enforceable right to offset invoiced amounts.

Installation services

The Group provides installation services that are bundled together with the sale of equipment to a customer.

Contracts for bundled sales of equipment and installation services comprise two performance obligations because the promises to transfer equipment and provide installation services are capable of being distinct and separately identifiable. Accordingly, the Group allocates the transaction price based on an estimate of the relative standalone selling prices of the equipment and the residual approach for installation services.

The Group recognises revenue from installation services at a point in time after the service has been performed; this is because installation of the ventilation equipment is generally over a small timeframe, usually around one to two days.

Contract balances

There are no material contract assets or liabilities included within the statement of financial position, as invoicing closely aligns with point of revenue recognition.

Segmental analysis (note 4)

The method of identifying reporting segments is based on internal management reporting information that is regularly reviewed by the Chief Operating Decision-Maker, which is considered to be the Chief Executive Officer of the Group.

In identifying its operating segments, management follows the Group's market sectors. These are UK, Continental Europe (Nordics and Central Europe) and Australasia.

Notes to the Consolidated Financial Statements continued

For the year ended 31 July 2026

1. Accounting policies continued

Segmental analysis (note 4) continued

The measure of revenue reported to the Chief Operating Decision-Maker to assess performance is total revenue for each operating segment. The measure of profit reported to the Chief Operating Decision-Maker to assess performance is adjusted operating profit (see note 33 for definition) for each operating segment. Gross profit and the analysis below segment profit is additional voluntary information and not 'segment information' prepared in accordance with IFRS 8.

Finance revenue and costs are not allocated to individual operating segments as the underlying instruments are managed on a Group basis.

Total assets and liabilities are not disclosed as this information is not provided by operating segment to the Chief Operating Decision-Maker on a regular basis.

Finance income and costs (note 5)

Net financing costs comprise interest income on funds invested, changes in the fair value of financial instruments and interest expense on borrowings. Interest income and expense is recognised as it accrues in the statement of comprehensive income using the effective interest method.

Staff costs (note 6)

Pension

Contributions to defined contribution schemes are recognised in the statement of comprehensive income in the period they become payable. The cost charged to the statement of comprehensive income of providing retirement pensions for employees represents the amounts paid by the Group to various defined contribution pension schemes operated by the Group in the financial period.

Income tax (note 9)

Current income tax assets and liabilities are measured at the amount expected to be recovered from, or payable to, the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted at the reporting date. The Group's deferred tax policy is disclosed separately later in this note.

Property, plant and equipment (note 11)

Property, plant and equipment is stated at cost, net of accumulated depreciation and impairment losses, if any. Such cost includes the cost of replacing part of the property, plant and equipment; when significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly. All other repair and maintenance costs are recognised in the statement of comprehensive income as incurred.

Depreciation is charged so as to write off the cost or valuation of assets, except freehold land, over their estimated useful lives using the straight-line method.

Tangible assets arising from a business combination are recognised initially at fair value at the date of acquisition.

The estimated useful lives, residual values and depreciation methods are reviewed at each year-end, with the effect of any changes in estimates accounted for on a prospective basis.

The following useful lives are used in the calculation of depreciation:

Freehold buildings	–	30–50 years
Plant and machinery	–	5–10 years
Fixtures, fittings, tools, equipment and vehicles	–	4–10 years

Depreciation is charged to either cost of sales or administrative expenses based on how the asset is used within the business.

Goodwill (note 12)

Goodwill is initially recognised at cost, being the excess of the aggregate of the consideration transferred over the net identifiable assets acquired and liabilities assumed. During the measurement period (12 months from the date of acquisition), adjustments could be made to goodwill as a result of new information relating to events or circumstances relating to the acquisition date.

Following initial recognition, goodwill is measured at cost less any accumulated impairment losses.

Impairment assessment of goodwill (note 13)

Goodwill is required to be tested annually for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount, where the recoverable amount is the higher of the asset's fair value less costs of disposal and value-in-use.

Goodwill acquired through business combinations has been allocated, for impairment testing purposes, to a group of CGUs. These grouped CGUs are the UK, Central Europe, Nordics and Australasia. This is also the level at which management is monitoring the value of goodwill for internal management purposes. The identification of the Group's CGUs used for impairment testing is considered a critical judgement within the scope of paragraph 122 of IAS 1.

The Group's value-in-use calculation is based on a discounted cash flow model.

Intangible assets – other (note 14)

Intangible assets acquired in a business combination

Intangible assets acquired in a business combination are identified and recognised separately from goodwill where they satisfy the definition of an intangible asset and their fair values can be measured reliably. The cost of such intangible assets is their fair value at the business combination date.

The fair value of patents, trademarks and customer base acquired and recognised as part of a business combination is determined using the relief from royalty method or multi-period excess earnings method.

Research and development

Research costs are expensed as incurred. Development expenditure on an individual project is recognised as an intangible asset when the Company can demonstrate: the technical feasibility of completing the intangible asset so that it will be available for use or sale; its intention to complete and its ability to use or sell the asset; how the asset will generate future economic benefits; the availability of resources to complete the asset; and the ability to reliably measure the expenditure during development.

Software costs

Software that is not integral to an item of property, plant or equipment is recognised separately as an intangible asset.

Notes to the Consolidated Financial Statements continued

For the year ended 31 July 2026

1. Accounting policies continued

Intangible assets – other (note 14) continued

Subsequent measurement of intangible assets

Intangible assets with a finite life are amortised on a straight-line basis over their estimated useful lives as follows:

Development costs	10 years
Software costs	5–10 years
Customer base	5–15 years
Trademarks	10–25 years
Patents/technology	5–20 years

The estimated useful life and amortisation methods are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Impairment of other non-current assets excluding goodwill

Assets that are subject to amortisation are reviewed for impairment whenever events or circumstances indicate that the carrying amount may not be recoverable. At each reporting date, the Group completes an assessment of indicators of impairment impacting non-current assets excluding goodwill. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any.

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the CGU to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual CGUs, or otherwise they are allocated to the smallest group of CGUs for which a reasonable and consistent allocation basis can be identified.

Business combinations (note 15)

Business combinations are accounted for using the acquisition method. The cost of the business combination is measured as the aggregate of the consideration transferred, measured at fair value on the date of the business combination. The business combination costs incurred are expensed.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions at the business combination date.

Contingent and/or deferred consideration (note 21) resulting from business combinations is accounted for at fair value at the acquisition date as part of the business combination, and it is subsequently re-measured to fair value at each reporting date, with changes in fair value recognised in profit or loss. The key estimates and assumptions used in determining the discounted cash flows take into consideration the probability of meeting each performance target and a discount factor.

Payment of contingent and deferred consideration is classified in the consolidated statement of cash flows as investing activities up to the value of consideration liability initially recognised on acquisition. To the extent that the payment is greater than the liability value booked at the acquisition date, any excess value is presented within operating cash flows for contingent consideration and within financing cash flows for deferred consideration.

Inventories (note 16)

Inventories are stated at the lower of cost and net realisable value.

The cost of work in progress and finished goods includes the cost of direct raw materials and labour and an appropriate portion of fixed and variable overhead expenses based on normal operating capacity but excludes borrowing costs. The cost of raw materials is purchase cost valued using a first-in, first-out basis.

Finished goods and work in progress inventories acquired as part of business combinations is valued at fair value less cost to sell. Fair value is estimated using a top down method, based on estimated product sales prices, costs to complete and estimated selling/disposal costs.

Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs to sell.

Provisions are made to write down slow-moving, excess and obsolete items to net realisable value, based on an assessment of technological and market developments and on an analysis of historical and projected usage with regard to quantities on hand.

Financial instruments

The Group measures its financial assets either at amortised cost or at fair value through profit and loss, depending on the purpose for which the asset was acquired. Financial assets held at amortised cost include trade and other receivables and cash and cash equivalents. Financial assets held at fair value through profit and loss include in the money forward exchange forward contracts.

The Group measures its financial liabilities either at amortised cost or at fair value through profit and loss, depending on the purpose for which the liability was acquired. Financial liabilities held at amortised costs include trade payables and accruals, lease liabilities, interest bearing bank loans and provisions. Financial liabilities held at fair value through profit and loss include contingent and deferred consideration and out of the money forward exchange contracts.

Trade and other receivables (note 17)

Trade and other receivables are carried at original invoice or contract amount less any provisions for discounts and expected credit losses (ECLs).

The Group applies a simplified approach in calculating ECLs. Receivables are categorised by common risk characteristics that are representative of the customers' abilities to pay all amounts due in accordance with the contractual terms, including number of days past receivable due date. The expected loss rates are calculated using the provision matrix approach. The provision matrix is determined based on historical observed default rates over the expected life of the receivables and is adjusted for forward-looking estimates.

Cash and cash equivalents (note 18)

Cash and short-term deposits comprise cash at banks and in hand and short-term deposits with an original maturity of three months or less. Some regions of the Group have cash pooling arrangements which offsets bank overdrafts against cash balances.

Notes to the Consolidated Financial Statements continued

For the year ended 31 July 2026

1. Accounting policies continued

Trade payables and accruals (note 19)

Trade payables and accruals principally comprise amounts outstanding for trade purchases and ongoing costs. These are recognised at the amounts expected to be paid.

Leases (note 20)

The Group leases a range of assets including property, plant and equipment and vehicles. The Group's lease liabilities are included in interest-bearing loans and borrowings on the statement of financial position.

At the commencement date of the lease, the Group measures lease liabilities 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. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate. Leases are measured to the end of the lease term, including any extension options within Group control, unless it is considered reasonably certain that the lease will be exited at an earlier available break date.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date where the interest rate implicit in the lease is not readily determinable.

Right-of-use assets are measured based on the value of corresponding lease liability, plus any lease payments made at or before the commencement date, less any lease incentives received, any initial direct costs, and any provision for restoration costs.

The carrying amount of lease liabilities and right-of-use assets are re-measured if there is a modification or reassessment of lease terms, including a change in the contractual or assessed lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

Right-of-use assets are depreciated on a straight-line basis over the shorter of their estimated useful life and the lease term.

Freehold buildings	–	up to 20 years
Plant and machinery	–	3–6 years
Fixtures, fittings, tools, equipment and vehicles	–	2–5 years

Depreciation charge is split between cost of sales and administrative expenses based on estimated split of property usage between production and sales and administrative functions.

The Group applies the short-term lease recognition exemption to its short-term leases (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Derivative financial instruments (note 21)

The Group enters into derivative financial instruments to manage its exposure to foreign exchange rate risk. Instruments used are principally foreign exchange forward contracts. No derivative contracts have been designated as hedges for accounting purposes.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently re-measured to their fair value at the reporting date. The resulting gain or loss is immediately recognised in the statement of comprehensive income.

Interest-bearing loans and borrowings (note 22)

Borrowings and other financial liabilities, including loans, are initially measured at fair value, net of transaction costs.

Borrowings and other financial liabilities are subsequently measured at amortised cost using the effective interest method. Finance cost includes the amortisation of initial transaction costs as well as any interest payable while the liability is outstanding.

Provisions for warranties and property dilapidations (note 23)

Provisions for warranties are made with reference to the warranty period, recent trading history and historical warranty claim information, and the view of management as to whether warranty claims are expected.

Dilapidation provisions relate to estimated contractual restoration costs expected to be paid on exit of the lease, discounted to present value.

Deferred tax (note 25)

Deferred tax is recognised on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities and there is an intention to settle the balances on a net basis.

The carrying amount of deferred tax assets is reviewed at each reporting date.

Deferred tax is charged or credited to other comprehensive income if it relates to items that are charged or credited to other comprehensive income. Similarly, deferred tax is charged or credited directly to equity if it relates to items that are credited or charged directly to equity.

Management judgement is required to determine the amount of deferred tax assets that can be recognised, based on the likely timing and level of future taxable profits together with an assessment of the effect of future tax planning strategies. Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws and the amount and timing of future taxable income.

Given the wide range of international business relationships and the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded.

Notes to the Consolidated Financial Statements continued

For the year ended 31 July 2026

1. Accounting policies continued

Dividends paid and proposed (note 26)

Dividends are recognised when they meet the criteria for recognition as a liability or when they are paid.

Share-based payments (note 31)

Equity-settled transactions

The Group enters into equity-settled share-based payment transactions with its employees, in particular as part of the Volution Long-term Incentive Plan.

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using the valuation model detailed within note 31 and incorporates an assessment of relevant performance conditions. The cost is recognised in employee benefits expense (note 6), together with a corresponding increase in equity (share-based payment reserve), over the vesting period in which the service and performance conditions are fulfilled. The amount to be expensed over the vesting period is adjusted at each balance sheet date to reflect the number of awards for which conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that meet the conditions at the vesting date. The impact of the revision of original estimates, if any, is recognised in the income statement with a corresponding adjustment to equity.

Treasury shares

The treasury shares reserve represents the cost of shares in Volution Group plc purchased in the market and held by the Volution Employee Benefit Trust to satisfy obligations under the Group's share incentive schemes. Treasury shares are recognised at cost and deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognised in share premium. Shares are transferred out of treasury share reserve upon exercise of awards under share incentive plans. Previously, shares were transferred out on vesting of awards and the impact of this accounting policy change is presented as an immaterial change in the consolidated statement of changes in equity.

Capital reserve

The capital reserve is the difference in share capital and reserves arising from the use of the pooling of interest method for preparation of the financial statements in 2014. This is a non-distributable reserve.

Share-based payment reserve

The share-based payment reserve is used to recognise the value of equity-settled share-based payments provided to key management personnel, as part of their remuneration. Refer to note 31 for further detail of these plans.

Foreign currency translation reserve

For the purpose of presenting consolidated financial information, the assets and liabilities of the Group's foreign operations are expressed in GBP using exchange rates prevailing at the end of the reporting period. Income and expenses are translated at the average exchange rate for the period. Exchange differences arising are classified as other comprehensive income and are transferred to the foreign currency translation reserve. All other translation differences are taken to profit and loss with the exception of differences on foreign currency borrowings to the extent that they are used to finance or provide a hedge against Group equity investments in foreign operations, in which case they are taken to other comprehensive income together with the exchange difference on the net investment in these operations.

New standards or interpretations

There are no standards or interpretations that have become effective since 1 August 2025 for annual periods beginning on or after 1 January 2025 which have had a material impact on these consolidated financial statements.

At the date of authorisation of these consolidated financial statements, the Group has not early adopted the following new and revised IFRS Standards that have been issued but are not yet effective:

- Amendments to IFRS 9 and IFRS 7 – Amendments to the classification and measurement of financial instruments (effective after 1 January 2026).
- Amendments to IFRS 9 and IFRS 7 – Contracts referencing nature-dependent electricity (effective after 1 January 2026).
- IFRS 18 'Presentation and disclosure in financial statements' (effective after 1 January 2027).

The Directors do not expect that the adoption of the standards listed above will have a material impact on the reported performance measures within the consolidated financial statements of the Group in future periods, other than presentational changes required under IFRS 18, the impact of which is still being assessed. IFRS 18 will impact the presentation of the consolidated primary statements and associated notes; the Directors are in the process of assessing the most appropriate format.

Notes to the Consolidated Financial Statements continued

For the year ended 31 July 2026

2. Adjusted earnings

The Board and key management use some alternative performance measures (APMs) to track and assess the underlying performance of the business. These measures include adjusted operating profit and adjusted profit before tax. These measures are deemed helpful as they remove items that do not reflect the day-to-day trading operations of the business and therefore their exclusion is relevant to an assessment of the day-to-day trading operations, as opposed to overall annual business performance. Such APMs are not defined terms under IFRS and may not be comparable with similar measures disclosed by other companies. Likewise, these measures are not a substitute for IFRS measures of profit. A reconciliation of these measures of performance to the corresponding reported figure is shown below. For definitions of terms referred to, see note 33.

	2026 £m	2025 £m
Profit after tax	**62.5**	41.5
Add back:		
Fair value movement in contingent consideration (note 21)	**1.4**	4.7
Cost of business combinations (note 15)	**1.1**	3.1
Unwinding of discounting on future consideration (note 21)	**0.8**	3.2
Amortisation of acquired inventory fair value adjustment (note 15)	**0.6**	7.1
Net (gain)/loss on financial instruments at fair value (note 5)	**(0.2)**	–
Amortisation of intangible assets acquired through business combinations (note 14)	**13.4**	11.3
Tax effect of the above	**(3.8)**	(5.3)
Adjusted profit after tax	**75.8**	65.6
Add back:		
Adjusted tax charge	**23.4**	18.3
Adjusted profit before tax	**99.2**	83.9
Add back:		
Interest payable on bank loans, lease liabilities and amortisation of financing costs (note 5)	**13.6**	9.4
Re-measurement of financial liabilities (note 21)	**–**	0.5
Other finance income (note 5)	**(0.4)**	(0.3)
Adjusted operating profit	**112.4**	93.5
Add back:		
Depreciation of property, plant and equipment (note 11)	**5.6**	4.7
Depreciation of right-of-use assets (note 20)	**7.9**	6.0
Amortisation of development costs, software and patents (note 14)	**2.2**	2.1
Adjusted EBITDA	**128.1**	106.3

3. Revenue from contracts with customers

Revenue recognised in the statement of comprehensive income is analysed below:

	2026 £m	2025 £m
Sale of goods	**478.6**	414.0
Installation services	**6.2**	5.1
Total revenue from contracts with customers	**484.8**	419.1

Market sectors	2026 £m	2025 £m
UK		
Residential	**117.7**	115.2
Commercial	**27.2**	30.1
Export	**16.9**	15.7
OEM	**14.5**	15.1
Total UK	**176.3**	176.1
Nordics	**52.0**	46.0
Central Europe	**98.3**	90.6
Total Continental Europe	**150.3**	136.6
Residential	**74.5**	62.1
Commercial	**83.7**	44.3
Total Australasia[1]	**158.2**	106.4
Total revenue from contracts with customers	**484.8**	419.1

Refund liabilities	2026 £m	2025 £m
Arising from retrospective volume rebates	**12.8**	12.3
Arising from rights of return	**0.5**	0.6
Refund liabilities	**13.3**	12.9

Note
1. Included in the Australasia revenue is £46.1 million of inorganic revenue from the business combinations of ACI and Fantech (2025: £56.2 million of inorganic revenue from the business combination of Fantech).

Of the total rebates, approximately £5.4 million (2025: £5.6 million) is non-coterminous with the year-end and is based on actual revenue recorded to 31 July 2026 and an estimate of the total revenue for the rebate period.

Notes to the Consolidated Financial Statements continued

For the year ended 31 July 2026

3. Revenue from contracts with customers continued

Geographic information

The Group operates in several geographical locations and sells on to external customers in all parts of the world. No individual country amounts to more than 5% of revenue, other than those noted below.

The following is an analysis of revenue from continuing operations by geographical destination:

Revenue from external customers by customer destination	2026 £m	2025 £m
United Kingdom	153.1	155.1
Netherlands	39.2	32.7
Sweden	25.0	22.3
Australia	119.2	74.6
New Zealand	36.2	31.7
Rest of the world	112.1	102.7
Total revenue from contracts with customers	484.8	419.1

Information about major customers

The annual revenue from no individual customer accounts for more than 10% of Group revenue in either the current or prior year.

4. Segmental analysis

The Group's reportable segments are described below. The segmental regional structure reflects the current internal reporting provided to the Chief Operating Decision-Maker (considered to be the CEO of the Group) on a regular basis.

The segmental results include an allocation of central head office costs, where the costs are attributable to a segment. Costs of running the parent company are reported separately as central costs.

Year ended 31 July 2026	UK £m	Continental Europe £m	Australasia £m	Eliminations/ central costs £m	Total £m
Revenue from contracts with external customers	176.3	150.3	158.2[1]	–	484.8
Cost of sales (excluding amortisation of acquired inventory fair value adjustment)	(83.5)	(69.7)	(81.8)	–	(235.0)
Adjusted gross profit	92.8	80.6	76.4	–	249.8
Adjusted segment EBITDA	55.6	41.1	39.9	(8.5)	128.1
Depreciation and amortisation of development costs, software and patents	(5.7)	(4.6)	(4.8)	(0.6)	(15.7)
Adjusted operating profit/(loss)	49.9	36.5	35.1	(9.1)	112.4
Amortisation of intangible assets acquired through business combinations	(1.8)	(5.4)	(6.2)	–	(13.4)
Amortisation of acquired inventory fair value adjustment	–	–	(0.6)	–	(0.6)
Fair value movement on contingent consideration	–	–	–	(1.4)	(1.4)
Business combination-related operating costs	–	–	–	(1.1)	(1.1)
Operating profit/(loss)	48.1	31.1	28.3	(11.6)	95.9
Unallocated expenses					
Net finance cost	–	–	–	(13.0)	(13.0)
Unwinding of discounting on future consideration	–	–	–	(0.8)	(0.8)
Profit/(loss) before tax	48.1	31.1	28.3	(25.4)	82.1

Notes to the Consolidated Financial Statements continued

For the year ended 31 July 2026

4. Segmental analysis continued

Year ended 31 July 2025	UK £m	Continental Europe £m	Australasia £m	Eliminations/ central costs £m	Total £m
Revenue from contracts with external customers	176.1	136.6	106.4[1]	–	419.1
Cost of sales (excluding amortisation of acquired inventory fair value adjustment)[2]	(86.2)	(63.2)	(57.0)	–	(206.4)
Adjusted gross profit	89.9	73.4	49.4	–	212.7
Adjusted segment EBITDA	50.8	36.8	25.3	(6.6)	106.3
Depreciation and amortisation of development costs, software and patents	(4.9)	(3.9)	(3.4)	(0.6)	(12.8)
Adjusted operating profit/(loss)	45.9	32.9	21.9	(7.2)	93.5
Amortisation of intangible assets acquired through business combinations	(1.9)	(5.6)	(3.8)	–	(11.3)
Amortisation of acquired inventory fair value adjustment	–	–	(7.1)	–	(7.1)
Fair value movement on contingent consideration				(4.7)	(4.7)
Business combination-related operating costs	–	–	–	(3.1)	(3.1)
Operating profit/(loss)	44.0	27.3	11.0	(15.0)	67.3
Unallocated expenses					
Net finance cost	–	–	–	(9.1)	(9.1)
Unwinding of discounting on future consideration	–	–	–	(3.2)	(3.2)
Re-measurement of financial liabilities	–	–	–	(0.5)	(0.5)
Profit/(loss) before tax	44.0	27.3	11.0	(27.8)	54.5

Note
1. Included in the Australasia revenue is £46.1 million of inorganic revenue from the business combinations of ACI and Fantech (2025: £56.2 million of inorganic revenue from the business combination of Fantech).
2. Prior year cost of sales (excluding amortisation of acquired inventory fair value adjustment) has been updated to correct an immaterial misallocation of intercompany cost elimination. The impact is to increase UK costs and decrease Continental Europe costs by £3.3 million.

Non-current asset information

The non-current assets are disclosed below based on the Group's segments:

Non-current assets excluding deferred tax	2026 £m	2025 £m
United Kingdom	**108.9**	111.9
Europe (excluding United Kingdom)	**135.8**	139.5
Australasia	**288.2**	183.5
Total	**532.9**	434.9

5. Finance income and costs

	2026 £m	2025 £m
Finance income		
Net gain on financial instruments at fair value	**0.2**	–
Interest receivable	**0.4**	0.3
Total finance income	**0.6**	0.3
Finance costs		
Interest payable on bank loans	**(10.5)**	(7.4)
Amortisation of finance arrangement costs	**(0.8)**	(0.5)
Lease interest	**(2.1)**	(1.3)
Other interest	**(0.2)**	(0.2)
Total finance costs	**(13.6)**	(9.4)
Net finance costs	**(13.0)**	(9.1)

Notes to the Consolidated Financial Statements continued

For the year ended 31 July 2026

6. Staff costs

Employee costs, including Directors' remuneration, comprise:

	2026 £m	2025 £m
Staff costs		
Wages and salaries	99.1	86.0
Social security costs	11.8	9.3
Defined contribution pension costs	6.9	4.2
Share-based payment charge (see note 31)	1.9	2.2
	119.7	101.7

Total contributions payable in the next financial year are expected to be at rates broadly similar to those in 2025/26 but based on actual salary levels in 2026/27.

Average monthly number of employees in the year

	2026 Number	2025 Number
Production	1,149	1,173
Sales and administration	1,169	820
	2,318	1,993

Directors' remuneration

	2026 £m	2025 £m
Amounts paid in respect of qualifying services		
Directors' remuneration	4.7	4.3
Non-Executive Directors' remuneration	0.5	0.5
Directors' cash payment in lieu of employer's pension contribution	0.1	0.1
Directors' pension scheme contributions	–	–

The number of Directors accruing benefits under Group money purchase pension arrangements was nil (2025: nil).

The aggregate amount of gains made by the Directors on the exercise of share options was £1.8 million (2025: £1.3 million).

7. Other operating expenses

Cost of sales, distribution costs and administrative expenses include the following:

	2026 £m	2025 £m
Cost of sales		
Cost of inventories recognised as expenses	179.4	163.7
Depreciation of property, plant and equipment	3.0	2.7
Depreciation of right-of-use assets	3.9	3.6
Amortisation of intangible assets	0.2	0.2
Administrative and distribution expenses		
Research and development costs	7.1	6.2
Depreciation of property, plant and equipment	2.6	2.0
Depreciation of right-of-use assets	4.0	2.5
Amortisation of intangible assets	15.4	13.3
Net foreign exchange differences	(0.1)	0.2
Loss/(gain) on disposal of property, plant and equipment and intangible assets – other	0.1	(0.2)

8. Auditor's remuneration

The Group paid the following amounts to its Auditor, PwC, and its member firms in respect of the audit of the financial statements and for other services provided to the Group.

	2026 £m	2025 £m
Audit services		
Fees for the audit of the parent and Group financial statements	0.9	0.8
Fees for local statutory audits of subsidiaries	0.1	0.1
Non-audit services		
Fees payable for interim review	0.1	0.1
Total	1.1	1.0

In addition to the above, in 2025, tax compliance services were provided by PwC to Fantech in the 3-month transition window post acquisition. The cost of these services, of £6,000, was borne by the previous owners of Fantech and is therefore not included in the table above.

Notes to the Consolidated Financial Statements continued

For the year ended 31 July 2026

9. Income tax

(a) Income tax charges against profit for the year

	2026 £m	2025 £m
Current income tax		
Current UK income tax expense	10.9	6.6
Current foreign income tax expense	15.6	11.7
Tax credit relating to the prior year	(2.5)	(0.8)
Total current tax	24.0	17.5
Deferred tax		
Origination and reversal of temporary differences	(4.0)	(5.0)
Effect of changes in the tax rate	–	(0.1)
Tax (credit)/charge relating to the prior year	(0.4)	0.6
Total deferred tax	(4.4)	(4.5)
Net tax charge reported in the consolidated statement of comprehensive income	19.6	13.0

(b) Income tax recognised in equity for the year

	2026 £m	2025 £m
Decrease/(increase) in deferred tax asset on share-based payments	0.6	(0.5)
Translation differences	1.3	0.1
Net tax (credit)/charge reported in equity	1.9	(0.4)

(c) Reconciliation of total tax

	2026 £m	2025 £m
Profit before tax	82.1	54.5
Profit before tax multiplied by the standard rate of corporation tax in the UK of 25.00% (2025: 25.00%)	20.5	13.6
Adjustment in respect of previous years	(2.9)	(0.2)
Expenses not deductible for tax purposes	0.9	0.8
Effect of changes in the tax rate	–	(0.1)
Effect of overseas tax rates	0.7	0.9
Patent-related tax relief	–	(0.9)
Share exercise	(1.0)	(1.2)
Other	1.4	0.1
Net tax charge reported in the consolidated statement of comprehensive income	19.6	13.0

Our reported effective tax rate for the period was 23.8% (2025: 23.8%). Our underlying effective tax rate, on adjusted profit before tax, was 23.6% (2025: 21.8%).

The effect of overseas tax rates relates to the Group's profits from subsidiaries which are subject to tax jurisdictions with a blended lower average rate of tax compared with the standard rate of corporation tax in the UK (see note 29 for subsidiary locations).

We expect our medium-term reported effective tax rate to be in the range of 25% to 30% of the Group's reported profit before tax and our underlying effective tax rate to be in the range of 22% to 25% of the Group's adjusted profit before tax.

Enacted UK legislation introduced a global minimum tax rate of 15% via the Multinational Top-up Tax and Domestic Top-up Tax with effect for accounting periods commencing on or after 31 December 2023. These rules apply to groups with consolidated global turnover exceeding €750 million. During the year ended 31 July 2026, the Group's consolidated revenue remained below the €750 million threshold. Management continues to monitor the Group's consolidated revenue levels alongside future legislative developments to evaluate any potential future compliance requirements should the Group exceed the threshold.

Notes to the Consolidated Financial Statements continued

For the year ended 31 July 2026

10. Earnings per share (EPS)

The following reflects the income and share data used in the basic and diluted earnings per share computations:

	2026 £m	2025 £m
Statutory profit attributable to ordinary equity holders	**62.5**	41.5
Adjusted profit attributable to ordinary equity holders	**75.8**	65.6
	Number	Number
Weighted average number of ordinary shares for basic earnings per share	**198,177,865**	197,962,762
Effect of dilution from:		
Share options	**3,032,293**	2,712,502
Weighted average number of ordinary shares for diluted earnings per share	**201,210,158**	200,675,264
Earnings per share		
Basic	**31.5p**	21.0p
Diluted	**31.1p**	20.7p
Adjusted earnings per share		
Basic	**38.2p**	33.1p
Diluted	**37.7p**	32.7p

The weighted average number of ordinary shares has increased as a result of a reduction in the treasury shares held by the Volution Employee Benefit Trust (EBT) during the year (see note 24 for details). The shares are excluded when calculating the reported and adjusted EPS.

Adjusted profit attributable to ordinary equity holders has been reconciled in note 2, Adjusted earnings. See note 33, Glossary of terms, for an explanation of the adjusted basic and diluted earnings per share calculation.

11. Property, plant and equipment

2026	Freehold land and buildings £m	Plant and machinery £m	Fixtures, fittings, tools, equipment and vehicles £m	Total £m
Cost				
At 1 August 2024	18.3	20.7	16.1	55.1
On business combinations	–	0.8	0.6	1.4
Additions	1.2	2.0	3.4	6.6
Transfer from leased assets	–	–	0.5	0.5
Disposals	(0.1)	(0.8)	(2.3)	(3.2)
Net foreign currency exchange differences	0.4	0.2	0.3	0.9
At 31 July 2025	19.8	22.9	18.6	61.3
On business combinations	**–**	**0.6**	**–**	**0.6**
Additions	**0.9**	**3.4**	**2.3**	**6.6**
Transfer from leased assets	**–**	**–**	**2.6**	**2.6**
Disposals	**–**	**(0.3)**	**(0.7)**	**(1.0)**
Net foreign currency exchange differences	**(0.1)**	**(0.3)**	**1.0**	**0.6**
At 31 July 2026	**20.6**	**26.3**	**23.8**	**70.7**
Accumulated depreciation				
At 1 August 2024	5.9	9.5	9.5	24.9
Charge for the year	0.6	1.9	2.2	4.7
Transfer from leased assets	–	–	0.2	0.2
Disposals	(0.1)	(0.7)	(2.2)	(3.0)
Net foreign currency exchange differences	0.1	0.2	0.2	0.5
At 31 July 2025	6.5	10.9	9.9	27.3
Charge for the year	**0.6**	**2.2**	**2.8**	**5.6**
Transfer from leased assets	**–**	**–**	**1.5**	**1.5**
Disposals	**–**	**(0.3)**	**(0.5)**	**(0.8)**
Net foreign currency exchange differences	**–**	**(0.1)**	**0.8**	**0.7**
At 31 July 2026	**7.1**	**12.7**	**14.5**	**34.3**
Net book value				
At 31 July 2025	13.3	12.0	8.7	34.0
At 31 July 2026	**13.5**	**13.6**	**9.3**	**36.4**

Notes to the Consolidated Financial Statements continued

For the year ended 31 July 2026

12. Intangible assets – goodwill

Goodwill	£m
Cost and net book value	
At 1 August 2024	171.4
On the business combination of Fantech	66.6
Net foreign currency exchange differences	(2.2)
At 31 July 2025	235.8
On the business combination of ACI	**49.4**
Net foreign currency exchange differences	**5.2**
At 31 July 2026	**290.4**

13. Impairment assessment of goodwill

31 July 2026	UK £m	Nordics £m	Central Europe £m	Australasia £m
Carrying value of goodwill	**61.0**	**19.0**	**63.5**	**146.9**
CGU value-in-use headroom[1]	**345.3**	**119.4**	**108.7**	**80.5**

31 July 2025	UK £m	Nordics £m	Central Europe £m	Australasia £m
Carrying value of goodwill	61.0	19.0	64.3	91.5
CGU value-in-use headroom[1]	332.9	115.0	104.4	45.0

Note:
1. Headroom is shown at the date of impairment testing, and is calculated by comparing the value-in-use of a group of CGUs with the carrying amount of its asset, which includes the net book value of fixed assets (tangible and intangible), goodwill and operating working capital (current assets and liabilities).

Impairment review

Under IAS 36 'Impairment of assets', the Group is required to complete an impairment review of goodwill at least annually. The recoverable amounts for each CGU group are based on value-in-use, which has been derived from discounted cash flow (DCF) calculations.

The value-in-use headroom for each CGU group has been set out above; in all CGUs, it was concluded that the value in use was in excess of the carrying amount and all CGUs had positive headroom.

When assessing for impairment of goodwill, we have considered the impact of climate change, particularly in the context of the risks and opportunities identified on pages 70 to 71 of the Annual Report. We have not identified any material short-term and medium-term impacts from climate change that would impact the carrying value of goodwill. Over the long term, the risks and opportunities are more uncertain, and we will continue to assess these risks at each reporting period.

Assumptions in the value-in-use calculation

The calculation of value-in-use for all CGUs is most sensitive to the following assumptions:

- Cash flow projections based on financial budgets approved by the Board covering the next financial period.
- Cash flows beyond the budget period are extrapolated over years 2–5 using specific growth rates. Growth rates for each of the CGU groups are based on historical growth rates, market expectations and the stated Group strategic goals.
- Long-term growth rates of 2% (2025: 2%) for all CGUs have been applied to the period beyond which budgets and forecasts do not exist, based on historical macroeconomic performance and projections for the geographies in which the CGUs operate.
- Discount rates are calculated based on the CGU weighted average cost of capital and reflect the current market assessment of the risks specific to each operation. The pre-tax discount rates used for each CGU are:
  - UK: 13.9% (2025: 13.5%);
  - Nordics: 11.8% (2025: 11.3%);
  - Central Europe: 13.6% (2025: 13.4%); and
  - Australasia: 14.7% (2025: 14.3%).

We have tested the sensitivity of our headroom calculations in relation to the above assumptions, including severe performance downside scenarios aligned with the Group going concern assessment, and the Group does not consider that reasonably possible changes in these assumptions could cause the carrying value of the CGUs to materially exceed their recoverable value.

Notes to the Consolidated Financial Statements continued

For the year ended 31 July 2026

14. Intangible assets – other

2026	Development costs £m	Software costs £m	Customer base £m	Trademarks £m	Patents/ technology £m	Other £m	Total £m
Cost							
At 1 August 2024	14.0	10.8	162.2	59.5	3.4	1.0	250.9
Additions	1.5	0.5	–	–	–	–	2.0
On business combinations	–	–	41.1	21.6	–	–	62.7
Disposals	–	(0.8)	–	–	–	(1.0)	(1.8)
Net foreign currency exchange differences	0.3	0.1	(0.7)	(0.5)	0.1	–	(0.7)
At 31 July 2025	15.8	10.6	202.6	80.6	3.5	–	313.1
Additions	**1.4**	**0.5**	**–**	**–**	**–**	**–**	**1.9**
On business combinations	**–**	**–**	**33.6**	**5.7**	**0.4**	**–**	**39.7**
Disposals	**(0.3)**	**–**	**–**	**(1.6)**	**–**	**–**	**(1.9)**
Net foreign currency exchange differences	**–**	**0.6**	**1.6**	**1.4**	**–**	**–**	**3.6**
At 31 July 2026	**16.9**	**11.7**	**237.8**	**86.1**	**3.9**	**–**	**356.4**
Accumulated amortisation							
At 1 August 2024	3.9	8.3	133.0	25.4	2.6	1.0	174.2
Charge for the year	1.1	1.1	7.4	3.7	0.2	–	13.5
Disposals	(0.1)	(0.7)	–	–	–	(1.0)	(1.8)
Net foreign currency exchange differences	0.5	0.1	1.1	0.3	–	–	2.0
At 31 July 2025	5.4	8.8	141.5	29.4	2.8	–	187.9
Charge for the year	**1.3**	**0.9**	**9.5**	**3.7**	**0.2**	**–**	**15.6**
Disposals	**–**	**–**	**–**	**(1.6)**	**–**	**–**	**(1.6)**
Net foreign currency exchange differences	**0.1**	**0.6**	**(2.1)**	**–**	**–**	**–**	**(1.4)**
At 31 July 2026	**6.8**	**10.3**	**148.9**	**31.5**	**3.0**	**–**	**200.5**
Net book value							
At 31 July 2025	10.4	1.8	61.1	51.2	0.7	–	125.2
At 31 July 2026	**10.1**	**1.4**	**88.9**	**54.6**	**0.9**	**–**	**155.9**

Notes to the Consolidated Financial Statements continued

For the year ended 31 July 2026

14. Intangible assets – other continued

The Group has the following individually material intangible assets with definite useful lives:

	Carrying amount 2026 £m	Remaining amortisation period 2026 Years
Customer base		
ERI	6.6	5
ACI	33.5	15
Fantech	37.2	13
Trademark		
ACI	5.8	25
Volution Holdings Limited and its subsidiaries	9.1	11
Fantech	20.5	23

15. Business combinations

Business combinations in the year ended 31 July 2026

AC Industries

On 2 February 2026, Volution Group acquired AC Industries ('ACI'), a leading manufacturer and supplier of underground ducting ventilation systems in Australia and overseas markets. The acquisition of ACI is in line with the Group's strategy to grow by selectively acquiring value-adding businesses in new and existing markets and geographies.

Total consideration for the purchase of ACI is valued at AUD 167.6 million (£84.8 million). Initial consideration was AUD 152.5 million (£77.1 million), inclusive of working capital adjustments, on a debt-free, cash-free basis. Further contingent consideration of up to AUD 28.9 million (£14.7 million) is payable based on performance of the business for the year ending 31 July 2027 and the year ending 31 July 2029, valued and discounted to present value at acquisition, based on estimated performance at AUD 15.1 million (£7.7 million). Refer to note 21 for further details on the valuation inputs and sensitivities relevant to the acquisition and year-end valuation of this contingent consideration.

Transaction costs relating to professional fees associated with the business combination in the period ended 31 July 2026 were £1.0 million and have been expensed as cost of business combinations separately disclosed on the face of the consolidated statement of comprehensive income above operating profit.

The fair values of the acquired assets and liabilities recognised in our financial statements are provisional, as they are based on the information available at the acquisition date; adjustments may be required if additional relevant information becomes available within the measurement period, which extends up to 12 months from the acquisition date.

The fair value of the net assets acquired is set out below:

	Book value £m	Fair value adjustments £m	Fair value £m
Intangible assets	0.4	39.3	39.7
Property, plant and equipment	0.6	–	0.6
Right-of-use assets	8.6	0.7	9.3
Inventory	3.5	0.6	4.1
Trade and other receivables	4.4	–	4.4
Trade and other payables	(2.0)	–	(2.0)
Lease liabilities	(8.5)	(0.7)	(9.2)
Income tax	(0.4)	–	(0.4)
Provisions	(0.2)	–	(0.2)
Deferred tax	–	(12.0)	(12.0)
Debt	(0.2)	–	(0.2)
Cash and cash equivalents	1.3	–	1.3
Total identifiable net assets			35.4
Goodwill on the business combination			49.4
Discharged by:			
Cash consideration			77.1
Contingent consideration			7.7

Goodwill of £49.4 million reflects certain intangibles that cannot be individually separated and reliably measured due to their nature. These items include the value of expected synergies arising from the business combination and the experience and skill of the acquired workforce.

The fair value of the acquired trademarks and customer relationships was identified and included in intangible assets.

Assumptions in the intangibles valuation calculation

The valuation of ACI acquired intangible assets involved a number of estimates and assumptions. Customer relationships were valued using the multi-period excess earnings method and trademarks using a relief from royalty method. These estimates are inherently uncertain and changes in assumptions used in the valuation of customer relationships could materially impact the carrying values of intangible assets, goodwill and amortisation expenses.

Key inputs where reasonably possible changes would materially impact the valuation of ACI customer relationships intangible asset are:

- business forecasts, including expected revenue and profit growth rates; and
- attrition rate 6.7%.

Notes to the Consolidated Financial Statements continued

For the year ended 31 July 2026

15. Business combinations continued

AC Industries continued

An increase of 1% to the attrition rate would decrease the customer relationships asset valuation by £2.8 million; a decrease of 1% would increase the value by £3.1 million. Restricting forecast growth to the minimum growth and profit scenario would reduce the value of the asset by £3.8 million. Combining a reduction in forecast performance with an increase in attrition rate would reduce the value of the asset by £6.3 million.

All of the trade receivables are expected to be collected in full.

ACI generated revenue of £15.3 million and generated a profit before tax of £4.7 million in the period from acquisition to 31 July 2026.

If the combination had taken place at 1 August 2025, the Group's revenue would have been £13.3 million higher and profit before tax from continuing operations would have been £4.2 million higher than reported.

Business combination cash outflows

Cash outflows arising from completed acquisitions are as follows:

	2026 £m	2025 £m
ACI		
Cash consideration	77.1	–
Less cash acquired with the business	(1.3)	–
Fantech		
Deferred consideration	29.6	–
Cash consideration	–	112.7
Less cash acquired with the business	–	(5.3)
ClimaRad		
Contingent consideration	–	20.9
ERI		
Contingent consideration	–	4.6
Total	105.4	132.9

Cash outflows arising from cost of business combinations are as follows:

	2026 £m	2025 £m
ACI	1.0	–
Fantech	–	2.4
ClimaRad	–	0.1
Other potential or aborted business combinations	0.1	0.6
Total	1.1	3.1

16. Inventories

	2026 £m	2025 £m
Raw materials and consumables	29.0	25.3
Work in progress	3.1	2.4
Finished goods and goods for resale	48.8	43.6
	80.9	71.3

During 2026, £1.6 million (2025: £1.5 million) was recognised as cost of sales for inventories written off in the year.

Inventories are stated net of an allowance for excess, obsolete or slow-moving items, which totalled £8.5 million (2025: £8.6 million). This provision was split amongst the three categories: £5.4 million (2025: £5.7 million) for raw materials and consumables; £0.2 million (2025: £0.2 million) for work in progress; and £2.9 million (2025: £2.7 million) for finished goods and goods for resale.

17. Trade and other receivables

	2026 £m	2025 £m
Trade receivables	73.5	68.6
Allowance for expected credit loss	(0.5)	(0.4)
	73.0	68.2
Other debtors	2.8	2.1
Prepayments	5.7	7.2
Total	81.5	77.5

Movement in the allowance for expected credit losses is set out below:

	2026 £m	2025 £m
At the start of the year	(0.4)	(0.5)
On business combinations	–	(0.1)
(Charge)/credit for the year	(0.1)	0.2
Amounts utilised	0.1	–
Foreign currency adjustment	(0.1)	–
At the end of the year	(0.5)	(0.4)

Notes to the Consolidated Financial Statements continued

For the year ended 31 July 2026

17. Trade and other receivables continued

Net trade receivables are aged as follows:

	2026 £m	2025 £m
Current	62.2	58.1
Past due		
Overdue 0–30 days	9.3	8.0
Overdue 31–60 days	1.0	1.2
Overdue 61–90 days	0.2	0.2
Overdue more than 90 days	0.3	0.7
Total	73.0	68.2

The credit quality of trade receivables that are neither past due nor impaired is assessed by reference to external credit ratings where available; otherwise, historical information relating to counterparty default rates are used. The Group continually assesses the recoverability of trade receivables and the level of provisioning required.

Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days.

Gross trade receivables are denominated in the following currencies:

	2026 £m	2025 £m
Sterling	27.7	28.0
Euro	12.7	12.1
Swedish Krona	3.2	3.3
New Zealand Dollar	4.3	4.6
Australian Dollar	23.7	18.1
Other	1.9	2.5
Total	73.5	68.6

18. Cash and cash equivalents

	2026 £m	2025 £m
Cash and cash equivalents	21.9	18.7

Cash and cash equivalents are denominated in the following currencies:

	2026 £m	2025 £m
Sterling	3.6	4.1
Australian Dollar	5.8	2.7
Euro	8.3	7.8
US Dollar	3.0	2.9
Swedish Krona	(2.8)	(4.1)
New Zealand Dollar	2.1	2.2
Other	1.9	3.1
Total	21.9	18.7

The Swedish Krona overdraft balance above is presented within the cash balance as it is offset by other currency balances within the same entity under a master pooling arrangement.

19. Trade and other payables

	2026 £m	2025 £m
Trade payables	41.4	39.8
Social security and staff welfare costs	2.3	2.0
Sales tax payable	6.1	5.8
Accrued expenses and advance payments	29.8	24.1
Total	79.6	71.7

Trade payables are non-interest bearing and are normally settled on 60-day terms.

Notes to the Consolidated Financial Statements continued

For the year ended 31 July 2026

20. Leases

Right-of-use assets 2026	Land and buildings £m	Fixtures, fittings, tools, equipment and vehicles £m	Total £m
Cost			
At 1 August 2024	35.1	4.7	39.8
Additions	1.7	1.2	2.9
On business combinations	12.1	0.7	12.8
Modifications and other	6.6	–	6.6
Expiration and disposal of leases	(5.3)	(0.4)	(5.7)
Transferred to owned assets	–	(0.5)	(0.5)
Net foreign currency exchange differences	(0.6)	–	(0.6)
At 31 July 2025	49.6	5.7	55.3
Additions	**2.3**	**1.1**	**3.4**
On business combinations	**9.2**	**0.1**	**9.3**
Modifications and other	**5.7**	**–**	**5.7**
Expiration and disposal of leases	**(1.4)**	**(0.3)**	**(1.7)**
Transferred to owned assets	**–**	**(2.8)**	**(2.8)**
Net foreign currency exchange differences	**1.3**	**0.2**	**1.5**
At 31 July 2026	**66.7**	**4.0**	**70.7**
Accumulated depreciation			
At 1 August 2024	12.7	2.2	14.9
Charge for the period	5.0	1.1	6.1
Expiration and disposal of leases	(4.9)	(0.3)	(5.2)
Transferred to owned assets	–	(0.2)	(0.2)
Net foreign currency exchange differences	(0.2)	–	(0.2)
At 31 July 2025	12.6	2.8	15.4
Charge for the period	**6.9**	**1.0**	**7.9**
Expiration and disposal of leases	**(1.2)**	**(0.2)**	**(1.4)**
Transferred to owned assets	**–**	**(1.7)**	**(1.7)**
Net foreign currency exchange differences	**0.4**	**(0.1)**	**0.3**
At 31 July 2026	**18.7**	**1.8**	**20.5**
Net book value			
At 31 July 2025	37.0	2.9	39.9
At 31 July 2026	**48.0**	**2.2**	**50.2**

Lease liabilities 2026	Land and buildings £m	Fixtures, fittings, tools, equipment and vehicles £m	Total £m
At 1 August 2024	24.5	1.4	25.9
Additions	1.7	1.1	2.8
On business combinations	12.1	0.9	13.0
Modifications and other	4.5	–	4.5
Disposal	(0.3)	–	(0.3)
Interest expense	1.2	0.1	1.3
Lease payments	(5.8)	(1.4)	(7.2)
Foreign exchange movements	(0.4)	0.1	(0.3)
At 31 July 2025	37.5	2.2	39.7
Additions	**2.1**	**1.1**	**3.2**
On business combinations	**9.2**	**–**	**9.2**
Modifications and other	**5.7**	**–**	**5.7**
Disposal	**(0.1)**	**–**	**(0.1)**
Interest expense	**2.0**	**0.1**	**2.1**
Lease payments	**(7.5)**	**(1.6)**	**(9.1)**
Foreign exchange movements	**0.8**	**0.1**	**0.9**
At 31 July 2026	**49.7**	**1.9**	**51.6**
Analysis			
Current	5.4	1.0	6.4
Non-current	32.1	1.2	33.3
At 31 July 2025	37.5	2.2	39.7
Current	**5.8**	**1.0**	**6.8**
Non-current	**43.9**	**0.9**	**44.8**
At 31 July 2026	**49.7**	**1.9**	**51.6**

The following are amounts recognised in the statement of comprehensive income:

	2026 £m	2025 £m
Right-of-use asset depreciation charged to cost of sales	**3.9**	3.6
Right-of-use asset depreciation charged to administrative expenses	**4.0**	2.5
Interest expense	**2.1**	1.3

Notes to the Consolidated Financial Statements continued

For the year ended 31 July 2026

21. Other financial liabilities

2026	Foreign exchange forward contracts £m	Contingent consideration ACI £m	Deferred consideration Fantech £m	Contingent consideration DVS £m	Contingent consideration ERI £m	Total £m
At 1 August 2025	0.2	–	28.8	2.6	1.5	33.1
Additional liabilities	–	7.7	–		–	7.7
Fair value movement	–	–	–	1.4	–	1.4
Unwinding of discount	–	0.3	0.4		0.1	0.8
Consideration paid	–	–	(29.6)	–	–	(29.6)
Fair value adjustment	(0.2)	–	–	–	–	(0.2)
Foreign exchange	–	0.4	0.4	–	–	0.8
At 31 July 2026	–	8.4	–	4.0	1.6	14.0
Analysis						
Current	–	–	–	4.0	–	4.0
Non-current	–	8.4	–	–	1.6	10.0
Total	–	8.4	–	4.0	1.6	14.0

2025	Foreign exchange forward contracts £m	Deferred consideration Fantech £m	Contingent consideration DVS £m	Contingent consideration ClimaRad BV £m	Contingent consideration ERI £m	Total £m
At 1 August 2024	0.2	–	–	16.3	5.5	22.0
Additional liabilities	–	29.6	–	–	–	29.6
Re-measurement of financial liabilities	–	–	–	0.5	–	0.5
Fair value movement	–	–	2.6	2.1	0.1	4.7
Unwinding of discount	–	0.7	–	2.0	0.4	3.2
Consideration paid	–	–	–	(20.9)	(4.6)	(25.5)
Foreign exchange	–	(1.5)	–	–	0.1	(1.4)
At 31 July 2025	0.2	28.8	2.6	–	1.5	33.1
Analysis						
Current	0.2	28.8	2.6	–	–	31.6
Non-current	–	–	–	–	1.5	1.5
Total	0.2	28.8	2.6	–	1.5	33.1

Notes to the Consolidated Financial Statements continued

For the year ended 31 July 2026

21. Other financial liabilities continued

Consideration liabilities

The fair value of contingent consideration is calculated by estimating the future cash flows for the acquired company. These estimates are based on management's knowledge of the business and how the current economic environment is likely to impact performance. The relevant future cash flows are dependent on the specific terms of the sale and purchase agreement.

ACI

Contingent consideration relating to the February 2026 acquisition of ACI is payable up to £14.7 million (AUD 28.9 million). The terms of the ACI earn-out are as follows:

- Year ending 31 July 2027 – Consideration of up to AUD 8.9 million for EBITDA performance in this period over AUD 19.9 million, increasing pro-rata up to AUD 23.6 million.
- Year ending 31 July 2029 – Consideration of up to AUD 20 million for EBITDA performance in this period over AUD 27 million, increasing pro-rata up to AUD 30 million.

The acquisition and year-end fair value of ACI contingent consideration liability is based on our best estimate of future performance and discounted to present value using the estimated short-term weighted average cost of capital. Our estimate is based on the Board approved financial budget for ACI for the year-ending 31 July 2027, as well as Board approved revenue and operating profit annual growth rates for the following two years to 31 July 2029.

The valuation of contingent consideration at acquisition and at year-end has been identified as a material estimate: the calculation of expected performance in the earn-out year is most sensitive to reductions in budgeted EBITDA for the year-ending 31 July 2027. There can be no material variation in the year-end valuation as a result of changes in the annual growth rates, applied revenue and operating costs to the year-ending 31 July 2029.

A reduction in expected EBITDA performance in the year-ending 31 July 2027 of over 5% would materially reduce the year-end present value: a 5% reduction would reduce discounted present value by £4.8 million, whereas a 10% reduction would trigger a reduction of £6.5 million.

The maximum present value of ACI contingent consideration is £12.2 million and therefore there can be no material variation to the value of the year-end liability as a result of increases in EBITDA performance in the measurement period.

ERI

In December 2024, the original contingent consideration from the acquisition of ERI was extended to include a potential payment of €0 to €6.0 million based on EBITDA performance for the year ending 31 December 2029, with the threshold set at €10.0 million and the maximum payable at €11.0 million. Based on current expectations, a liability of £1.6 million (2025: £1.5 million) has been recognised based on estimated EBITDA performance in the assessment period, discounted to present value. The maximum present value of ERI contingent consideration is £4.5 million and therefore there can be no material variation to the value of the year-end liability as a result of fluctuations in EBITDA performance.

DVS

Contingent consideration for this period ranges from NZD 0 to NZD 9 million based on an EBITDA range of NZD 3.5 million to NZD 4.0 million for the year ended 31 March 2026. This earn-out was achieved in full during the year and therefore the liability reflects the maximum present value of DVS contingent consideration of £4.0 million (2025: £2.6 million) and there is no remaining estimation uncertainty. The fair value movement of £1.4 million expensed in the year reflects the improved performance compared with the forecast as at 31 July 2025. This liability was paid in September 2026.

Fantech

Fantech deferred consideration was paid in December 2025 at a value of £29.6 million (AUD 60.0 million) in relation to the prior year acquisition. The change in value since 31 July 2025 of £0.8 million reflects the unwinding of the discount amount to present value and changes in foreign exchange rates between 31 July 2025 and the payment date.

Foreign exchange forward contract liabilities

The foreign exchange forward contracts are carried at their fair value, with the gain or loss being recognised in the Group's consolidated statement of comprehensive income. Refer to note 27 for the fair value hierarchy the Group uses to determine the fair value of financial instruments.

Notes to the Consolidated Financial Statements continued

For the year ended 31 July 2026

22. Interest-bearing loans and borrowings

	2026		2025	
	Current £m	Non-current £m	Current £m	Non-current £m
Unsecured – at amortised cost				
Borrowings under the revolving credit facility (maturing 9 September 2028)	–	206.1	–	144.7
Cost of arranging bank loan	–	(1.4)	–	(1.3)
	–	204.7	–	143.4
Other loans	0.2	–	–	0.3
Total	0.2	204.7	–	143.7

Revolving credit facility – at 31 July 2026

Currency	Amount outstanding £m	Termination date	Repayment frequency	Rate %
GBP	–	9 September 2028	One payment	SONIA + margin%
Euro	65.2	9 September 2028	One payment	EURIBOR + margin%
Australian Dollar	125.3	9 September 2028	One payment	AUD-BBSY + margin%
Swedish Krona	15.6	9 September 2028	One payment	STIBOR + margin%
Total	206.1			

Revolving credit facility – at 31 July 2025

Currency	Amount outstanding £m	Termination date	Repayment frequency	Rate %
GBP	–	9 September 2027	One payment	SONIA + margin%
Euro	66.0	9 September 2027	One payment	EURIBOR + margin%
Australian Dollar	63.2	9 September 2027	One payment	AUD-BBSY + margin%
Swedish Krona	15.5	9 September 2027	One payment	STIBOR + margin%
Total	144.7			

The interest rate on borrowings includes a margin that is dependent on the consolidated leverage level of the Group in respect of the most recently completed reporting period. For the year ended 31 July 2026, Group leverage was 1.5:1 and the margin rate was 1.5% (31 July 2025: Group leverage was below 1.2:1 with the margin at 1.5%). The Group remained comfortably within its banking covenants, which are tested semi-annually.

As at 31 July 2026, the multiple of EBITDA to net finance charges was 10.8 (31 July 2025: 13.6), against a covenant minimum ratio of 4.0, and the multiple of net borrowings to EBITDA (leverage) was 1.5 (31 July 2025: 1.2), against a covenant maximum ratio of 3.0.

In August 2025, the Group took the option to extend its multi-currency 'Sustainability Linked Revolving Credit Facility' of £230 million, together with an accordion of up to £70 million, by a period of 12 months, revising the maturity date from September 2027 to September 2028. On 9 January 2026, the Group increased the facility from £230 million to £270 million, with a remaining accordion facility of £30.0 million.

At the year-end, the Group had a Sustainability Linked Revolving Credit Facility of £270 million, together with an accordion of up to £30 million maturing in September 2028, with the option of extending for a further one year.

At 31 July 2026, the Group had £63.9 million (2025: £85.3 million) of its multi-currency revolving credit facility unutilised, plus an unutilised accordion of up to £30.0 million (2025: £70.0 million).

Post the balance sheet date, on 18 September 2026 we concluded an exercise to increase and extend the maturity of the facility, which now stands at £340 million plus a further £150 million accordion facility. This new and increased facility matures in September 2029, with two further one-year optional extensions out to September 2031.

Notes to the Consolidated Financial Statements continued

For the year ended 31 July 2026

22. Interest-bearing loans and borrowings continued

Changes in liabilities arising from financing activities

	1 August 2025 £m	Cash flows £m	Foreign exchange movement £m	New/ other £m	Interest payable £m	31 July 2026 £m
Interest-bearing loans and borrowings	143.4	42.8	8.0	–	10.5	204.7
Debt acquired in business combinations	0.3	(0.5)	–	0.2	0.2	0.2
Lease liabilities (note 20)	39.7	(9.1)	0.9	18.0	2.1	51.6
Total liabilities from financing activities	183.4	33.2	8.9	18.2	12.8	256.5

	1 August 2024 £m	Cash flows £m	Foreign exchange movement £m	New/ other £m	Interest £m	31 July 2025 £m
Interest-bearing loans and borrowings	49.8	90.1	(3.2)	(0.5)	7.2	143.4
Debt acquired in business combinations	0.6	(0.2)	(0.1)	–	–	0.3
Lease liabilities (note 20)	25.9	(7.2)	(0.3)	20.0	1.3	39.7
ClimaRad vendor loan	9.6	(9.7)	(0.1)	–	0.2	–
Total liabilities from financing activities	85.9	73.0	(3.7)	19.5	8.7	183.4

23. Provisions

2026	Product warranties £m	Property dilapidations £m	Total £m
At 1 August 2025	2.1	0.7	2.8
On business combinations	0.1	0.1	0.2
Arising during the year	2.4	0.2	2.6
Utilised	(1.8)	(0.3)	(2.1)
Foreign currency adjustment	0.1	–	0.1
At 31 July 2026	2.9	0.7	3.6
Analysis			
Current	2.9	–	2.9
Non-current	–	0.7	0.7
Total	2.9	0.7	3.6

2025	Product warranties £m	Property dilapidations £m	Total £m
At 1 August 2024	1.8	0.4	2.2
On business combinations	0.2	–	0.2
Arising during the year	1.7	0.3	2.0
Utilised	(1.5)	–	(1.5)
Foreign currency adjustment	(0.1)	–	(0.1)
At 31 July 2025	2.1	0.7	2.8
Analysis			
Current	1.8	0.3	2.1
Non-current	0.3	0.4	0.7
Total	2.1	0.7	2.8

Product warranties

A provision is recognised for warranty costs expected to be incurred in the following 12 months on products sold during the year and in prior years. Product warranties are typically one to two years; however, based on management's knowledge of the products, claims in relation to warranties after more than 12 months are rare and highly immaterial.

Notes to the Consolidated Financial Statements continued

For the year ended 31 July 2026

24. Authorised and issued share capital and reserves

	Number of ordinary shares issued and fully paid	Ordinary shares £m	Share premium £m
At 31 July 2025 and 31 July 2026	200,000,000	2.0	11.5

The 200,000,000 authorised ordinary shares were issued at £0.01 each.

At 31 July 2026, a total of 1,959,349 (2025: 2,012,770) ordinary shares in Volution Group plc were held by the Volution EBT, all of which were unallocated and available for transfer to participants of the Long-term Incentive Plan, Deferred Share Bonus Plan and Sharesave Plan on exercise. During the year, 380,000 ordinary shares in Volution Group plc were purchased by the trustees (2025: 515,000) and 433,421 (2025: 653,444) were released by the trustees at £2.8 million (2025: £3.7 million). The market value of the shares held by the Volution EBT at 31 July 2026 was £12.1 million (2025: £13.5 million).

The Volution EBT has agreed to waive its rights to dividends.

25. Deferred tax liabilities

2026	1 August 2025 £m	Charged/ (credited) to income £m	Credited to equity £m	Translation difference £m	On business combinations £m	31 July 2026 £m
Temporary differences						
Depreciation in advance of capital allowances	3.1	–	–	–	–	3.1
Fair value movements of derivative financial instruments	(0.1)	0.1	–	–	–	–
Development costs, customer base, trademark and patents	29.7	(3.4)	–	1.6	12.0	39.9
Other temporary differences	(2.2)	(0.7)	–	(0.3)	(0.2)	(3.4)
Share-based payments	(4.3)	(0.4)	0.6	–	–	(4.1)
Deferred tax liabilities	26.2	(4.4)	0.6	1.3	11.8	35.5

2025	1 August 2024 £m	Charged/ (credited) to income £m	Credited to equity £m	Translation difference £m	On business combinations £m	31 July 2025 £m
Temporary differences						
Depreciation in advance of capital allowances	2.8	0.3	–	–	–	3.1
Fair value movements of derivative financial instruments	(0.1)	–	–	–	–	(0.1)
Development costs, customer base, trademark and patents	14.3	(2.4)	–	(1.0)	18.8	29.7
Unutilised tax losses	(0.1)	0.1	–	–	–	–
Other temporary differences	(1.3)	(1.7)	–	0.1	0.7	(2.2)
Share-based payments	(3.0)	(0.8)	(0.5)	–	–	(4.3)
Deferred tax liabilities	12.6	(4.5)	(0.5)	(0.9)	19.5	26.2

At 31 July 2026, the Group had not recognised a deferred tax asset in respect of gross tax losses of £5.2 million (2025: £5.2 million) relating to management expenses, capital losses of £4.1 million (2025: £4.1 million) arising in UK subsidiaries and overseas gross tax losses of £nil (2025: £nil), as there is insufficient evidence that the losses will be utilised. These losses are available to be carried indefinitely.

The unremitted earnings associated with investments in subsidiaries, for which a deferred tax liability has not been recognised, aggregate to £133.9m (2025: £143.3m). As the Group does not foresee a distribution of unremitted earnings from these subsidiaries which would result in a reversal of deferred tax, no deferred tax has been recognised. The quantum of the unrecognised deferred tax liability is not significant in the context of the group.

Notes to the Consolidated Financial Statements continued

For the year ended 31 July 2026

26. Dividends paid and proposed

	2026 £m	2025 £m
Cash dividends on ordinary shares declared and paid		
Interim dividend for 2026: 4.0 pence per share (2025: 3.40 pence)	7.9	6.7
Proposed dividends on ordinary shares		
Final dividend for 2026: 8.80 pence per share (2025: 7.40 pence)	17.4	14.7

An interim dividend payment of £7.9 million is included in the consolidated statement of cash flows (2025: £6.7 million).

A final dividend payment of £14.7 million is included in the consolidated statement of cash flows relating to 2025 (2025: £12.3 million relating to 2024).

Total dividend payments of £22.6 million are included in the consolidated statement of cash flows (2025: £19.0 million).

The proposed final dividend on ordinary shares is subject to approval at the Annual General Meeting and is not recognised as a liability at 31 July 2026.

There are no income tax consequences attached to the payment of dividends in either 2026 or 2025 by the Group to its shareholders.

27. Risk management

As a result of entering into financial instruments, the Group is exposed to market risk, credit risk, foreign exchange risk and liquidity risk.

The Group's principal financial instruments are:

- interest-bearing loans and borrowings;
- trade and other receivables, trade and other payables, cash and short-term deposits; and
- foreign exchange forward contracts.

Derivative financial instruments

The Group uses forward foreign currency contracts to reduce exposure to foreign exchange risk.

Forward foreign currency contracts

The Group's purchases in foreign currencies, net of Group sales in those currencies, represent approximately 15% (2025: 16%) of total material and component purchases. Each quarter, the Group enters into forward exchange contracts for the purchase of the budgeted monthly net expenditure in US Dollars for the following rolling 12–15 months. Hedge accounting is not applied for these derivatives.

The Group's criteria for entering into a forward foreign currency contract would require that the instrument must:

- be related to anticipated foreign currency commitment;
- involve the same currency as the foreign currency commitment; and
- reduce the risk of foreign currency exchange movements on the Group's operations.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risks, such as equity price risk and commodity risk.

The Group's exposure is primarily to the financial risks of changes in foreign currency exchange rates and interest rates. The Group enters into derivative financial instruments to manage its exposure to these risks when appropriate.

At 31 July 2026, the Group had commitments under forward foreign exchange contracts with varying settlement dates to 6 July 2027 (2025: 6 July 2026). See note 21 for fair values.

Sensitivity analysis

The Group recognises that movements in certain risk variables (such as interest rates or foreign exchange rates) might affect the value of its derivatives and also the amounts recorded in its equity in the overseas entities and its statement of comprehensive income for the period. Therefore, the Group has assessed:

- what would be reasonably possible changes in the risk variables at the end of the reporting period; and
- the effects on profit or loss and equity if such changes in the risk variables were to occur.

Notes to the Consolidated Financial Statements continued

For the year ended 31 July 2026

27. Risk management continued

Interest rate risk

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on the Group's floating rate loans and borrowings which at the relevant reporting dates are not hedged. With all other variables being constant, the Group's profit before tax is affected through the impact on floating rate borrowings as follows. There is only an immaterial impact on the Group's equity.

	Increase in basis points	Effect on profit before tax £m
31 July 2026		
Sterling	**+25**	**–**
Swedish Krona	**+25**	**–**
Australian Dollar	**+25**	**(0.3)**
Euro	**+25**	**(0.2)**

	Increase in basis points	Effect on profit before tax £m
31 July 2025		
Sterling	+25	–
Swedish Krona	+25	–
Australian Dollar	+25	(0.2)
Euro	+25	(0.2)

The assigned movement in basis points for interest rate sensitivity analysis is based upon the currently observable market environment.

The Group's cash balances are held in bank current accounts and earn immaterial levels of interest. Management has concluded that any changes in the SONIA and STIBOR rates will have an immaterial impact on interest income earned on the Group's cash balances. No interest rate sensitivity has been included in relation to the Group's cash balances.

Foreign currency risk

The Group's exposure to foreign exchange risk primarily arises when revenue and expenses are denominated in a different currency from the Group's presentational currency and translated into GBP for consolidation into the Group's results. Foreign exchange risk also arises when the individual entities enter into transactions that are not denominated in their functional currency. Transactional foreign currency risk is not considered material to Group operations.

Hedge of net investments in foreign operations

The Euro, Swedish Krona and Australian Dollar denominated loans at 31 July 2026, which can be found in note 22, have been designated as a hedge of the net investments in the subsidiaries in Nordics, Europe and Australia. The borrowing is being used to hedge the Group's exposure to the foreign exchange risk on these investments. Gains or losses on the retranslation of this borrowing are transferred to other comprehensive income to offset any gains or losses on translation of the net investments in the subsidiaries.

There is an economic relationship between the hedged items and the hedging instrument as the net investments create a translation risk that will match the foreign exchange risk on the borrowing. The underlying risk of the hedging instrument is identical to the hedged risk component. The hedging gain recognised in other comprehensive income before tax is equal to the change in fair value used for measuring effectiveness. There is no ineffectiveness recognised in profit or loss, and we do not expect there to be any.

Liquidity risk

Liquidity risk for the Group arises from the management of working capital commitments and meeting its financial obligations as they fall due. The Group's policy is to regularly review cash flow forecasts/projections as well as information regarding cash balances to ensure that it has significant cash to allow it to meet its liabilities when they become due.

The Group reviews its long-term funding requirements in parallel with its long-term strategy, with an objective of aligning both in a timely manner. At the reporting date, forecasts indicate that the Group is expected to have sufficient liquidity to meet its financial obligations for at least the next three years.

Notes to the Consolidated Financial Statements continued

For the year ended 31 July 2026

27. Risk management continued

The table below summarises the maturity profile of the Group's significant undiscounted financial liabilities at 31 July 2026:

At 31 July 2026	Less than one year £m	Between one and five years £m	More than five years £m	Total £m
Financial liabilities				
Interest-bearing loans and borrowings (excluding interest and lease liabilities)	–	206.1	–	206.1
Lease liabilities	8.9	28.1	26.4	63.4
Forward foreign currency exchange outflow	17.8	–	–	17.8
Forward foreign currency exchange inflow	(17.8)	–	–	(17.8)
Contingent consideration – ACI	2.1	8.3	–	10.4
Contingent consideration – DVS	4.0	–	–	4.0
Contingent consideration – ERI	–	1.8	–	1.8
Trade and other payables and other accrued expenses	69.0	–	–	69.0
	84.0	244.3	26.4	354.7

The table below summarises the maturity profile of the Group's significant undiscounted financial liabilities at 31 July 2025:

At 31 July 2025	Less than one year £m	Between one and five years £m	More than five years £m	Total £m
Financial liabilities				
Interest-bearing loans and borrowings (excluding interest and lease liabilities)	–	144.7	–	144.7
Lease liabilities	7.9	21.5	18.0	47.4
Forward foreign currency exchange outflow	18.2	–	–	18.2
Forward foreign currency exchange inflow	(18.0)	–	–	(18.0)
Deferred consideration – Fantech	29.2	–	–	29.2
Contingent consideration – DVS	4.0	–	–	4.0
Contingent consideration – ERI	–	1.8	–	1.8
Trade and other payables and other accrued expenses	63.9	–	–	63.9
	105.2	168.0	18.0	291.2

Fair values of financial assets and financial liabilities

There are no material differences between the book values and fair values for any of the Group's financial instruments carried at amortised cost. Derivative financial instruments have been valued using other techniques, for which all inputs that have a significant effect on the recorded fair value are observable, either directly or indirectly.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty fails to meet its contractual obligations under a financial instrument or customer contract, leading to a financial loss. The Group is mainly exposed to credit risk from its operating activities (primarily for trade receivables – credit sales) and from cash and cash equivalents and deposits with banks and financial institutions and other financial instruments.

Trade receivables

Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables and contract assets are regularly monitored and any shipments to major customers are generally covered by credit insurance obtained from reputable banks and other financial institutions.

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e. by geographical region, product type, customer type and rating, and coverage by credit insurance). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are written off if past due for more than one year and are not subject to enforcement activity. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial asset disclosed in note 17. The Group does not hold collateral as security. The credit insurance is considered an integral part of trade receivables and considered in the calculation of impairment.

Notes to the Consolidated Financial Statements continued

For the year ended 31 July 2026

27. Risk management continued

Set out below is the information about the credit risk exposure on the Group's trade receivables and contract assets using a provision matrix:

31 July 2026	Current £m	<30 days £m	30–60 days £m	61–90 days £m	>91 days £m	Total £m
Expected credit loss rate	0.3%	–	–	33%	40%	
Estimated total gross carrying amount at default	62.4	9.3	1.0	0.3	0.5	73.5
Expected credit loss	0.2	–	–	0.1	0.2	0.5

31 July 2025	Current £m	<30 days £m	30–60 days £m	61–90 days £m	>91 days £m	Total £m
Expected credit loss rate	0.1%	0.8%	5.2%	10.4%	21.7%	
Estimated total gross carrying amount at default	58.1	8.1	1.2	0.3	0.9	68.6
Expected credit loss	0.0	0.1	0.0	0.1	0.2	0.4

Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed in accordance with the Group's policy. The Group deposits cash with reputable financial institutions, from which management believes the possibilities of loss to be remote. The Group's maximum exposure to credit risk for the components of the statement of financial position at 31 July 2026 and 2025 is the carrying amount. The Group's maximum exposure to derivative financial instruments is noted in either note 21 or in the liquidity tables included under liquidity risk.

Capital risk management

The primary objective of the Group's capital management policy is to ensure that it has the capital required to operate and grow the business at a reasonable cost of capital without incurring undue financial risks. The Board periodically reviews its capital structure to ensure it meets changing business needs. The Group defines its capital as its share capital (excluding treasury shares), share premium account, foreign currency translation reserves and retained earnings. In addition, the Directors consider the management of debt to be an important element in controlling the capital structure of the Group. The Group may carry significant levels of long-term structural and subordinated debt to fund acquisitions and has arranged debt facilities to allow for fluctuations in working capital requirements. There have been no changes to the capital management policy in the current period. Management manages capital on an ongoing basis to ensure that covenant requirements on third party debt are met.

Fair value hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1 – quoted (unadjusted) prices in active markets for identical assets or liabilities;
- Level 2 – other techniques for which all inputs that have a significant effect on the recorded fair value are observable, either directly or indirectly; and
- Level 3 – techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

Financial instruments carried at fair value comprise the derivative financial instruments in note 21 and the contingent consideration in notes 15 and 21.

For hierarchy purposes derivative financial instruments are deemed to be Level 2 as external valuers are involved in the valuation of these contracts. Their fair value is measured using valuation techniques including the DCF model. Inputs to this calculation include the expected cash flows in relation to these derivative contracts and relevant discount rates. Contingent consideration is deemed to be Level 3, with the unobservable inputs being forecast future performance; see note 21 for details on the valuation techniques used to measure the fair value.

28. Related party transactions

Transactions between Volution Group plc and its subsidiaries, and transactions between subsidiaries, are eliminated on consolidation and are not disclosed in this note. A breakdown of transactions between the Group and its related parties is disclosed below.

No related party loan note balances exist at 31 July 2026 or 31 July 2025.

There were no material transactions or balances between the Company and its key management personnel or members of their close family other than the compensation shown below. At the end of the period, key management personnel did not owe the Company any amounts.

The Companies Act 2006 and the Directors' Remuneration Report Regulations 2013 require certain disclosures of Directors' remuneration. The details of the Directors' total remuneration are provided in the Annual Report on Remuneration (see pages 123 to 132).

Compensation of key management personnel

	2026 £m	2025 £m
Short-term employee benefits	5.9	4.8
Share-based payment charge (see note 31)	1.0	1.0
Non-Executive Directors' remuneration	0.5	0.5
Total	7.4	6.3

Key management personnel is defined as the CEO, the CFO and the ten (2025: ten) individuals who report directly to the CEO, as well as Non-Executive Directors.

The Group incurred fees and expenses of £0.5 million (2025: £0.5 million) in respect of Amanda Mellor, Nigel Lingwood, Jonathan Davis, Celia Baxter and Emmanuelle Dubu for their services as Non-Executive Directors.

Notes to the Consolidated Financial Statements continued

For the year ended 31 July 2026

29. Group structure details

At 31 July 2026, Volution Group plc held 100% of the voting shares of the following subsidiaries:

Group company	Principal activity	Country of incorporation
Direct		
Windmill Topco Limited[1]	Dormant	England
Volution Holdings Limited[1]	Intermediate holding company	England
Energy Technique Limited[1]	Dormant	England
Indirect		
Windmill Midco Limited[1]	Dormant	England
Windmill Cleanco Limited[1]	Dormant	England
Windmill Bidco Limited[1]	Dormant	England
Manrose Manufacturing Limited[1]	Non-trading	England
Volution Ventilation Group Limited[1]	Intermediate holding company	England
Torin-Sifan Limited[1]	Original equipment manufacturer	England
Anda Products Limited[1]	Non-trading	England
Axia Fans Limited[1]	Non-trading	England
Roof Units Limited[1]	Non-trading	England
Torin Limited[1]	Non-trading	England
Vent-Axia Limited[1]	Non-trading	England
Vent-Axia Clean Air Systems Limited[1]	Non-trading	England
Vent-Axia Group Limited[1]	HR services to Group	England
ET Environmental Limited[1]	Non-trading	England
Diffusion Environmental Systems Limited[1]	Non-trading	England
NVA Services Limited[1]	Non-trading	England
SW National Ventilation Limited[1]	Non-trading	England
Airtech Humidity Controls Limited[1]	Non-trading	England
Sens-Air Limited[1]	Non-trading	England
Breathing Buildings Limited[1]	Non-trading	England
Volution Ventilation UK Limited[1]	Ventilation products	England
Volution Holdings Sweden AB[2]	Intermediate holding company	Sweden
Volution Sweden AB[2]	Ventilation products	Sweden
VoltAir System AB[3]	Ventilation products	Sweden
Volution Norge AS[4]	Ventilation products	Norway
inVENTer GmbH[5]	Ventilation products	Germany
Volution Management Holdings GmbH[5]	Intermediate holding company	Germany
Volution Deutschland Real Estate GmbH[5]	Property holding company	Germany
Ventilair Group International[6]	Intermediate holding company	Belgium
Ventilair Group Belgium BVBA[6]	Ventilation products	Belgium
Vent-Axia B.V.[7]	Ventilation products	Netherlands
Simx Limited[8]	Ventilation products	New Zealand
Volution Ventilation New Zealand Limited[8]	Intermediate holding company	New Zealand
Oy Pamon Ab[9]	Ventilation products	Finland
Air Connection ApS[10]	Ventilation products	Denmark
Ventair Pty Limited[11]	Ventilation products	Australia
Volution Ventilation Australia Limited[11]	Ventilation products	Australia
Volution Ventilation Holdings B.V[12]	Intermediate holding company	Netherlands
ClimaRad Holding B.V[12]	Intermediate holding company	Netherlands
ClimaRad BV[12]	Ventilation products	Netherlands
ClimaRad d.o.o[13]	Ventilation products	Bosnia
ERI Corporation DOO Bitola[14]	Ventilation products	North Macedonia
ERI Corporation SRL[15]	Ventilation products	Italy
Energy Recovery Industries Trading SLU[16]	Ventilation products	Spain
Energy Recovery Industries Corporation Limited[1]	Ventilation products	England
Ventilairsec[17]	Ventilation products	France
Neosfair[17]	Ventilation products	France
I-VENT doo[18]	Ventilation products	Slovenia
I-VENT d.o.o (formerly Lunos Hrvatska d.o.o)[19]	Ventilation products	Croatia
DVS[8]	Ventilation products	New Zealand
Les Creux Australia Pty[20]	Intermediate holding company	Australia
Fantech Group Pty Ltd[20]	Intermediate holding company	Australia
The Ventilation Warehouse Pty Ltd[20]	Non-trading	Australia
Idealair Group Pty Ltd[20]	Ventilation products	Australia
FanShack Pty Ltd[20]	Non-trading	Australia
Major Air Pty Ltd[20]	Non-trading	Australia
NCS Acoustics Ltd[21]	Ventilation products	New Zealand
The Ventilation Warehouse (NZ) Ltd[22]	Non-trading	New Zealand
Fantech (NZ) Ltd[22]	Ventilation products	New Zealand
Burra Sheetmetal Pty Ltd[20]	Ventilation products	Australia
Systemaire Pty Ltd[20]	Non-trading	Australia

Notes to the Consolidated Financial Statements continued

For the year ended 31 July 2026

29. Group structure details continued

Group company	Principal activity	Country of incorporation
Fantech Pty Ltd[20]	Ventilation products	Australia
Air Design Pty[20]	Non-trading	Australia
Fantech Services Pty[20]	Ventilation products	Australia
Dunlop Family Investments Pty Limited[23]	Intermediate holding company	Australia
AC Industries Nominees Pty Ltd[23]	Intermediate holding company	Australia
ACI Trust[23]	Intermediate holding trust	Australia
AC Industries Holdings Pty Ltd[23]	Intermediate holding company	Australia
AC Industries Pty Ltd[23]	Ventilation ducting products	Australia
AC Industries HR Pty Ltd[23]	Non-trading	Australia

Registered offices
1. Fleming Way, Crawley, West Sussex RH10 9YX.
2. Gransholmsvägen 136, 35599 Gemla, Sweden.
3. Box 7033, 12107 Stockholm-Globen, Sweden.
4. Professor Birkelands vei 24B, 1081 Oslo, Norway.
5. inVENTer-Straße 1, 07751 Löberschütz, Germany.
6. Pieter Verhaeghestraat 8, 8520 Kuurne, Belgium.
7. Kerver 16, 5521 DB Eersel, the Netherlands.
8. 1 Haliday Place, East Tamaki, Auckland, 2013, New Zealand.
9. Keskikankaantie 17, 15680 Hollola, Finland.
10. Rude Havvej 17B, DK-8300 Odder, Denmark.
11. 4 Capital Pl, Carrum Downs VIC 3201, Australia.
12. Lübeckstraat 25, 7575 EE Oldenzaal, the Netherlands.
13. Kamenolom 10, 71215 Blazuj, Sarajevo, Bosnia and Herzegovina.
14. BURSA 124 7000, Bitola, North Macedonia.
15. Via Modigliani 90 81031 Aversa, Italy.
16. Calle Pere Dezcallar I Net 11 Planta 2, 07003 Palma De Mallorca Illes Balears, Spain.
17. 16 Rue des Imprimeurs, 44220 Couëron, France.
18. Robbova ulica 2, 1000 Ljubljana, Slovenia.
19. Zagreb (Grad Zagreb), Samoborska cesta 153A, Croatia.
20. 63 Vision Street Dandenong South Vic 3175, Australia.
21. 112 Takanini School Road, Takanini, 2105, New Zealand.
22. 7 Lovell Court, Rosedale, Auckland, 0632, New Zealand.
23. KDA GROUP 367–371 Bong Bong Street, Bowral NSW 2576, Australia.

During the year, indirect holding company subsidiaries Ventilair Group Netherlands B.V. and Hawthorns Newco Limited were dissolved.

During the prior year, Volution Group plc acquired the remaining 24.35% of the voting shares of Volution Ventilation Holdings B.V and its subsidiaries.

Torin-Sifan Limited, Volution Holdings Limited, Volution Ventilation Group Limited, Vent-Axia Group Limited and Energy Recovery Industries Corporation Limited are exempt from the requirements of the Companies Act 2006 relating to the audit of individual accounts by virtue of section 479A of that Act. In accordance with section 479C of the Companies Act 2006, the Company has provided guarantees in respect of the liabilities of these companies.

30. Commitments and contingencies

Commitments for the acquisition of property, plant and equipment as of 31 July 2026 are £1.4 million (2025: £0.4 million).

31. Share-based payments

The Company operates a share-based incentive scheme for Directors and key employees, known as the Volution Long-term Incentive Plan (LTIP). Share options are granted each year, with the latest share options being granted in October 2025; these nil-cost options normally vest after three years assuming continuing employment with the Company. The extent to which the options will vest is dependent upon the Company's performance over a three-year period set at the date of grant. The vesting of the awards will be determined by the Company's relative total shareholder return (TSR) performance, environmental, social and governance (ESG) performance and EPS growth. A Return on Invested Capital (ROIC) underpin applies from FY25. The TSR element of the options granted has been valued using the Group's share price volatility, the correlation between the share price movements of TSR comparators and the relevant vesting schedule.

	2026	2025
Outstanding at 1 August	3,210,415	3,232,977
Granted during the year	496,934	491,917
Dividend equivalent added on vesting	33,958	15,244
Exercised during the year	(350,372)	(419,901)
Lapsed during the year	(140,826)	(109,822)
Outstanding at 31 July	**3,250,109**	3,210,415
Vested and exercisable	**1,707,831**	1,441,144

The weighted average share price at the date of exercise of vested shares during the year was £6.52 (2025: £5.65).

The weighted average exercise price for all options is £nil.

The weighted average fair value of each option granted during the year was £5.51 (2025: £4.41).

The weighted average remaining contractual life for the share options outstanding as at 31 July 2026 was 6.3 years (2025: 6.7 years).

Notes to the Consolidated Financial Statements continued

For the year ended 31 July 2026

31. Share-based payments continued

The following information is relevant in the determination of the fair value of options granted during the year under the LTIP:

	2026
Option pricing model used	Monte Carlo
Weighted average share price at grant date (£)	6.67
Exercise price (£)	nil
Expected dividend yield (£)	nil
Expected life (years)	2.5
Expected volatility	29.2%
Risk-free interest rate	3.8%

The volatility assumption, measured at the standard deviation of expected share price returns, is based on a statistical analysis of share prices over a period commensurate with the expected life of the option.

The share-based remuneration expense comprises:

	2026 £m	2025 £m
Equity-settled schemes	1.9	2.2
	1.9	2.2

The Group did not enter into any share-based payment transactions with parties other than employees during the current or previous periods.

32. Events after the reporting period

On 18 September 2026 we concluded an exercise to increase and extend the maturity of the sustainability linked facility, which now stands at £340 million plus a further £150 million accordion facility. This new and increased facility matures in September 2029, with two further one-year optional extensions out to September 2031.

On 3 August 2026, Volution Group acquired 100% of the issued shareholding of getAir GmbH (getAir). Based in Germany, getAir is a leading provider of decentralised residential heat recovery ventilation systems to a wide range of primarily German and European OEM customers. This acquisition is in line with the Group's acquisition strategy and further strengthens Volution's leadership in the European residential decentralised heat recovery ventilation market. getAir will be included within the Group's Continental Europe segment.

Total cash consideration for the acquisition on a cash- and debt-free basis is €40 million (approximately £34 million) funded from the Group's existing debt facilities.

Due to the proximity of this acquisition and authorisation of these financial statements, the Group has not yet completed the process of determining the fair value of the net identifiable assets of getAir.

33. Glossary of terms relating to adjusted performance measures

Adjusted basic and diluted EPS: calculated by dividing the adjusted profit/(loss) for the period attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the period.

Diluted earnings per share amounts are calculated by dividing the adjusted net profit/(loss) attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the period plus the weighted average number of ordinary shares that would be issued on conversion of any dilutive potential ordinary shares into ordinary shares.

Adjusted EBITDA: adjusted operating profit before depreciation and amortisation.

Adjusted finance costs: finance costs before net gains or losses on financial instruments at fair value and the exceptional write-off of unamortised loan issue costs upon refinancing.

Adjusted gross profit: adjusted statutory gross profit excluding amortisation of acquired inventory fair value adjustment.

Adjusted operating cash flow: adjusted EBITDA plus or minus movements in operating working capital, less net investments in property, plant and equipment and intangible assets.

Adjusted operating profit: statutory operating profit before exceptional operating costs, fair value movement on contingent consideration and amortisation of assets acquired through business combinations.

Adjusted profit after tax: statutory profit after tax before exceptional operating costs, fair value movement on contingent consideration, unwinding of discounting on contingent consideration exceptional write-off of unamortised loan issue costs upon refinancing, net gains or losses on financial instruments at fair value, amortisation of assets acquired through business combinations and the tax effect on these items.

Adjusted profit before tax: reported profit before tax before exceptional operating costs, fair value movement on contingent consideration, unwinding of discounting on contingent consideration, exceptional write-off of unamortised loan issue costs upon refinancing, net gains or losses on financial instruments at fair value and amortisation of assets acquired through business combinations.

Adjusted tax charge: the reported tax charge less the tax effect on the adjusted items.

CAGR: compound annual growth rate.

Adjusted operating cash conversion: calculated by dividing adjusted operating cash flow by adjusted EBITA.

Constant currency: to determine values expressed as being at constant currency, we have converted the income statement of our foreign operating companies for the year ended 31 July 2026 at the average exchange rate for the year ended 31 July 2025.

Notes to the Consolidated Financial Statements continued

For the year ended 31 July 2026

EBITDA: profit before net finance costs, tax, depreciation and amortisation.

Net debt: bank borrowings and lease liabilities less cash and cash equivalents.

Net debt excluding lease liabilities: bank borrowings less cash and cash equivalents.

Operating cash flow: EBITDA plus or minus movements in operating working capital, less share-based payment expense, less net investments in property, plant and equipment and intangible assets.

Organic revenue: statutory revenue excluding revenue generated by newly acquired businesses for twelve months post acquisition. Organic revenue and organic revenue growth is used internally to measure performance on a comparable basis to the previous period, by excluding the impact of new acquisitions.

ROIC: measured as adjusted operating profit for the year divided by average adjusted invested capital. Adjusted invested capital is calculated as statutory net assets excluding deferred and contingent consideration financial liabilities, net debt excluding lease liabilities, historic goodwill and intangibles resulting from the 2012 leveraged buyout and acquisition-related intangible amortisation charges (net of the associated deferred tax). The average is calculated using the current year, the previous half year and the prior year end. Acquisition related intangibles refers to customer relationships, trademarks and patents (note 14).

	31 July 2026 £m	31 January 2026 £m **	31 July 2025 £m
Net Assets	**309.8**	287.8	270.0
Deferred and contingent consideration liabilities (note 21)	**14.0**	5.6	33.1
Net debt (excluding lease liabilities) (page 21)	**184.2**	142.7	126
Brought forward amortisation on acquisition intangibles	**144.0**	144.0	
Movement in amortisation on the acquired assets, including translation movements (note 14)	**9.7**	5.9	
Deferred tax liability credit and translation movement on acquired intangibles (note 25)	**(1.8)**	(1.7)	
Cumulative amortisation charge on acquisition intangibles carried forward	**151.9**	148.2	144.0
Less 2012 buyout goodwill and intangibles*	**(162.9)**	(162.9)	(162.9)
Adjusted invested capital	**497.0**	421.4	410.2
Average adjusted invested capital	**442.8**		371.0
Adjusted operating profit (note 2)	**112.4**		93.5
ROIC	**25.4%**		25.2%

* Calculated from historical data not identifiable within the FY26 ARA.
** 31 January 2026 data is unaudited and not identifiable within the FY26 ARA.

Parent Company Statement of Financial Position

At 31 July 2026

	Notes	2026 £m	2025 £m
ASSETS			
Non-current assets			
Property, plant and equipment		0.1	0.1
Investments	4	199.3	199.3
Deferred tax asset	5	4.1	4.4
Total non-current assets		203.5	203.8
Current assets			
Other receivables and prepayments	6	346.0	266.3
Cash and short-term deposits		1.5	0.2
Total current assets		347.5	266.5
Total assets		551.0	470.3
LIABILITIES			
Current liabilities			
Trade and other payables	8	(30.2)	(30.7)
Other current financial liabilities	7	–	(0.3)
Total current liabilities		(30.2)	(31.0)
Non-current liabilities			
Interest-bearing loans and borrowings	9	(204.7)	(143.4)
Total non-current liabilities		(204.7)	(143.4)
Total liabilities		(234.9)	(174.4)
Net assets		316.1	295.9

	Notes	2026 £m	2025 restated £m
Capital and reserves			
Share capital	10	2.0	2.0
Share premium	10	11.5	11.5
Treasury shares		(8.2)	(7.4)
Share-based payment reserve		6.0	6.2
Capital reserve		(0.3)	(0.3)
Retained earnings		305.1	283.9
Total equity		316.1	295.9

As permitted by section 408 of the Companies Act 2006, the Company's income statement has not been included in these financial statements.

The Company's profit for the year ended 31 July 2026 was £43.6 million (2025: £63.6 million).

The financial statements on pages 179 to 185 of Volution Group plc (registered number: 09041571) were approved by the Board of Directors and authorised for issue on 7 October 2026.

On behalf of the Board

Ronnie George
Chief Executive Officer
7 October 2026

Andy O'Brien
Chief Financial Officer
7 October 2026

Parent Company Statement of Changes in Equity

For the year ended 31 July 2026

	Share capital £m	Share premium £m	Treasury shares £m	Share-based payment reserve £m	Capital reserve £m	Retained earnings £m	Total £m
At 1 August 2024 as audited	2.0	11.5	(2.3)	5.2	(0.3)	234.8	250.9
Impact of accounting policy change (note 2)	–	–	(4.4)	–	–	4.4	–
At 1 August 2024 as restated	2.0	11.5	(6.7)	5.2	(0.3)	239.2	250.9
Profit for the year	–	–	–	–	–	63.6	63.6
Total comprehensive income	–	–	–	–	–	63.6	63.6
Share-based payment	–	–	–	2.7	–	–	2.7
Purchase of own shares	–	–	(3.0)	–	–	–	(3.0)
Vesting of share options	–	–	2.3	(1.7)	–	0.1	0.7
Dividends paid	–	–	–	–	–	(19.0)	(19.0)
At 31 July 2025 as restated	2.0	11.5	(7.4)	6.2	(0.3)	283.9	295.9
Profit for the year	–	–	–	–	–	**43.6**	**43.6**
Total comprehensive income	–	–	–	–	–	**43.6**	**43.6**
Share-based payment	–	–	–	**1.3**	–	–	**1.3**
Purchase of own shares	–	–	**(2.4)**	–	–	–	**(2.4)**
Vesting of share options	–	–	**1.6**	**(1.5)**	–	**0.2**	**0.3**
Dividends paid	–	–	–	–	–	**(22.6)**	**(22.6)**
At 31 July 2026	**2.0**	**11.5**	**(8.2)**	**6.0**	**(0.3)**	**305.1**	**316.1**

Parent Company Statement of Cash Flows

For the year ended 31 July 2026

	Notes	2026 £m	2025 £m
Operating activities			
Profit for the year after tax		43.6	63.6
Adjustments to reconcile profit for the year to net cash flow from operating activities:			
Income tax for the year		(4.7)	(4.2)
Finance income		(0.5)	(0.2)
Finance costs		11.3	7.7
Effect of exchange on foreign denominated loans		8.0	(3.2)
Share-based payment expense		1.9	2.2
Working capital adjustments:			
Increase in other receivables and prepayments		(75.3)	(140.5)
(Decrease)/increase in trade and other payables		(1.2)	5.5
Net cash flow used in operating activities		(16.9)	(69.1)

	Notes	2026 £m	2025 £m
Investing activities			
Interest received		0.2	0.2
Net cash flow generated from investing activities		0.2	0.2
Financing activities			
Interest paid		(9.8)	(6.2)
Repayment of interest-bearing loans and borrowings		(69.0)	(100.7)
Proceeds from new borrowings		122.4	198.8
Issue costs of new borrowings		(0.7)	(1.8)
Dividend paid to equity holders	11	(22.6)	(19.0)
Purchase of own shares		(2.3)	(2.3)
Net cash flow generated from financing activities		18.0	68.8
Net increase/(decrease) in cash and cash equivalents		1.3	(0.3)
Cash and cash equivalents at the start of the year		0.2	0.5
Cash and cash equivalents at the end of the year		1.5	0.2

Notes to the Parent Company Financial Statements

For the year ended 31 July 2026

1. General information

These financial statements were approved and authorised for issue by the Board of Directors of Volution Group plc (the Company) on 7 October 2026.

The Company is a public limited company and is incorporated and domiciled in the UK (registered number: 09041571). The share capital of the Company is listed on the London Stock Exchange. The address of its registered office is Fleming Way, Crawley, West Sussex RH10 9YX.

2. Accounting policies

Basis of preparation

The financial statements are prepared in accordance with UK-adopted international accounting standards (IFRS) and with the requirements of the Companies Act 2006 as applicable to companies reporting under those standards.

The financial statements are presented in GBP (£), rounded to the nearest 0.1 million (£0.0) unless otherwise stated. They have been prepared under the historical cost convention.

The policies applied by the Company are consistent with those set out in the notes to the consolidated financial statements.

Change in accounting policy

The accounting policy for treasury shares has been revised to transfer amounts out of the treasury share reserve on exercise rather than on vesting which is believed to provide users with more relevant information. The only impact of this accounting policy change is within reserves, and the classification of balances between treasury shares and retained earnings. The full impact can be seen in the statement of changes in equity from 1 August 2024.

The following additional policies are also relevant to the Company financial statements.

Investments (note 4)

Investments in subsidiary undertakings are valued at cost, being the fair value of the consideration given and including directly attributable transaction costs. The carrying value is reviewed for impairment if events or changes in circumstances indicate the carrying value may not be recoverable.

Dividends received

Dividend income is recognised when the Company's right to receive the payment is established, which is generally when the shareholders approve the dividend.

Financial instruments

For detailed disclosures of financial instruments, refer to note 27 of the consolidated financial statements.

New standards and interpretations

There are no standards or interpretations that have become effective since 1 August 2025 for annual periods beginning on or after 1 January 2025 which have had a material impact on these consolidated financial statements.

At the date of authorisation of these consolidated financial statements, the Group has not early adopted the following new and revised IFRS Standards that have been issued but are not yet effective:

- Amendments to IFRS 9 and IFRS 7 – Amendments to the classification and measurement of financial instruments (effective after 1 January 2026).
- Amendments to IFRS 9 and IFRS 7 – Contracts referencing nature-dependent electricity (effective after 1 January 2026).
- IFRS 18 'Presentation and disclosure in financial statements' (effective after 1 January 2027).

The Directors do not expect that the adoption of the standards listed above will have a material impact on the reported performance measures within the consolidated financial statements of the Group in future periods, other than presentational changes required under IFRS 18, the impact of which is still being assessed. IFRS 18 will impact the presentation of the consolidated primary statements and associated notes; the Directors are in the process of assessing the most appropriate format.

Accounting judgements and key sources of estimation uncertainty

In the application of the Company accounting policies, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources.

The Directors have concluded that there are no key judgements or major sources of estimation uncertainty that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

3. Staff costs

	2026 £m	2025 £m
Wages and salaries	6.7	5.3
Social security costs	0.5	0.3
Share-based payment charge	1.9	2.2
Defined contribution pension costs	0.1	0.1
	9.2	7.9

Total contributions payable in the next financial year are expected to be at rates broadly similar to those in 2025/26 but based on actual salary levels in 2026/27.

Average monthly number of employees in the year

	2026 Number	2025 Number
Administration	19	20

Notes to the Parent Company Financial Statements continued

For the year ended 31 July 2026

3. Staff costs (continued)

Directors' remuneration

	2026 £m	2025 £m
Amounts paid in respect of qualifying services		
Directors' remuneration	4.7	4.3
Non-Executive Directors' remuneration	0.5	0.5
Directors' cash payment in lieu of employer's pension contribution	0.1	0.1
Directors' pension scheme contributions	–	–

The number of Directors accruing benefits under Company money purchase pension arrangements was nil (2025: nil).

The aggregate amount of gains made by the Directors on the exercise of share options was £1.8 million (2025: £1.3 million).

4. Investments

	£m
Cost and net book value	
At 31 July 2025 and 31 July 2026	199.3

For a list of the subsidiaries in which Volution Group plc held 100% of the voting shares as at 31 July 2026, see note 29 of the consolidated financial statements.

The Company has considered whether there is objective evidence that the investment in subsidiaries is impaired. Considering models and assumptions consistent with those used for the Group goodwill impairment testing (see note 13 of the consolidated financial statements), no indicator of impairment has been identified.

5. Deferred tax assets

Deferred tax assets and liabilities arise from the following:

	1 August 2025 £m	Charged to income £m	Credit to equity £m	31 July 2026 £m
Deferred tax asset				
Temporary differences	4.4	0.3	(0.6)	4.1

	1 August 2024 £m	Credit to income £m	Credit to equity £m	31 July 2025 £m
Deferred tax asset				
Temporary differences	3.5	0.4	0.5	4.4

6. Other receivables and prepayments

	2026 £m	2025 £m
Amounts owed by Group undertakings	345.0	265.3
Prepayments	1.0	1.0
	346.0	266.3

Refer to note 12 for more details on the terms of the amounts owed by Group undertakings. The Group has considered the recoverability of the amounts owed by Group undertakings. Consideration was given to the different scenarios for the recovery of the intercompany loan receivables, the possible credit losses that could arise and the probabilities for these scenarios. Based on this assessment, the amounts owed by Group undertakings are considered fully recoverable and therefore no provision for expected credit loss has been recognised.

7. Other financial liabilities

	2026 Current £m	2025 Current £m
Financial liabilities		
Foreign exchange forward contracts	–	0.3
	–	0.3

The foreign exchange forward contracts are carried at their fair value, with the gain or loss being recognised in the Company's statement of comprehensive income. Refer to note 27 within the consolidated financial statements for the fair value hierarchy the Company uses to determine the fair value of financial instruments.

8. Trade and other payables

	2026 £m	2025 £m
Trade payables	0.8	0.6
Other payables	1.7	1.2
Accruals	5.9	4.3
Social security costs	0.2	–
Amounts owed to Group undertakings	21.6	24.6
	30.2	30.7

Amounts owed to Group undertakings are unsecured, interest free and repayable on demand.

Notes to the Parent Company Financial Statements continued

For the year ended 31 July 2026

9. Interest-bearing loans and borrowings

	2026		2025	
	Current £m	Non-current £m	Current £m	Non-current £m
Unsecured – at amortised cost				
Borrowings under the revolving credit facility	–	206.1	–	144.7
Cost of arranging bank loan	–	(1.4)	–	(1.3)
	–	204.7	–	143.4

Reconciliation of movement in financial liabilities

	2026 £m	2025 £m
At 1 August	144.7	49.8
Additional loans	122.4	198.8
Repayment of loans	(69.0)	(100.7)
Interest charge	10.5	7.1
Interest paid	(9.8)	(7.1)
Foreign exchange	8.0	(3.2)
Movement in interest accrual	(0.7)	–
At 31 July	206.1	144.7

Changes in liabilities arising from financing activities

	1 August 2025 £m	Cash flows £m	Foreign exchange movement £m	Interest charge £m	Other £m	31 July 2026 £m
Non-current interest-bearing loans and borrowings	143.4	42.8	8.0	10.5	–	204.7

	1 August 2024 £m	Cash flows £m	Foreign exchange movement £m	Interest charge £m	Other £m	31 July 2025 £m
Non-current interest-bearing loans and borrowings	49.8	90.1	(3.2)	7.1	(0.4)	143.4

Further details regarding the borrowing facility can be found in note 22 of the consolidated financial statements.

10. Share capital and share premium

The movement in called-up share capital and share premium accounts is set out below:

	Number of ordinary shares issued and fully paid	Share capital £m	Share premium £m
At 31 July 2025 and 31 July 2026	200,000,000	2.0	11.5

The 200,000,000 authorised ordinary shares were issued at £0.01 each.

11. Dividends paid and proposed

	2026 £m	2025 £m
Cash dividends on ordinary shares declared and paid		
Interim dividend for 2026: 4.0 pence per share (2025: 3.4 pence)	7.9	6.7
Proposed dividends on ordinary shares		
Final dividend for 2026: 8.8 pence per share (2025: 7.4 pence)	17.4	14.7

The interim dividend payment of £7.9 million is included in the statement of cash flows (2025: £6.7 million).

A final dividend payment of £14.7 million is included in the statement of cash flows relating to 2025 (2025: £12.3 million relating to 2024).

Total dividend payments of £22.6 million are included in the statement of cash flows (2025: £19.0 million).

The proposed dividend on ordinary shares is subject to approval at the Annual General Meeting and is not recognised as a liability at 31 July 2026.

Notes to the Parent Company Financial Statements continued

For the year ended 31 July 2026

12. Related party transactions

The following table provides the total amount of transactions that have been entered into with subsidiary undertakings for the relevant financial period.

	2026		2025	
Related parties	Amounts owed by related parties £m	Amounts owed to related parties £m	Amounts owed by related parties £m	Amounts owed to related parties £m
Volution Ventilation Group Limited	92.1	18.3	142.4	19.9
Volution Holdings Limited	252.4	–	117.1	–
Volution Ventilation Australia Limited	–	–	2.3	–
Volution Ventilation UK Limited	–	3.3	–	2.0
Volution Ventilation New Zealand	0.1	–	–	–
Torin-Sifan Limited	–	–	–	2.0
DVS	–	–	3.5	–
Ventilairsec	0.4	–	–	0.7
	345.0	21.6	265.3	24.6

Sales made to Volution Holdings Limited of £5.6 million (2025: £5.1 million) relate to management fees; the settlement of these management fees occurs in cash. Outstanding loan balances at the year-end are unsecured and interest free.

No sales were made to Volution Ventilation Group Limited; the outstanding loan balances at the year-end are unsecured and interest free.

A recharge of business combination costs was made to Volution Ventilation Australia Limited of £0.6 million (2025: £2.3 million).

In the prior year, there were no sales made to DVS; the outstanding loan balance at the year-end was unsecured and incurs interest at a rate of 7.5%.

Compensation of key management personnel

The Executive and Non-Executive Directors are deemed to be key management personnel of Volution Group plc. It is the Board that has responsibility for planning, directing and controlling the activities of the Group. Please refer to note 3 for details of the Executive and Non-Executive Directors' remuneration.

There were no material transactions or balances between the Company and its key management personnel or members of their close family. At the end of the year, key management personnel did not owe the Company any amounts.

13. Share-based payments

For detailed disclosures of share-based payments granted to employees, refer to note 31 of the consolidated financial statements.

14. Events after the reporting period

On 18 September 2026 we concluded an exercise to increase and extend the maturity of the sustainability linked facility, which now stands at £340 million plus a further £150 million accordion facility. This new and increased facility matures in September 2029, with two further one-year optional extensions out to September 2031.

ESG Annex

Basis of preparation

Unless otherwise stated

All sustainability-related data within this report represents the actual data collected between August 2025 and June 2026 (11 months); with remaining data extrapolated to cover the 12-month period, unless noted otherwise.

The reporting boundary covers all companies within the Group as all are considered to be in operational control. Actual data reported refers to all companies within the Group, and any new acquisitions from the date of acquisition. A list of all companies and operating locations within the Group can be found on pages 175 and 176.

Emissions and target recalculation policy and process

Base year

When setting our targets with the SBTi, FY23 was selected as the base year for all carbon accounting, being the first year where reliable data for our full carbon inventory for all scopes across the Group was available.

The base year included all businesses within the Group except for the acquisitions I-VENT, VMI, DVS, Fantech and AC Industries.

This year, the base year has been adjusted to include those acquisitions as they represent a material portion of the Group's energy use and carbon emissions.

Recalculation Policy

All carbon accounting is aligned to the Greenhouse Gas (GHG) Protocol, with organisational boundaries aligned to all activity within operational control.

We will review data annually, to ensure high quality and to ensure targets remain valid.

We have adopted a significance threshold of 5%, meaning changes in data +/- 5% of published values will trigger recalculation of previously published emissions, including previously stated annual emissions and our base year used for target setting.

Items that will trigger a recalculation include: identified material data errors, changes in methodology and changes to external methodology recommendations (e.g. the GHG Protocol, the Science Based Targets initiative (SBTi)).

Items that may not trigger a recalculation include: acquisitions that did not exist as an entity at our base year but are not material, organic growth and changes in emission factors.

ESG Annex continued

Sustainable Finance Disclosure Regulation (SFDR) Principal Adverse Indicators (PAIs)

We are reporting on PAIs to help investors with their reporting for the EU SFDR.

Adverse sustainability indicator	Indicator/Metric	Volution response
GHG emissions		
1	Scope 1, 2 and 3 emissions	Scope 1: 2,385 tCO_2, Scope 2: 2,692 tCO_2, Scope 3: 1,137,161 tCO_2 (page 193)
2	Carbon footprint	Total emissions: 1,142,238 tCO_2 (page 193)
3	Carbon intensity	Scope 1 and 2 location-based intensity 10.5tCO_2/£1m revenue (page 193)
4	Exposure to companies in the fossil fuel sector	Volution does not operate in fossil fuel sectors.
5	Share of non-renewable energy consumption	75% of energy used was from renewable sources or tariffs
6	Energy consumption in GWh per €1 revenue	Scope 1 and 2 energy consumption: 22.57 GWh = 0.047 GWh/€1m revenue (page 193)
Biodiversity		
7	Activities negatively affecting biodiversity	Our operations do not have a significant impact on biodiversity
8	Emissions to water	We do not discharge solid, liquid or contaminants into bodies of water
9	Hazardous waste	We use a non-material amount of hazardous waste that is properly recycled or disposed
Social and employee		
10	Violations of UN Global Compact principles and OECD GME	We are not aware of any violations of the UN Global Compact (UNGC) principles or OECD GME
11	Lack of processes and compliance mechanisms	We joined the UNGC in FY22 and have since signed the CEO water mandate and continue to engage. We have comprehensive policies in place aligned with principles of the UNGC and OECD Guidelines including anti-corruption, anti-modern slavery, ethical tax, etc.
12	Unadjusted gender pay gap	We publish gender pay gap data for the UK only
13	Board gender diversity	At 31 July 2026, 43% of the Board was female
14	Exposure to controversial weapons	Volution is not involved in the manufacture or sales of weapons

ESG Annex continued

The Sustainability Accounting Standards Board (SASB)

The SASB Foundation was founded in 2011 as a not-for-profit, independent standards-setting organisation. Volution provides information in alignment with SASB reporting guidelines for its sector (electrical and electronic equipment). The below table shows the reported topics and metrics and where further detail can be found within this report.

Accounting metric and SASB code	Response/data/reference
Energy management Total energy consumed (RT-EE-130a.1)	Our total energy consumption across the Group during the year was 22,570 MWh, representing all electricity and heat and direct fuel use across all of our facilities, of which 50.8% was electricity sourced from the grid. 1% of all energy used was self-generated from solar arrays. Of the electricity consumed, 75% was from renewable sources, including renewable tariffs and on-site generation.
Percentage of grid electricity (RT-EE-130a.1)	
Percentage renewable (RT-EE-130a.1	
Hazardous waste management Amount of hazardous waste generated, percentage recycled (RT-EE-150a.1)	We produce a non-material amount of hazardous waste (2.7t), all is properly recycled or disposed.
Number and aggregate quantity of reportable spills and quantity recovered (RT-EE-150a.2)	Zero reportable spills.
Product safety Number of product recalls issued, total units recalled (RT-EE-250a.1)	Zero product recalls related to product safety.
Monetary losses from legal proceedings associated with product safety (RT-EE-250a.2)	No monetary losses as a result of product safety issues.
Product lifecycle management Percentage of products, by revenue, that contain IEC 62474 declarable substances (RT-EE-410a.1)	We manufacture a large proportion of our products ourselves and use no IEC 62474 declarable substances in the production process. We are continuing to review supply chain products for relevant substances and will report in future if necessary.
Percentage of eligible products, certified to an energy efficiency certification (RT-EE-410a.2)	All products eligible for energy efficiency certification are under review for certification.
Revenue from renewable energy-related and energy efficiency-related products (RT-EE-410a.3)	Revenues derived from products that are low carbon account for 72.1% of total revenue.
Materials sourcing Description of the management of risks associated with the use of critical materials (RT-EE-440a.1)	Our suppliers make a vital contribution to our performance and engaging with our carefully selected, high-quality supply chain ensures we can maintain security of supply. Reviews and supplier audits are carried out to ensure compliance with our Code of Conduct and our policies on the prevention of bribery, corruption and modern slavery. The Group is exposed to fluctuations in the price of raw materials and has implemented procedures to limit exposure to rising prices, including hedging of foreign currencies.
Business ethics Description of policies and practices for prevention of bribery, corruption and anti-competitive behaviour (RT-EE-510a.1)	Volution is committed to complying with all applicable laws and regulations in the countries in which we operate. Our policies are available on our website.
Monetary losses from legal proceedings re bribery or corruption (RT-EE-510a.2)	No legal proceedings and no monetary losses.
Monetary losses from legal proceedings re anti-competitive behaviour (RT-EE-510a.3)	No legal proceedings and no monetary losses.
Activity measures Number of units produced by product category (RT-EE-000.A)	A breakdown of revenues by activity is shown on page 154.
Number of employees (RT-EE-000.B)	The number of employees at the year end in FY26 was 2,312 FTE (2025: 2,338).
Reportable accident frequency rate	Accident frequency rates are shown on page 74. We report frequency rates per 100,000 hours worked, representing an approximation of the hours worked during a person's lifetime, and allowing comparability across our business units and with other companies. The frequency rate in 2026 was 0.29 (2025: 0.17).
Minor accident frequency rate	Minor accidents per 100,000 hours worked in 2026 was 0.19 (2025: 0.19).
Fatalities	Zero fatalities occurred during the year.

ESG Annex continued

TCFD/Companies Act reference – where to find disclosures

Disclosure & ref	
Governance • Board oversight (pages 86 and 87 and 189) CA s414CB(a) • Management's role (pages 69 and 190) CA s414CB(a)	• Our governance structure provides clear oversight and ownership of the Group's sustainability strategy, climate risk and opportunity. • In 2021, we established the Group Management Sustainability Committee and Senior Independent Non-Executive Board member Amanda Mellor assumed Board oversight responsibility for Volution's sustainability strategy.
Strategy • Climate-related risks and opportunities pages 55, 70 to 71 and 189 to 194) CA s414CB(d) • Impact on strategy (page 70 to 71) CA s414CB(e) • Resilience (page 70 to 71 and 192) CA s414CB(f)	Our purpose is to provide healthy indoor air, sustainably and this commitment to sustainability is integral to everything we do. Our business model is underpinned by our sustainability pillars of Product, Planet and People. • Our sustainability ambition is to champion the energy saving potential of our products and solutions, and we are well positioned to seize the opportunities that regulatory tailwinds bring us. • We have identified transition risks related to reputation, policy and regulation, and technology but have not assessed any of these risks as high under either scenario under the short, medium or long term. • We have undertaken a review of our major production and warehouse locations, and have concluded we are not exposed to significant risk. • In preparing the Group's financial statements, we have considered the impact of climate-related risks and have not identified any material adverse impact on the financial statements or judgements within.
Metrics and Targets • Metrics (pages 37 and 192 to 194)CA s414CB(h) • Scope 1, 2, 3 emissions (pages 193 to 194) CAs414CB(h) • Targets (page 64) CA s414CB(g)	We developed three key metrics to measure our progress against our net zero ambitions: the percentage of revenue derived from low-carbon products, the percentage of recycled plastic used in our manufactured products and carbon intensity. • In 2021, we set out our ambition to be a carbon net zero business and received SBTi approval of our net zero targets in 2025. • We have set detailed forecasts and targets for the short, medium and long term, aligned to our net zero ambitions for Scope 1, 2 and 3. • We have provided details of our Scope 1, 2 and 3 emissions on both a location and market basis.
Risk • Risk processes (pages 46 to 52) CA s414CB(b) • Risk management (pages 46 to 52, 70 and 71) CAs414CB(c)	• We have continued to embed climate risk into our broader risk management framework and have integrated climate change into our principal risks. • Our risk review considers the risks and opportunities under the short, medium and long term, as well as over our chosen climate scenarios.

TCFD pillar – Governance

Climate change is embedded in the governance structure of the Group through a decentralised local ownership, overseen by Group leadership and under the ultimate oversight of the Board. The Board is collectively responsible for promoting the long-term sustainable success of the Company, generating value for shareholders and contributing to wider society.

The principal way that climate change is embedded into this governance structure is shown in the diagram on pages 86 and 87 and described in more detail in section a) and b) below.

a. Board oversight of climate-related risks and opportunities

The Board has ultimate oversight and responsibility for climate change. The Board receives a review of the Group's risks and opportunities twice per year, including an assessment of climate-related risks and opportunities. The Board assessed those risks and approved the principal risks presented on pages 48 to 52. The Board considered whether climate change should be disclosed as an individual standalone principal risk, but concluded it was more appropriate to embed the specific impacts of climate change risks within existing principal risks – a 'cross cutting' approach. The Group does not believe the any individual or collection of climate change risks are themselves material to the financial prospects of the Group. See pages 44 to 45 for description of the Group's risk management process).

The Board received updates each month on key sustainability KPIs. Once per year, the complete set of emissions data, performance against targets, and setting of new targets where relevant is received by the Audit Committee and Board for review and approval to be published externally. The performance of the Executives against their sustainability-related incentives is reviewed by the Remuneration Committee (pages 112 to 132).

The Board and certain individual Board members kept up to date on climate-related issues through attending external seminars and discussing with Group advisers. Board Members' relevant experience is described on pages 84 to 85.

ESG Annex continued

b. Management's role in assessing and managing climate-related risks and opportunities
The Group Management Sustainability Committee is responsible for assessing and managing climate-related risks and opportunities and co-ordinating with the Group RICC to ensure that climate-related risks are fully integrated into the risk management process. The Board representative on the Committee communicates the activities of the Group Management Sustainability Committee to the Board.

The Group Management Sustainability Committee met twice during FY26. The members of the Committee included Amanda Mellor (Senior Independent Non-Executive Director providing Board oversight), Ronnie George (CEO) and Andy O'Brien (CFO), the Managing Directors of each business and Group ESG subject-matter experts.

Environment	Group Business Development Director Group Financial Controller
Social	Group HR Director
Governance	Group Company Secretary
Overall ESG	Group ESG Analyst

The Managing Director of each business unit is responsible for assessing the specific climate risks and opportunities within their business, submitting to the Group Management Risk Committee and delivering any mitigation or management actions.

The Group Management Sustainability Committee enables relevant issues to be discussed and to exchange information and best practice. The Committee this year focused on our carbon-reduction plan and the risks and opportunities of climate change and delivering our climate-reduction targets.

The ESG subject-matter experts are responsible for ensuring they keep up to date with changes in reporting and relevant standards to provide assistance to local business management.

The Remuneration Committee
The Long-term Incentive Plans (LTIPs) of the Executives have, since FY20, included ESG measures that focus on our recycled plastic use in our manufactured products, increasing the low-carbon credentials in the product portfolio measured as a percentage of revenue, and since FY24, a measure directly linked to our SBTi-aligned carbon intensity targets (pages 112 to 132).

TCFD pillars – Strategy and Risk
Our strategy sets out our response to the transition to a net zero economy and limiting the effects of climate change (see pages 3 to 7 and 58 to 61).

Our sustainability ambition is to champion the energy saving potential of our products and solutions and support the net zero ambitions of the countries in which we operate. The regulatory tailwinds should significantly increase demand for our sustainable and innovative ventilation solutions, while our leading position in the UK, Continental Europe and Australasia ventilation markets means that we are well positioned to seize this opportunity.

a. Climate-related risks and opportunities the organisation has identified in the short, medium, and long term

Methodology and risk ratings
We carry out a full risk management process each year (see pages 44 to 52), including a separate but integrated bottom-up climate-related risk review. The climate-related risk process followed the same process as the wider risk management process considering both the likelihood and the potential impact of each risk. The climate-related risks are reviewed each year and submitted to the Volution Group RICC each year. A full bottom-up assessment of climate risk was carried out in 2025 (see pages 70 to 71). This year, we have again concluded that climate change represents a net opportunity to Volution through our ability to continue to drive growth from the regulatory and market tailwinds.

Modelling methodology
All climate risks have been modelled using a bespoke methodology, based on Network for Greening the Financial System (NGFS) climate scenarios with assumptions informed by Government and industry risk assessments and adaptation plans, including the European Climate Risk Assessment and UK Climate Adaptation plans. Assumptions are largely the same across all scenarios, with impacts driven by scenarios assessed accordingly (e.g. the speed at which regulations are implemented).

Assumptions include that:

1. Government adaptation plans will increase the rate of retrofit solutions enabled by increasing regulations;
2. all building adaptation scenarios will include requirements for insulation and consequently considerations for ventilation and indoor air quality management;
3. global GHG reduction initiatives will continue to require reduction in energy usage and will continue to focus on the electrification of heat;
4. transition to low-carbon economies will continue across all regions and further opportunities for green-enabled growth will be identified; and
5. increased urbanisation will result in reduced options for sole reliance on nature based solutions.

We have given clear emphasis to both our transition and physical risks and opportunities.

We have adopted the same approach to the materiality of these risks and opportunities as for our principal risks and uncertainties.

ESG Annex continued

Volution products support the transition to a low-carbon, climate-resilient economy

Buildings are responsible for around 36% of total CO_2 emissions and 40% of total energy demand. If we are to hit global net zero targets, we must deal with the existing building stock, as well as building new compliant buildings. With 80% of the buildings we have today expected to be still standing by 2050, and a current refurbishment rate of just 1% per year, we need new initiatives. To deliver net zero-ready buildings, we must make them air-tight, insulate them well and decarbonise the heating source. These actions will impact the indoor environment, and ventilation will be even more important for both health and comfort. Doing that without losing heat, and therefore energy, will require energy efficient ventilation solutions including heat recovery.

If we are successful and reduce the energy demand in buildings by 80% by 2050, we will save more than 25% of our total energy needs. To achieve this, we need to at least triple the rate of existing building stock renovation, to 3% a year.

As a structural growth driver, in March 2023, the European Parliament passed a comprehensive revision of the 2010 Energy Performance of Buildings Directive (EPBD IV) to cover existing buildings for the first time. These regulations should stimulate the renovation market in the EU, as they will trigger renovations and create a greater demand for energy efficient upgrades. Similar regulatory drivers exist in all our markets. These responses to climate change will increase demand for our low-emission products and services.

b. The impact of climate-related risks and opportunities on the organisation's business, strategy and financial planning

We have identified physical risks to some of our locations and supply chains and transitional risks related to reputation, policy and regulation. However, our sustainability ambition is to champion the energy savings potential of our products and solutions, and we are well positioned to seize the opportunities that regulatory tailwinds bring us.

The opportunities that are available to us are a key driver to our Sustainable Growth Model. Our organic growth is driven by our local businesses taking the opportunities available to them in each market, driven in part by the local regulatory tailwinds (see pages 61 to 62). Our drive to innovate and develop new products ensures that we are able to maintain a leadership position in low-carbon and heat recovery products (see pages 58 to 63).

We have concluded that we do not expect the risks of climate change to have a material impact on our financial prospects over the short, medium or long term, and hence those risks have not materially impacted our strategy nor financial planning.

Climate-related commitment/target/action	Financial impact assessment
2022 – transition of UK procured electricity to 100% renewable sources.	Multi-year 100% renewable agreements in place for UK.
2026 – 75% of our sales are low-carbon products.	Sales of low-carbon products reached 80.3% in FY26 on a like-for-like basis.
2025 – 90% of the plastic processed in our factories are from recycled sources.	We have made significant progress and our use of recycled plastic in our products averaged 81.3% for FY26. This was below our target of 90%. We will continue to focus on this important initiative in FY27.
We will work with our supply chain and industry to increase the use of new and sustainable products and inputs.	Building mutually beneficial relationships, with no significant direct cost to Volution.
We will deliver energy net gain through our product portfolio.	Our target to increase heat recovery product sales will deliver net benefit through up-selling to higher-value products.
We will close the loop on the circular economy, recovering our end-of-life products, recycling and re-using.	We will roll out an end-of-life recovery programme when an economically efficient process is confirmed. No programme has yet been developed.

ESG Annex continued

c. The resilience of the organisation, taking into consideration different future climate scenarios
The Directors have concluded that Volution is expected to be resilient to the impacts of climate change across the three scenarios that have been assessed. Moreover, we are well placed to take the opportunities that climate change brings.

In 2025, we carried out an updated review of physical climate risks (acute and chronic) to ensure we understand the resilience of our critical properties to climate change. Climate change poses a physical risk to the buildings that we occupy including offices, factories and warehouses. Four sites have been assessed as having a moderate to high exposure to flood from flood-defended rivers in the current climate, with only one more site at a high risk as a result of climate change by 2050. In the long term, in the 2050s and beyond, drought and heat stress could have an increased potential impact, including water scarcity, higher risk of fires and an impact on operations, safety and wellbeing. None of our significant manufacturing sites are expected to be at risk of significant impact from climate change under the 1.5°C or 2.0°C scenarios under the short, medium or long term, or under the 4°C scenario under the short or medium term.

The locations at most risk are typical locations in our decentralised structure, and none of them represent a material portion of the Group operating profits or assets. The impact of any one of these locations being closed for a sustained period as a result of flooding for example, would not have a material impact on the long-term resilience of the Group.

Our decentralised structure also enables us to remain close to local regulation and policy transition risks and we work with industry bodies and regulators in each market. Over the longer term, our combination of centralised technical support and local market knowledge ensures our product development process will deliver products that regulators will require. In the 1.5°C scenario, demand for products that improve energy efficiency of buildings will increase as governments seek to ensure that target is met.

We have considered whether our strategy may need to change to address potential climate-related risks and opportunities and have concluded that our strategy is appropriate to take the opportunities that climate change presents, and resilient against the potential risks, and we do not envisage any need to change our strategy.

TCFD pillar – Metrics and Targets

a. The metrics used by the organisation to assess climate-related risks and opportunities
Our metrics for the percentage of our total revenue that is from low-carbon and heat recovery products tracks the extent to which we are utilising the opportunities that climate change brings. The success of our investments and capital allocation, both in terms of plant and equipment and in the acquisition of low-carbon businesses, is reflected in increased sales from these products.

We have aligned our revenue with the EU Taxonomy and continue to report under the FTSE Russell Green Economy taxonomy.

We believe these externally reported metrics allow us to demonstrate the success of our continued delivery against our sustainable growth strategy.

b. Scope 1, Scope 2 and Scope 3 greenhouse gas emissions
We disclose all Scope 1, 2 and 3 carbon emissions, in total and by business. We have set detailed annual targets for emissions aligned to the science-based methodologies, which have been approved by the SBTi in 2025.

This year, we have further improved our measurement and conversion methods to better align with best practice.

Full details of our emissions are shown on pages 193 to 194. Our Scope 1 and 2 emissions are not material to our total emissions, representing just 4% of operational emissions (excluding emissions from use of our products). The most significant Scope 1 and 2 emission sources in FY26 are electricity 53% (FY25: 55%), gas 9% (FY25: 12%) and vehicle fuel 32% (FY25: 29%). The most significant Scope 3 emission sources in FY26 are from the use of products 89% (FY25: 88%), distribution 0.6% (FY25: 1%), purchased products 10% (FY25: 10%) and other 0.4% (FY25: 1%).

Our perimeter includes all companies and subsidiaries in the Group under our financial or operational control. Our base year for target-setting aligned with SBTi is 2023.

c. The targets used by the organisation to manage climate-related risks and opportunities and performance against targets
In FY25, our short and long term net zero targets were approved by the SBTI.

Our targets were developed with the help of an external consultant, and contain a combination of active reductions – specific actions that we will take as a business, as well as an independent assessment of the passive reductions that will occur in our industry, supply chain, and in terms of grid decarbonisation. The combination of these active and passive carbon reductions, should they be delivered, will enable us to achieve the targets we have set.

Our total absolute Scope 1, 2 and 3 market-based emissions totalled 1,141,456 tCO_2e, which is 6% lower than FY25 (FY25: 1,213,813 tCO_2e). The decrease is largely driven by use of our sold products, which is the most significant source of emissions across all scopes, and varies year-on-year due to product sales mix and emission conversion factors, although it continues on a general downward trend as our proportion of low-carbon product sales increases.

Our chosen measure of carbon intensity (Scope 1 and 2 emissions per £ million of revenue) has decreased to 10.5 tCO_2e/£ million revenue (FY25: 12.0t CO_2e/£ million revenue). The decrease is driven by increasing our electric vehicle (EV) fleet, a reduced use of gas for on-site heating, other efficiency measures, and the impact of low emission conversion factors in FY26 (page 64).

ESG Annex continued

Energy use, emissions and targets – Scope 1 and 2

	Actual				Like-for-like (re-baselined)			
	2025		**2026**		2025		**2026**	
Scope 1	tCO_2e	MWh	tCO_2e	MWh	tCO_2e	MWh	tCO_2e	MWh
Gas	466	2,376	**485**	**2,663**	466	2,547	**485**	**2,663**
Other fuel	395	627	**271**	**1,515**	411	2,202	**271**	**1,515**
Vehicle fuels[3]	1,405	5,722	**1,629**	**6,925**	1,734	7,330	**1,731**	**7,343**
Refrigerants[4]	28				28	–	**–**	
Total Scope 1	2,294	8,725	**2,385**	**11,103**	2,639	12,079	**2,487**	**11,521**
Scope 2 (location based)	2,736	10,883	**2,692**	**11,467**	2,966	11,259	**2,712**	**11,497**
Scope 1 & 2 total (location based)	5,030	19,608	**5,077**	**22,570**	5,605	23,338	**5,199**	**23,018**
Scope 2 (market based)	1207	10,883	**1,910**	**11,467**	1,775	11,259	**1,934**	**11,497**
Scope 1 & 2 total (market based)	3,501	19,608	**4,295**	**22,570**	4,414	23,338	**4,421**	**23,018**
Carbon intensity (location based)	12.0		**10.5**		13.4	–	**10.7**	
Energy intensity	–	47		**47**	–	55		**48**

1. GHG emissions have been assessed against the GHG Protocol Methodologies using the most up to date emission factors sourced through the Climatiq database. Fuel emission are calculated using DEFRA emission factors for the UK & European emissions, and DCCEW for all other regions. Scope 1 and 2 emissions are calculated from 11 months of actual consumption, extrapolated to 12 months based on average usage. AC Industries data includes 6 months of actual consumption, from acquisition date.
2. Our Scope 1, 2 and 3 targets have been validated by SBTi.
3. EV fleet emissions are included in Scope 2 emissions.
4. Emissions from refrigerant use are updated and calculated based on top-up value as opposed to system capacity.
5. Gross KWh energy usage reported, of which 121.1 MWh was self-generated.

Energy use, emissions and targets – Scope 3

	Actual			Like-for-like (re-baselined)		
	2025	**2026**		2025	**2026**	
Upstream Scope 3	tCO_2e	tCO_2e	Var	tCO_2e	tCO_2e	Var
Category 1 – Purchased goods and services[7 8]	124,562	**111,068**	13,494	148,166	**117,431**	30,735
Category 2 – Capital goods	6,170	**2,755**	3,415	6,269	**2,766**	3,503
Category 3 – Energy-related activities[9]	513	**964**	(451)	488	**992**	(504)
Category 4 – Upstream distribution[10]	16,443	**6,637**	9,806	20,621	**6,680**	13,941
Category 5 – Waste generated in operations	99	**376**	(277)	105	**393**	(288)
Category 6 – Business travel	239	**699**	(460)	327	**699**	(372)
Category 7 – Employee commuting[11]	1,249	**1,093**	156	1,271	**1,097**	174
Category 8 – Upstream leased assets[15]	–	**–**	–	–		
Downstream Scope 3						
Category 9 – Downstream distribution[10]	–	**–**	–	–		
Category 10 – Processing of sold products[12]	129	**109**	20	128	**109**	19
Category 11 – Use of sold products[13]	1,060,383	**1,012,305**	48,078	1,158,440	**1,012,341**	147,249
Category 12 – End-of-life of products[14]	525	**1,155**	(630)	560	**2,151**	(1,591)
Category 13 – Downstream leased assets[15]	–		–			
Category 14 – Franchises[15]	–		–			
Category 15 – Investments[15]	–		–			
Total Scope 3 emissions	1,210,312	**1,137,161**	73,151	1,336,375	**1,144,659**	191,716
Scope 1 & 2 Total (location based)	5,030	**5,077**	(47)	5,605	**5,199**	406
Total scope 1,2 & 3 emissions	1,215,342	**1,142,238**	73,104	1,341,980	**1,149,858**	192,122

6. Calculated from 11 months of actual data, extrapolated to 12 months based on average usage.
7. DEFRA Government spend and activity emission factors used for consistency across the Group.
8. Activity based data used for plastics and aluminium (FY26) and spend data for all other calculations. Activity data is based on 12 months actuals.
9. Transport and distribution losses not included in Scope 2, including fleet and business travel.
10. Emissions for category 4 and 9 have been aggregated into category 4. It is not currently possible to accurately separate upstream and downstream emissions.
11. Includes assumptions for Group extrapolated from UK average commuting data and actual FTE.
12. Assumes factory energy usage for the insertion of non-final products by customers.
13. Emissions calculated from the lifetime energy use of sold products, with usage profiles assumed at a product group level. Assumes that all products are used in the country of sale with emissions based on location emission factors. Emissions included for cooling products introduced in the financial year, assuming annual refrigerant losses.
14. Using weight of sold products, determined using product weight data where available and extrapolated.
15. Not relevant for group operations.

ESG Annex continued

Carbon emissions by country
Actuals

tCO_2e	Scope 1	Scope 2 Location	Scope 1 & 2 Location
United Kingdom	1,084	816	1,900
Sweden	293	9	302
Norway	0	0	0
Germany	82	93	175
Netherlands/Belgium	120	38	158
Bosnia and Herzegovina	19	331	350
North Macedonia	9	519	528
France	60	2	62
Slovenia	83	3	86
New Zealand	178	47	225
Australia	457	834	1,291
Total	2,385	2,692	5,077

Energy consumption
Actuals

MWh	FY22	FY23	FY24	FY25	FY26
Scope 1	9,169	9,674	9,366	8,725	**11,103**
Scope 2	9,578	9,327	10,109	10,883	**11,467**
Total	18,747	19,001	19,475	19,608	**22,570**

Scope 1 energy use covers all direct energy use from the business, including all vehicle fuels, gas and heating fuels.

Scope 2 energy use covers all purchased energy with data obtained from energy supply bills, using 12 months of data where possible and extrapolated out using average usage for 11 months where data gaps exist to cover the full 12 months of usage. From 2023, energy consumption is reported gross including all self-generated electricity. The GHG inventory perimeter for each year includes 100% of the businesses within the Group.

Carbon emissions
Actuals

tCO_2e	FY22	FY23	FY24	FY25	FY26
Scope 1	1,920	2,034	2,120	2,294	**2,385**
Scope 2 (location based)	1,855	1,995	2,317	2,736	**2,692**
Scope 2 (market based)	904	743	642	1207	**1,910**
Scope 3	51,832	733,866	657,605	1,210,312	**1,137,161**
Total (location based)	55,607	737,895	662,042	1,215,342	**1,142,238**

Re-baselined like-for-like

tCO_2e	FY22	FY23	FY24	FY25	FY26
Scope 1	1,920	2,709	2,993	2,639	**2,487**
Scope 2 (location based)	1,855	2,904	3,145	2,966	**2,712**
Scope 2 (market based)	904	1,461	1,597	1,775	**1,934**
Scope 3	51,832	1,452,000	1,453,000	1,336,375	**1,144,659**
Total organic	55,607	1,457,613	1,459,138	1,341,980	**1,149,858**

Scope 1 emissions include all direct emissions from the business, including all vehicle fuels, gas and heating fuels. All emissions are calculated using DEFRA emission factors published in the appropriate year.

Scope 2 emissions include all purchased electricity. The data is gathered primarily from energy bills, using 12 months of data where possible and extrapolated out using average usage where data gaps exist to cover 12 months of usage. All UK emissions are calculated using DEFRA emission factors published in the appropriate year with all other grid emissions sourced from the Climatiq database.

Scope 2 location-based emissions are calculated with emission factors specific to the energy grid of each operating country and include EV charging.

Scope 2 market-based emission are calculated using an emission factor that accounts the residual emissions in the energy grid and include EV charging.

Scope 3 emissions include all indirect emissions across the Group for FY26.

Carbon is reported in tonnes of carbon equivalent (tCO_2e) and encompass all greenhouse gases. The GHG inventory perimeter for each year includes 100% of the businesses within the Group.

ESG Annex continued

Carbon intensity (tCO_2e/£1m)

	FY22	FY23	FY24	FY25	FY26
Location based	12.3	12.3	12.8	12.0	**10.5**

Carbon intensity is calculated as Scope 1 and 2 location-based carbon emissions in tonnes per £ million revenue. The perimeter and calculation methodology are unchanged in each of the reported years shown.

Avoided emissions

	FY22	FY23	FY24	FY25	FY26
tCO_2e	N/A	2,183,455	1,872,583	1,979,945	**1,618,644**

We recognise that there is not yet a universally accepted method of measuring or reporting 'avoided emissions' (sometimes referred to as 'Scope 4' emissions), and that any measure can only ever be an estimate. The TCFD framework does not include avoided emissions within its recommendations, and, together with the assumptions and uncertainties involved in the calculations, this means that avoided emissions reported for FY26 should not be considered to be at the same level of accuracy as our Group emissions reported within the TCFD section. However, we understand from our stakeholders that the energy saving potential of our products is useful information and is provided for that purpose.

The emissions calculated using our model should be assumed to be the upper limit of energy savings. The calculation is sensitive to the variables noted under 'methodology' and other limitations. Limitations include the following: the domestic application baseline assumes mains gas boiler heating, heat loss due to infiltration is not adjusted for wind speed, the thermal capacity and inertia has not been considered, domestic applications are modelled on detached houses, and Commercial applications are modelled on open plan offices. Adjusting the model for these limitations may either raise or lower avoided emissions calculations. Sensitivities to key assumptions include the following: a 1% increase in the rate of electricity decarbonisation year-on-year reduces avoided emissions by 4.3%, lowering the internal setpoint temperature from 21°C to 20°C reduces avoided emissions by 8.3%, and decreasing unit lifetime use from 10 to 9 years reduces avoided emissions by 8.2%.

Water

	FY24	FY25	FY26
Water usage (m3)	16,262	20,589	**17,950**

Water usage is sourced from actual usage where possible. Where data cannot be collected (where water is used for water, hygiene and sanitation services only), a 10l/p/d usage assumption has been used. Data includes total ACI use.

	FY24	FY25	FY26
Water withdrawn from water stressed regions	64%	57%	**71%**
Water withdrawn from water risk regions	10%	9%	**9%**

Water stress measures the basic ratio of total water demand to available renewable surface and groundwater supplies. Water risk is a more holistic measure and includes all water-related risks and mitigations including: water stress, water quality, water infrastructure and risks relating to public perceptions and regulation. This figure is inclusive of ACI.

Waste

Waste by fate %

	FY24	FY25	FY26
Recycled	N/A	80%	**75%**
Incinerated	N/A	11%	**11%**
Landfill	N/A	9%	**13%**

Wastes products in direct operations by percentage fate. Where gaps exist, data has been assumed based on similar regional companies. This figure is inclusive of ACI.

Waste by type (t)

	FY24	FY25	FY26
Metals	N/A	1,230	**808**
Plastic	N/A	119	**77**
Paper and wood products	N/A	977	**1,005**
Other	N/A	640	**1,066**
Hazardous	N/A	13	**2**
Total	N/A	2,979	**2,958**

Total weight in tonnes of waste produced in direct operations. Where gaps exist, data has been assumed based on similar regional companies. This figure is inclusive of ACI.

Products

% recycled plastic

FY22	FY23	FY24	FY25	FY26
67.2%	76.2%	78.1%	83.9%	**81.3%**

The percentage of recycled plastic used in our facilities is the proportion of recycled plastic used in production in our main plastic manufacturing locations in the UK, Nordics and Bosnia Herzegovina, shown as a percentage of total used. The perimeter and calculation methodology is unchanged in each of the reported years shown. The target for FY25 was 90.0%.

% low-carbon sales

	FY22	FY23	FY24	FY25	FY26
Total	66.1%	70.1%	74.6%	71.2%	**72.1%**
Organic					**73.9%**

The percentage of low-carbon sales is the proportion of total Group revenue that is from the sale of products that are categorised as 'low-carbon products', shown as a percentage of total Group revenue. We define our low-carbon products as products that use less energy than the products they replace, or as products that are used within the local calculation methods to reduce emissions from buildings. A full definition is given on page 199 The target for FY26 was 75%, set before the acquisition of Fantech and AC Industries; like-for-like low-carbon sales in FY26 were above the target, at 80.3%.

ESG Annex continued

% heat recovery sales

	FY22	FY23	FY24	FY25	FY26
Total	N/A	31.4%	31.7%	28.5%	**27.6%**
Organic					**30.3%**

The percentage of heat recovery sales is the proportion of total Group revenue that is from the sale of products that are categorised as 'heat recovery products', shown as a percentage of total Group revenue. We define our heat recovery products as systems, and products and accessories that may be used within a system, of ventilation that collects heat from exhaust air that would otherwise be lost and re-uses such heat by transferring it to the incoming fresh air. The perimeter and calculation methodology is unchanged in each of the reported years shown. There is no target set for % heat recovery sales.

% R&D spend for low-carbon

FY22	FY23	FY24	FY25	FY26
N/A	N/A	87%	85%	**79%**

The percentage of overall R&D spend across all Group companies related including all staff, capital and revenue costs aligned to products categorised as low-carbon revenue.

People

Reportable accident frequency rate

FY22	FY23	FY24	FY25	FY26
0.25	0.30	0.20	0.17	**0.29**

Reportable accident frequency rates per 100,000 hours worked are calculated by dividing the number of reportable accidents recorded in the year by the total number of hours worked and multiplied by 100,000. A reportable accident is defined as a serious accident where the injured colleague is unable to work for more than 7 days, and is aligned in the UK to the HSE RIDDOR category of injury and applied elsewhere appropriately. 100,000 hours is chosen as it represents an approximation of the hours worked during a person's lifetime, and allowing comparability across our business units and with other companies. Calculated per 200,000 hours, FY26 total would be 0.58 (FY25: 0.34). There were Nil deaths during the year (FY25: Nil)

Minor incidents frequency rate

FY22	FY23	FY24	FY25	FY26
0.43	0.50	0.18	0.19	**0.19**

A minor accident is defined as an accident where the injured colleague is unable to work for more than 1 day but less than 7.

Number of colleagues

FY22	FY23	FY24	FY25	FY26
1,898	1,871	1,869	2,338	**2,312**

Average number of full-time equivalent (FTE) employees at year end. This number includes all companies within the Group.

Gender diversity – total employees

	FY22	FY23	FY24	FY25	FY26
Male	1,321	1,310	1,308	1,666	**1,590**
Female	577	561	581	671	**721**
Other	0	0	1	1	**1**
Total	1,898	1,871	1,869	2,338	**2,312**

Based on average number of FTE employees for the financial year, from data held in company records. This number includes all companies within the Group.

Gender diversity – Board

	FY22	FY23	FY24	FY25	FY26
Male	5	4	4	4	**4**
Female	2	3	3	3	**3**
Other	0	0	0	0	**0**
Total	**7**	**7**	**7**	**7**	**7**

Coverage of ISO certifications

	FY24	FY25	FY26
ISO 14001 (Environmental Management Systems) % manufacturing sites	73%	58%	53%
ISO 9001 (Quality Management Systems) % manufacturing sites	87%	95%	57%
ISO 45001 Occupational Health and Safety (OH&S) Management Systems % employees	54%	48%	46%

100% of UK operations have ISO 45001 certification.

% of eligible employees completed modern slavery training

FY24	FY25	FY26
–	100	**100**

Personnel who have a supplier-facing role are required to complete a modern slavery awareness training module and demonstrate that they have understood the dangers that modern slavery poses to the business, and the devastating impact it has on its victims.

ESG Annex continued

Employee engagement scores

FY22	FY23	FY24	FY25	FY26
N/A	N/A	74	75	N/A

Employee engagement – methodology

No survey was carried out in FY26 as we have moved to a biennial survey. In FY24 and FY25, we partnered with WeSoar, a London-based HR Technology and advisory firm to ensure a transparent and unbiased survey process. All colleagues across Volution Group (except new acquisitions in the year) were invited to participate. The survey was translated into multiple languages and was sent by email to each employee. We have a significant proportion of our colleagues who do not have a company email address, and they were sent the survey link to their personal email address. Designated computer terminals were provided on site to ensure these colleagues had easy access to the survey.

Participation rate is calculated as the total number of completed surveys divided by the total number of employees. All individual responses were confidential and reported in the aggregate subject to a minimum of four responses to protect data confidentiality. A validated and consistent Likert Scale was used for all questions.

The engagement score was calculated using five key items identified from a pool of 20 survey items categorised under the following factors – Purpose, Commitment, Leadership, Role, Work Environment, Innovation, Retention, Diversity & Inclusion, Advocacy, Communication, Wellbeing, Collaboration, Growth, Belonging. The five items are as follows:

- I would recommend my organisation as a great place to work.
- My organisation motivates me to contribute more than what is normally required to complete my job.
- I am proud to work for my organisation.
- I would stay even if offered a similar job at another company with comparable pay and benefits.
- I plan to be working in my organisation two years from now.

These five items form the Engagement Index, which represents the overall engagement score, giving equal weightage to each question. The selected items measure critical engagement factors: Advocacy, Belonging, Commitment and Retention. These factors are essential for modern workplace engagement as they reflect how strongly employees connect with the organisation's values, their willingness to recommend it, their commitment to staying and their overall satisfaction. This targeted approach ensures the engagement score provides an accurate measure of how aligned and committed employees feel.

ESG Annex continued

How we align to the UN Sustainable Development Goals

As a member of the UN Global Compact, we also reviewed our sustainability strategy and material topics in line with the UN Sustainable Development Goals, the blueprint to achieve a better and more sustainable future for all.

3. Good Health and Well-Being 3.9: 'By 2030, substantially reduce the number of deaths and illnesses from hazardous chemicals and air, water and soil pollution and contamination.'	Our products particularly support the achievement of SDG 3.9.1 – 'Mortality rate attributed to ambient air pollution' through the provision of increased indoor comfort and air quality.
7. Affordable and Clean Energy 7.3: 'By 2030, double the global rate of improvement in energy efficiency.'	With a focus on development and sales of low-carbon products, we sell product solutions targeted at reducing carbon emissions of buildings by making them more energy efficient to run. SDG 7.3.1 – 'Energy intensity measured in terms of primary energy and GDP'.
8. Decent Work and Economic Growth 8.5: 'By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value.'	Volution is committed to being a diverse and inclusive employer.
9. Industry, Innovation and Infrastructure 9.4: 'By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities.'	Our low-carbon products are part of a sustainable retrofit solution for ventilation and heating, providing solutions that increase energy efficiency in buildings.
12. Responsible Consumption and Production 12.5: 'By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse.'	SDG target 12.5 is core to Volution's approach to sustainability and its ambition to limit its impact on the environment. We continue to focus on the adoption of recycled material, with 81.3% of the plastic used within our own facilities from recycled sources in FY26.
13. Climate Action 13.1: 'Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries.' 13.2: 'Integrate climate change measures into policies, strategies and planning.'	Climate change is a key consideration of our business purpose and is embedded into our ongoing sustainability journey. In 2025, our net zero carbon emission targets were validated by the SBTi, highlighting our dedication to taking climate action. Our products aid in the realisation of national retrofit plans to mitigate the impacts of climate-related hazards including heat and air quality.

Our sustainability stakeholder engagement approach

Stakeholder	Approach
Customers	We maintain a continuous dialogue with our investors and customers, to understand their ongoing needs, wants and concerns.
Investors	
Supply chain	We engage with our supply chain to enable sustainable procurement. Awareness of challenges and risks related to our supply chain are identified through relevant third party information sources.
Employees	We engage with our employees through bi-annual employee forums and townhalls.

Glossary of Technical Terms

Alternating current or AC	the flow of electric current which reverses direction periodically, typically at 50Hz in the UK and Europe. This is the standard type of electricity supply to domestic and commercial properties
AC blowers	a low-pressure fan with an AC motor
AC motor	an alternating current motor
AHU	air handling unit: a ventilation device which usually integrates air, heating and filtration into one combined unit. May also include cooling and heat recovery
Decentralised heat recovery	a system of ventilation that collects heat from exhaust air that would otherwise be lost and re-uses such heat by transferring it to the incoming fresh air. Decentralised heat recovery consists of multiple units supplying and extracting from around the home
EC/DC	electronically commutated direct current
Electronically commutated or EC	a type of motor which historically used a mechanical means of reversing the current flow but which now uses an electronic device to do the same, which is more reliable and more efficient
Fan coil	a device used to heat or cool a space which includes a water coil and fan for connection to the wider HVAC package within a building
HVAC	heating, ventilation and air conditioning
Hybrid ventilation	a method that combines both passive and mechanical means to form a mixed mode ventilation system
IAQ	indoor air quality
Motorised impellers	a motor that is supplied complete with an impeller attached to it
MVHR	mechanical ventilation with heat recovery: a centralised system of ventilation that collects heat from exhaust air that would otherwise be lost and re-uses such heat by transferring it to the incoming fresh air
NVHR	natural ventilation with heat recycling
OEM	original equipment manufacturer
PIV	positive input ventilation: this is an energy efficient method of pushing out and replacing stale, unhealthy air by gently pressurising the home with fresh, filtered air to increase the overall circulation of air in the dwelling
RMI	repair, maintenance and improvement
Rotary heat exchanger	a type of heat exchanger consisting of a circular honeycomb matrix which rotates in the airstream of a heat recovery device
Plate heat exchanger	a type of heat exchanger consisting of a series of plates which transfer the heat from one airstream to another
Specifiers	persons who may specify certain characteristics of products

Low-carbon products – definition

We define our low-carbon revenue as a) revenue from products that are designed to be more energy efficient than the product, or method of ventilation or air movement that they replace, and/or b) revenue from products which reduce carbon emissions as verified through national calculation methodologies or recognised schemes for improving the energy efficiency of buildings. In our European businesses, this is driven by the Energy Performance of Buildings Directive (EPBD), with every local jurisdiction having their own national calculation method. In the UK, products that reduce carbon emissions are included in the Standard Assessment Procedure (SAP) and are listed on the Product Characteristics Database (PCDB) or applied in commercial buildings through the Simplified Building Energy Model (SBEM). In Germany, products that reduce carbon use calculations through DIN V 4701-10:2003-08 combined with DIN V 4108-6:2004-03 or DIN V 18599- 6:2018-09. We also include products that are listed through other schemes which recognise energy saving measures such as the Energy Technology List (ETL) in the UK, or in Australia, products that help improve the 'star rating' of a home in the Nationwide House Energy Rating Scheme (NatHERS). In addition, we include products that save energy over traditional methods such as our products with automation and our DC/EC motorised extract fans. Our low-carbon products are aligned to our accreditation with the FTSE Russell Green Economy mark where our low-carbon revenue is defined as deriving from 'green' products and services as defined by FTSE Russell's Classification System (2023), within the category of Buildings and Property EM.01.0 'revenue generating activities related to the design, development, manufacture or installation of energy efficient products or services for use in buildings'.

Shareholder Information

Shareholder services

For any enquiries concerning your shareholding, please contact our registrar:

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Aspect House
Spencer Road
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BN99 6DA
United Kingdom

Equiniti has a shareholder portal offering access to services and information to help manage your shareholdings and inform your important investment decisions. Please visit www.shareview.co.uk.

Shareholder helpline: 0371 384 2030[1] from the UK
or +44 (0) 121 415 7047 from overseas.

Note
1. Lines are open 8.30 am to 5.30 pm, Monday to Friday (excluding public holidays in England and Wales).

You can access our Annual Report and Accounts and other shareholder communications through our website, www.volutiongroupplc.com.

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External Independent Auditor
PricewaterhouseCoopers LLP

Corporate brokers
Berenberg
Jefferies International Limited

Legal adviser
Norton Rose Fulbright

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Forward-looking statements

The Annual Report and Accounts contains certain statements, statistics and projections that are or may be forward looking. The accuracy and completeness of all such statements including, without limitation, statements regarding the future financial position, strategy, projected costs, plans and objectives for the management of future operations of Volution Group plc and its subsidiaries is not warranted or guaranteed. These statements typically contain words such as 'intends', 'expects', 'anticipates' and 'estimates' and words of similar import. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. Although Volution Group plc believes that the expectations reflected in such statements are reasonable, no assurance can be given that such expectations will prove to be correct. There are a number of factors, which may be beyond the control of Volution Group plc and could cause actual results and developments to differ materially from those expressed or implied by such forward-looking statements. Other than as required by applicable law or the applicable rules of any exchange on which our securities may be listed, Volution Group plc has no intention or obligation to update forward-looking statements contained herein.

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This publication is Carbon Balanced with World Land Trust. Balancing is delivered by World Land Trust, an international conservation charity, which offsets carbon emissions through the purchase and preservation of high conservation value land. Through protecting standing forests, under threat of clearance, carbon is locked in that would otherwise be released. These protected forests are then able to continue absorbing carbon from the atmosphere, referred to as REDD (Reduced Emissions from Deforestation and forest Degradation). This is now recognised as one of the most cost-effective and swiftest ways to arrest the rise in atmospheric CO_2 and global warming effects. Additional to the carbon benefits is the flora and fauna this land preserves, including a number of species identified at risk of extinction on the IUCN Red List of Threatened Species.

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