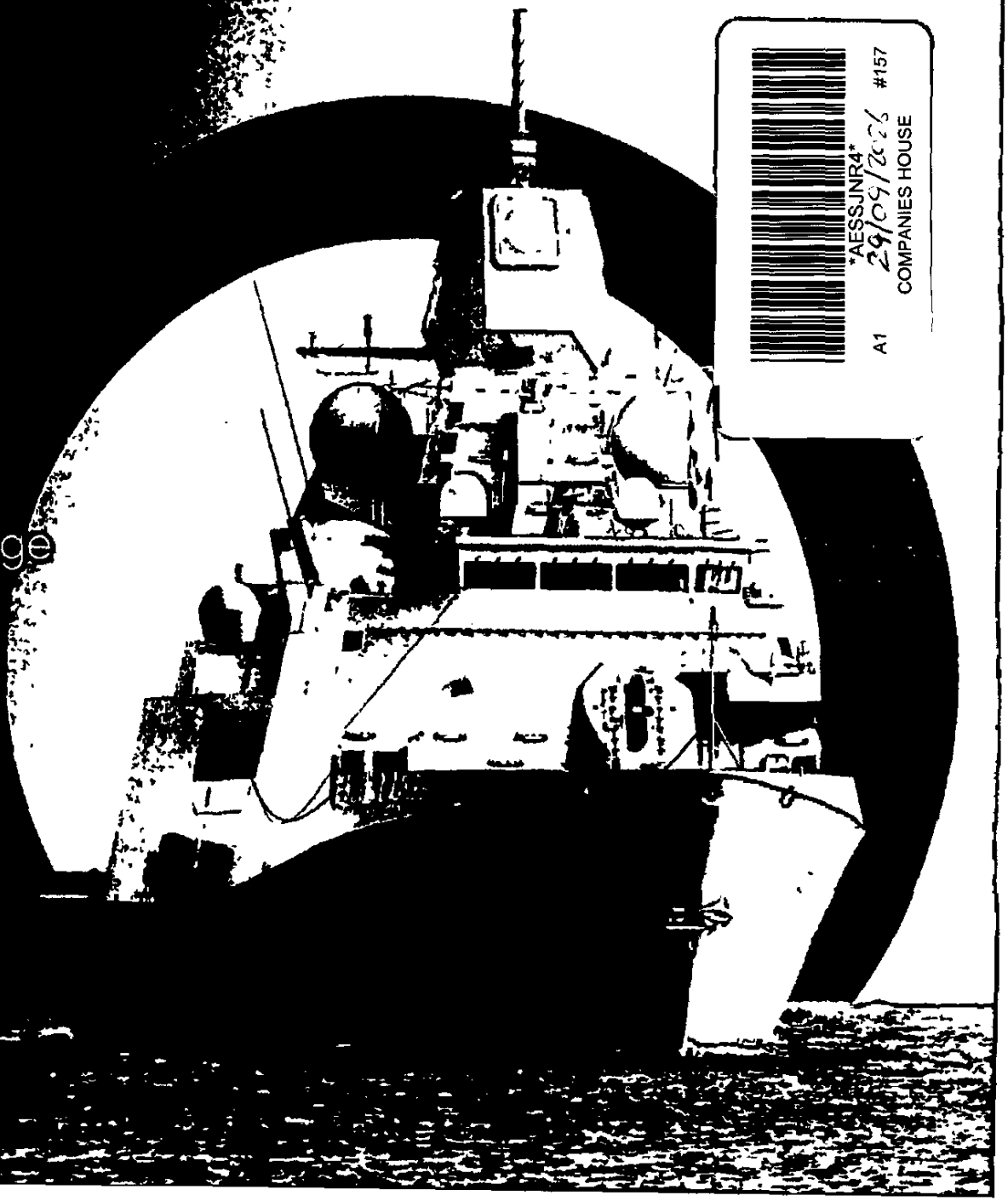
COHORT
GROUP



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COMPANIES HOUSE

20 years of empower
innovation for defence advantage

Annual Report and Accounts 2026

Who we are

Cohort is a group of like-minded technology companies operating in the defence and security markets

With a workforce of over 1,700 highly skilled people, we serve the defence and security needs of customers around the world.

What we do
By combining innovation with delivery, we provide agile technology solutions that address real defence needs.

Our purpose
We are advancing defence technology for a safer tomorrow.

We provide advantage, without compromise, for our people, our customers and for our shareholders.

Our vision
We aspire to be the launchpad for advanced defence and security technology businesses to deliver greater impact.

7 businesses

15 locations

OVER **1,700** people

How we work
- We hold innovation at our core
- We nurture agile partnerships
- We commit to mission critical effectiveness

Underpinned by our culture and values
Cohort is committed to agile decision making and innovative solutions that not only meet today's challenges but also look to a safer future.

We maintain confidence through strong corporate governance, and we empower our teams to act responsibly, with expertise, practicality and a dynamic outlook.

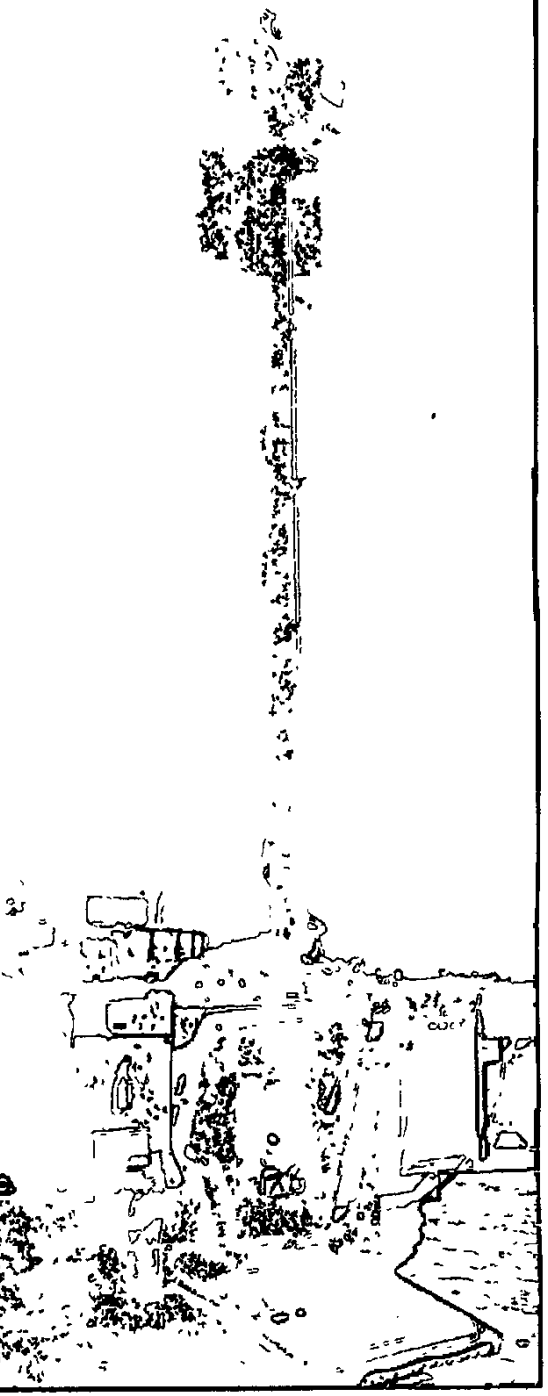
We cultivate an environment where every decision is guided by our core values, ensuring sustainable growth and long-term success across all parts of the Group.

We are Expert.
We are knowledgeable and share our expertise.

We are Responsible.
We act with integrity to make the right decisions.

We are Practical.
We deliver what matters to the right standard.

We are Dynamic.
We think innovatively and respond quickly.

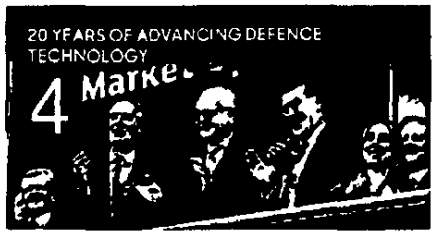


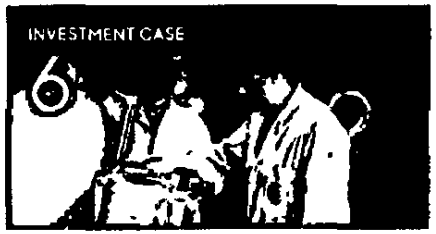
Contents

Overview

IFC Who we are
01 Contents
02 Group highlights
03 Our business at a glance
04 20 years of advancing defence technology
05 20 years of creating a safer tomorrow
06 Investment case
07 Chairman's statement

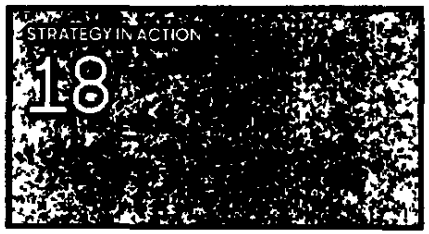


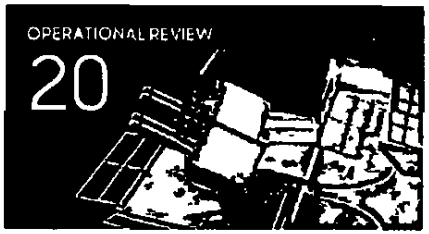




Strategic report

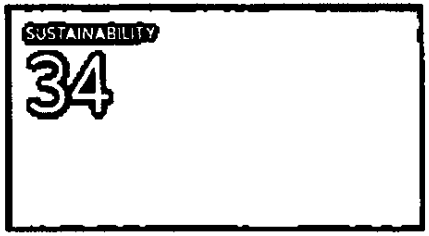
10 Chief Executive's report
13 Our market overview
15 Our business model
16 Our strategic framework
18 Strategy in action
20 Operational review
22 Key performance indicators
23 Financial review
30 Stakeholder engagement
34 Sustainability
35 Investing in our people and culture
36 Sustainability - Social
40 Sustainability - Environment
42 Sustainability - Governance
43 Risk management and principal risks
48 Climate-related financial disclosures





Corporate governance

56 Board of Directors
58 Governance at a glance
59 Corporate governance report
63 Audit Committee report
66 Nomination Committee report
67 Remuneration at a glance
68 Remuneration Committee report
77 Directors' report
80 Statement of Directors responsibilities



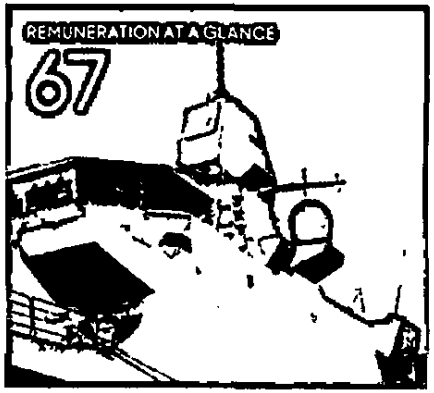


View the latest results online
| www.cohortplc.com/investors

See our reporting suite
| www.cohortplc.com/reports

Financial statements

82 Independent auditor's report
88 Consolidated income statement
89 Consolidated statement of comprehensive income
90 Consolidated statement of changes in equity
91 Company statement of changes in equity
92 Consolidated and Company statement of financial position
93 Consolidated cash flow statement
94 Notes to the financial statements
126 Accounting policies
135 Notes to the accounting policies
136 Five-year record
137 Glossary of terms
138 Shareholder information financial calendar and advisers

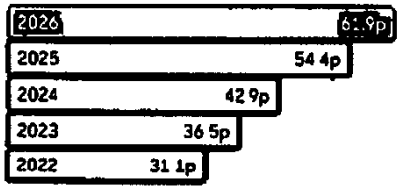


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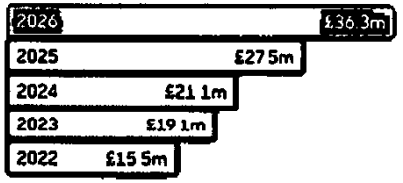
Group highlights

How we have performed

Financial highlights

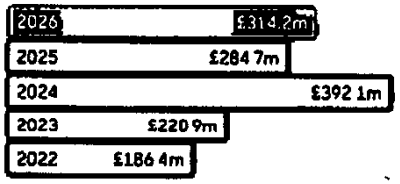


ADJUSTED EPS
61.9p

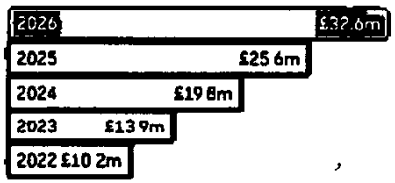


ADJUSTED OPERATING PROFIT (£m)
£36.3m

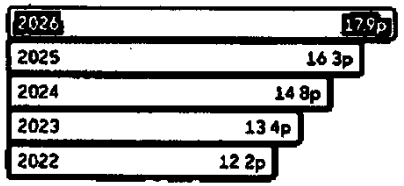
See page 44



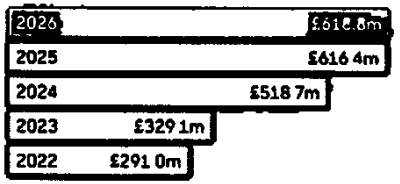
ORDER INTAKE (£m)
£314.2m



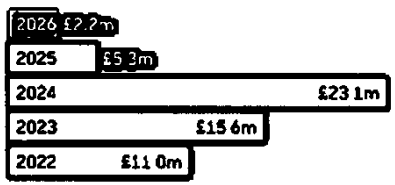
STATUTORY PROFIT BEFORE TAX (£m)
£32.6m



DIVIDEND
17.9p



ORDER BOOK
£618.8m



NET FUNDS (£m)
£2.2m

Operational highlights

- Record revenue, adjusted operating profit. Closing order book maintained. Group closed with net funds.
- Adjusted operating profit of £36.3m (2025: £27.5m) on revenue of £306.4m (2025: £270.0m). Net margin increased to 11.8% (2025: 10.2%).
- Order intake up by 10%. Revenue cover of just over 1.0x (2025: 1.1x).
- Strong closing order book (£618.8m) maintained, with deliveries extending out to mid-2030s.
- Dividend growth of 10%, the dividend has been increased every year since the Group's IPO in 2006.

See our operational review / Page 20-21

See our key performance indicators / Page 22

Our business at a glance

Two divisions, seven **innovative**, **agile** and **responsive** businesses

Cohort was founded on the principle that agile businesses can prosper by being part of a larger group benefitting from greater financial strength, an enhanced market presence and the opportunity to share knowledge, relationships and best practice Our businesses provide sustainable growth through innovative technology and agile decision making guided by a light-touch but effective corporate governance

COMMUNICATIONS AND INTELLIGENCE

REVENUE

£158.9m

% of Group

51.9%

(2025 £124 9m 46 3%)

TOTAL REVENUE

£306.4m

SENSORS AND EFFECTORS

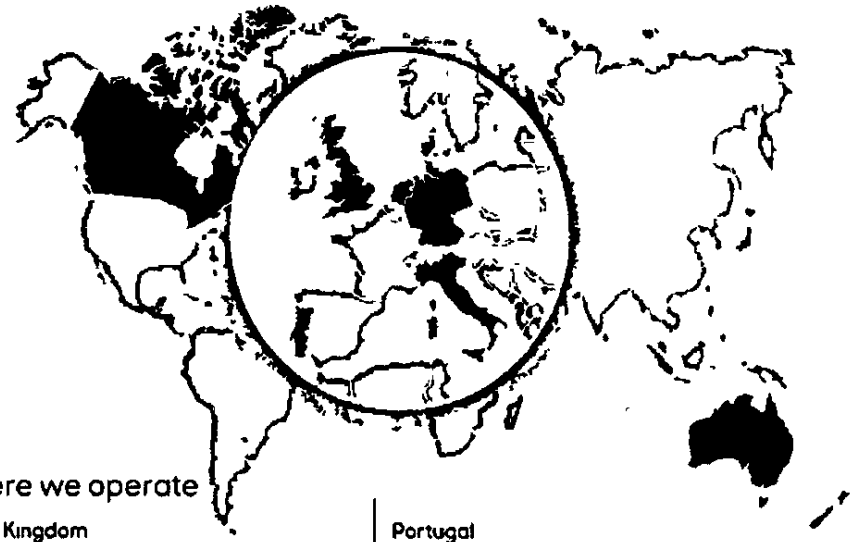
REVENUE

£147.5m

% of Group

48 1%

(2025 £145 1m 53 7%)



Providing electronic hardware and software-based solutions to collect, process protect and distribute information securely, as well as domain expertise, training and support services

EID



Martin Bennett
Managing Director

EM SOLUTIONS



John Logan
Managing Director

MASS



Keith Norton
Managing Director

MCL



Claire King
Managing Director

See our operational review / Page 20

Providing electronic, electromechanical and software-based solutions to detect measure, identify track and engage targets of interest, and protect assets against hostile activity

CHESS DYNAMICS



Andy Smith
Managing Director

ELAC SONAR



Bernd Szukay
Managing Director

SEA



Richard Flitton
Managing Director

See our operational review / Page 21

Where we operate

United Kingdom
Head Office Located in Reading Berkshire UK

MASS Located in Lincolnshire and Cambridgeshire focusing on electronic warfare and digital services

MCL Based in Surrey, specialising in electronic and surveillance technology

SEA Located in Somerset and Devon focusing on naval technology

Chess Dynamics Based in West Sussex providing surveillance and fire control systems

Germany
ELAC SONAR Based in Kiel focusing on underwater sonar systems

Portugal
EID Based in Lisbon focusing on advanced communications systems

Netherlands
EM Solutions Support to EM Solutions products in Europe

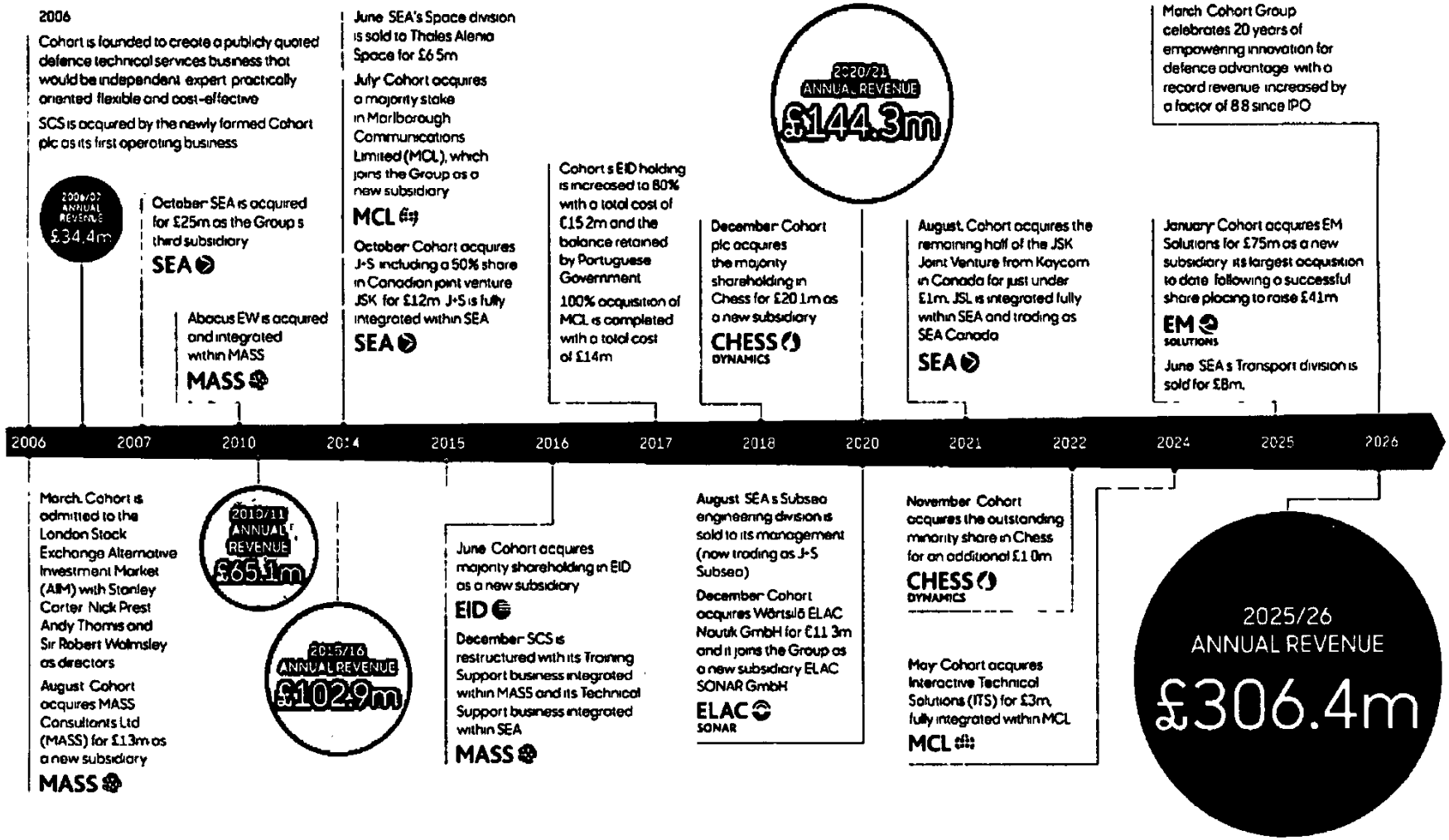
Italy
ELAC SONAR Support to ELAC SONAR products in Italy

Australia
EM Solutions Based in Brisbane focusing on satellite communication terminals

Canada
SEA Located in Quebec and Ottawa manufacturing naval technology

Our growth

20 years of advancing defence technology



See our operational review / Page 20-21

Our growth continued

20 years of creating a safer tomorrow

Read more about how we are creating a safer tomorrow in our operational review / Page 20-21

The Cohort Group makes a real contribution to the security of our home nations and allies, at a time of increasing risk and challenge, with real advantage to investors, customers and our people

Agile response

Internationally demand in the defence sector is being steered by a number of geopolitical drivers large investments being made in new technology and capability in China the continuing conflict in Ukraine and more recently, tensions and conflict in the Middle East This means Cohort has to be able to respond to these geopolitical challenges over wide geographical areas

Four of the seven Cohort Group businesses are based in the United Kingdom but we also have businesses based in Germany, Portugal and Australia as well as operations in Canada Italy and the Netherlands When looking to enter a new market area either with a new product or geographical area we carefully consider the demand for that product or in that region and whether that demand is being met by current incumbents When we do see a new opportunity our business structure and our innovative and agile-sized businesses develop new technologies, build new relationships and understand the needs of end users to be able to meet that need very effectively



Strategic alignment

Across the Cohort Group the businesses provide products and services that help the countries that we operate in and their allies to deter potential threats, and in worst cases to defend themselves against those threats Cohort can make a significant contribution to the safety security and stability of the world, while at the same time creating high-quality employment opportunities and generating a good return to investors

CASE STUDY

Our objective is to grow organically and by acquisition ELAC SONAR opened a new office in La Spezia in Italy this year to serve two important purposes to supply to one of ELAC SONAR s - and the Group's - largest contracts, the complete submarine sonar solution to the entire new fleet of the Italian submarines being built by Fincantieri which will enable close support with us and the end user as it goes into service But also will enable access to a wider range of opportunities in Italy and cement and build a strong relationship with the Italian Navy



Group advantage

There are significant advantages for our subsidiaries to be part of a Group like Cohort Importantly they have access to equity markets for capital to invest in future technology and facilities and much stronger banking relationships

Cohort combines the entrepreneurial model with advice from experienced people including all non-executive directors and a significant number of the Cohort head office team who have deep-rooted experience of the defence sector Cohort provides the financial strength to allow our companies to trade at levels which they could not achieve if they were on their own including contracts at multiples of annual revenue

CASE STUDY

MCL is constantly on the lookout for emerging technologies within the market They work with their core customers and partners across the globe to seek out the latest technical developments across EW tactical systems and uncrewed systems space Since being acquired by Cohort in 2014 its business has doubled in size being able to bid into larger contracts MCL also completed the bolt-on acquisition of ITS an ILS provider for which Cohort provided the legal and commercial expertise for the acquisition



Investment case

A long term record of delivering value to shareholders and ensuring they **benefit from our success**

Read more about our culture and values / Page 35

Our purpose-led approach: Advancing defence technology for a safer tomorrow, whilst acting with integrity and responsibility.

Our products and services make a real contribution to the security of our home nations and allies at a time of increasing risk and challenge.

Our businesses support initiatives with our local communities, encourage STEM education and help armed forces charities.

Financial strength and resilience

Visibility of future earnings

- Order book extends out to mid-2030s.
- Strong financial position and record of success gives customers confidence to place major orders as exemplified by the recent €42m order from the Portuguese Navy
- Strong balance sheet to fund both organic and inorganic growth. Most acquisitions funded by own cash flow and banking facilities
- Group banking facility enlarged to £175m (from £50m) and extended to April 2031
- 83% of 2026/27 external revenue expectations on contract at 30 April 2026 (equivalent for 2025/26 was 83%). Now increased to 88% since the year end

ORDER BOOK

£618.8m

(2025 £616.4m)

Discover more / Page 25

Unique model

Built on strong relationships that enable critical innovation

- Our model enables a unique blend of autonomy and collaboration between our operating businesses so they can benefit from each other's technical capabilities, customer relationships and market knowledge
- Through continuous research and development we invest in innovative products and services as exemplified by the successful rollout of our KraitArray anti-submarine warfare sensing technology

INVESTMENT IN INNOVATION

£31.1m

(2025 £20.1m)

See our business model / Page 15

Successful acquisition strategy

Driving growth

- Experienced acquisition team focused on careful selection and execution
- Aim to accelerate growth by making selective, targeted acquisitions
- Strong track record of growing acquired businesses

REVENUE GROWTH

+13%

See strategy in action / Page 18

Diversified revenues

Across growing domains and geographies

- Operating in attractive growth markets across a diversified portfolio of products and solutions
- Wide geographical spread of revenues beyond the UK/MOD with 60% of revenues from non-UK MOD sources compared to 37% ten years ago
- Using our agility and innovation to build sustainable competitive advantage in niches with attractive prospects

COUNTRIES SELLING TO

40+

See market opportunities / Page 14

Consistent investor returns

Long term dividend track record

- Dividend increased every year since IPO in 2006

DIVIDEND (PENCE PER ORDINARY SHARE)

17.9p

DIVIDENDS PER SHARE

+10%

Discover more / Page 28

Chairman's statement

"Since flotation in March 2006 TSR for shareholders has averaged over 70% per year. This is a solid achievement and we plan and expect to continue to build on it."

Nick Prest CBE
Chairman

See my introduction to Governance / Page 58



Another record year:
Group set for sustained momentum

Performance and market background

Cohort has continued to make pleasing progress in 2025/26, reporting record revenue, trading profit, EPS and closing orderbook EM Solutions in Australia had a strong first year as part of Cohort The Defence ties between the UK and Australia are strong and getting stronger through the AUKUS programme and to have a presence there is helpful for the future of our business, as is a presence in the space dimension of military communications The links between the UK Australia and Japan are also strengthening in response to the changing security climate in the Asia Pacific region, and this gives rise to additional opportunities for both our UK and Australian companies

The drivers of Defence policy and investment in the Euro-Atlantic region have received much public comment in recent times I have worked in the Defence sector in both Government and private sector roles for a long time and have seen three broad cycles During the 20 year period leading up to the end of the Cold War in 1990 Defence expenditure in the UK averaged 4 5% of GDP, for the next 30 years up to 2020 it averaged 2 5% and since 2021, when it was 2 3%, and following the invasion of Ukraine in 2022 it has started to increase, and plans are that it will continue to do so to reach the agreed NATO target of 3 5% That said, in the eyes of many commentators the pace of increase in the UK falls short of what is required The near-term increases amongst NATO countries in Northern and Central Europe and in Germany are running at much higher levels

With its spread of customers and manufacturing operations Cohort is well placed to respond to these global trends When we started almost all our business derived from the UK It is now 40%

Advances in computing and communications technologies are driving major changes in defence equipment and military thinking The Ukraine conflict has done for drones what the First World War did for the tank Autonomy smaller size, greater volume, and more rapid changes in configuration are all new features to which both customers and suppliers need to respond Cohort is well placed in various parts of its business to contribute to and benefit from these changes

Strategy

Cohort strategy is reviewed at least annually by the Board and is the focus of discussion on visits to individual subsidiaries in the course of the year We stick to Defence and Security because that is what we know about

We aim to be in niches which have growth potential and to operate at either Tier 1 (direct to Government customer) or Tier 2 (to Tier 1 customers), and to own IPR and knowhow which give competitive advantage We wish to sell worldwide (to permitted customers) We aim to grow organically and to acquire suitable businesses when opportunities arise together providing a double-digit rate of growth

Our disaggregated management model is intended to encourage entrepreneurship and agility at our subsidiary companies, but it is accompanied by a set of Cohort management controls which demand accountability and are appropriate to the stewardship of a public company We look actively to share knowledge and best practice between the subsidiaries and to exploit opportunities for cooperation, which are growing as the Group expands in size and reach

Public and political awareness of the importance of Defence in the UK and internationally is running at levels not seen since the Cold War This has been accompanied by a renewed enthusiasm for participation in the sector from investors and banks This is a welcome change from a few years ago, when Defence was regarded with indifference, or in some cases actively shunned, by the financial sector

Chairman's statement continued

The number of IPOs of Defence businesses in Europe in recent times demonstrates this trend It is helpful to have a following wind to back our expansion plans but we will continue to exercise discipline in looking at acquisition opportunities

Governance and Board

The Board is committed to maintaining appropriate reporting standards From 1 May 2024 we have applied the 2023 edition of the QCA Corporate Governance Code and reported against this in our Annual Report and Accounts The Group has established governance mechanisms that ensure accurate and transparent reporting We continue to disclose climate-related financial information as required by the Companies Act with established governance mechanisms in place The Group's values stakeholder engagement principles and governance policies are all outlined on our website and elsewhere in this Annual Report

The Board of Cohort is unusual in that all the members have an extensive management background in the Defence sector, as well as the functional experience required to carry out their specific duties and, additionally in the case of the Non-executive Directors, the personality needed to both support the Executive and to challenge when required This has been a matter of deliberate choice It makes for efficient discussion as all Directors have background sector knowledge and brings additional expertise to bear on particular issues and has been a source of strength for Cohort

I am grateful to my NED colleagues for their commitment and contribution

Associated with the fact that Cohort has been in existence for 20 years is the fact that I, Andy Thomis and Simon Walther have been there from the start The Board is aware of the need to plan for orderly succession at the appropriate time

People and culture

As a group comprising seven subsidiaries all of which existed before Cohort itself, and which has operations in four countries, all with business cultures which differ in various ways, it would not be appropriate for Cohort to attempt to instil a single culture across the Group But we do believe that the selected core values which we espouse and promulgate as a Group namely to be Expert, Responsible Practical and Dynamic are applicable throughout the Group

Environmental Social and Governance (ESG) matters have been the focus of much attention, and sometimes regulation affecting businesses in Western countries in recent times Aside obeying the law our approach on these matters is to act responsibly in the context of our business In the case of Diversity, Equity and Inclusion (DEI) which is the foundation of the Social pillar of ESG, we try to use, and to encourage all our staff to use the tried and tested method of treating other people as we would like to be treated ourselves

A business is ultimately a unit of society and needs to reflect the society in which it operates if it is to be successful in attracting customers and good people to work for it Natural evolution in these matters is preferable to over-prescriptive regulation

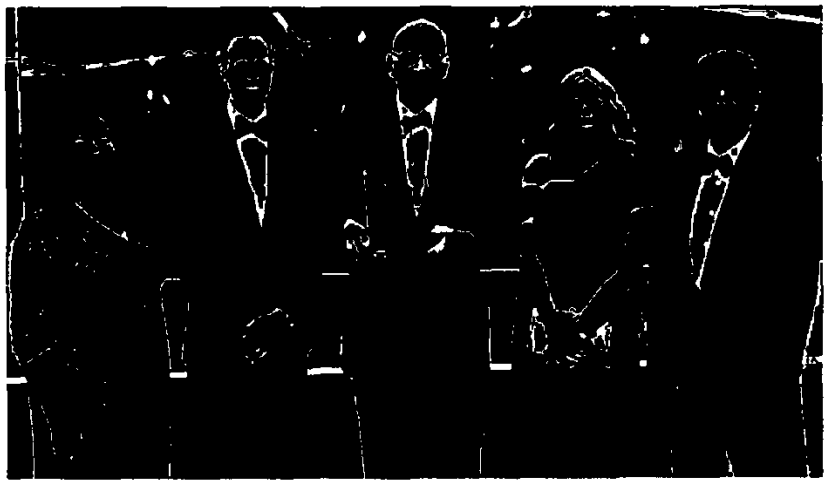
As always my thanks go to all employees within the Cohort businesses Their hard work, skill and ability to satisfy our customers' needs are what continue to drive the performance of our Group Andy Thomis Simon Walther and their senior executive colleagues have continued their dedicated and accomplished work which has helped the Group to continue its progress

I would like to welcome Chris Axcell as the third member of the Cohort top executive team in his capacity as Chief Operating Officer, and also Andy Smith as Managing Director of Chess

Outlook

The Group this year celebrated 20 years since flotation in March 2006 Over that period we have grown from just over 100 people to over 1,700, revenues have increased from £20m to £300m and market capitalisation from £30m to £600m, with a TSR for shareholders of over 1 400% or an average of over 70% per year This is a solid achievement and we plan and expect to continue to build on it

Nick Prest CBE
Chairman



AIM Business Awards

Strategic Report



10 Chief Executive's report
13 Our market overview
15 Our business model
16 Our strategic framework
17 Progress against our strategy
18 Strategy in action
20 Operational review
22 Key performance indicators
23 Financial review
30 Stakeholder engagement
34 Sustainability
35 Investing in our people and culture
36 Sustainability – Social
40 Sustainability – Environment
42 Sustainability – Governance
43 Risk management and principal risks
48 Climate-related financial disclosures

Chief Executive's report

"Cohort continues to see strong demand for our products and services from both our domestic customers and from export customers."

Andrew Thomas
Group Chief Executive

Read about Our highlights / Page 02
Read about Our strategy / Page 16
Read about Our people / Page 35
Read Our operational review / Page 20



Demand, especially from international markets, **continues to grow**

Introduction

Following a record 2024/25 the Group saw a further increase in performance for 2025/26, delivering record revenue and adjusted operating profit and earnings per share A year of strong order intake, a record closing order book and a positive net cash position at the year end provide the Group with a solid platform to continue its growth momentum

Overall, our trading performance and earnings were ahead of consensus market expectations driven by a very strong performance in our Communications and Intelligence division Order intake continued at the high levels we have seen over the last three years, and the resulting record order book of just under £620m gives us a solid base for 2026/27 and beyond Cohort continues to see strong demand for our products and services from both domestic and export customers We see good prospects for further order intake in the year ahead

Market context

The continuing war in Ukraine, persistent tensions in the Asia-Pacific region and the recent conflict in the Middle East have combined to create a strong impetus for defence spending across the globe This has been accelerated by the policies of the United States administration, which has pressed the other members of NATO to increase their defence spending plans The NATO summit in June 2025 set a target for members of at least 3 5% of GDP to be spent on core defence by 2035 compared with the prior target of 2 0% US policies towards Canada and Denmark have led them and other countries to seek to reduce their reliance on US defence equipment, resulting in increasing demand for UK and European technology

Our European allies are increasing their defence spending rapidly with 2025 defence expenditure for the region growing some 14% compared to the prior year, and Germany's defence expenditure exceeding 2% of GDP for the first time since the early 1990s Our revenues from NATO Europe have continued to grow The UK also recognises the need to invest in proactive deterrence of potential threats and has recently announced a Defence Investment Plan (DIP) that includes an additional £15 billion of funding This goes only some way towards meeting the UK's needs but provides a foundation to build on towards the ambition set out by the Strategic Defence Review

At Cohort, we are encouraged by the DIP's emphasis on relevant technology areas including on the hybrid navy Atlantic Bastion and protection of underwater infrastructure

The commitment to funding for the development of weapon and sensor payloads for uncrewed vessels under AUKUS Pillar 2 is also welcome The DIP announcement included a new £50bn export facility that we see as positive news and that will support growth and employment within the UK defence industry

In Australia and Canada, we have seen increasing demand for naval systems Activity in both Southeast Asia and South America continues to be robust, again dominated by demand for naval systems We expect that the recent conflict in the Middle East will also drive increased investment in defence for this region, both for naval systems and countermeasures against drones and missile threats The Group has strong and relevant offerings in these areas

Our continuing expansion in export and overseas domestic markets has resulted in the Group's proportion of revenue derived from the UK MOD reducing to 40% (2025 50%), the lowest since Cohort was founded twenty years ago The UK remains our largest market, but this diversification of the Group's sources of revenue provides us with access to growing markets and reflects our strong product offering and our international market presence

Chief Executives report continued

Performance overview

The Group achieved a record adjusted operating profit of £36 3m (2025 £27 5m) on record revenue of £306 4m (2025 £270 0m), ahead of market expectations representing increases of 32% and 13% respectively on the prior year The growth was driven by the full-year contribution of EM Solutions and good performance by MASS in the Communications and Intelligence division, with performance in the Sensors and Effectors division a little behind that achieved in 2024/25 Adjusted earnings per share increased by 14% to 61 9p (2025 54 4p)

The Group's IFRS operating profit of £34 6m (2025 £26 1m) is after amortisation of intangible assets exceptional items research and development credits and movements on foreign exchange, including marking foreign exchange contracts to market

The Group's closing net funds of £2 2m (2025 £5 3m) reflected very strong operating cash flow in the second half of the financial year, turning around a £32 5m net debt position at 31 October 2025

"We've demonstrated that our business model can operate successfully over the last 20 years and can be sustained for many years to come"

Andrew Thomis
Speaking on the 20 years of Cohort

In the course of the year we completed the build of ELAC SONAR's new facility in Germany, part of a total capital expenditure for the year of £18m (2025 £13m) and saw an increase in working capital, especially on the Italian sonar project and satellite communications programme for the Royal Australian Navy

The Group delivered another year of strong order intake, winning £314 2m of orders (2025 £284 7m), representing just over 1 0x full year revenue (2025 1 1x) That has resulted in a record closing order book of £618 8m (2025 £616 4m)

Revenue delivery from our strong order book now stretches out to 2037 This reflects the significant naval orders the Group has secured over the last few years, which are typically long-term in nature We expect our future order book to extend even further as naval investment around the world continues

In the land domain we are seeing increased demand for drone and counter-drone systems, driven by the Ukraine conflict and, more recently, by events in the Middle East The attacks on shipping in the Straits of Hormuz show that drone defence is not only needed in the land environment Other areas of increased demand include secure communications and electronic warfare

The proportion of the Group s revenue derived from maritime customers, 65% in 2026 (2025 53%), continues to grow The sales to land and maritime domains now account for over 84% of the Group revenue (2025 80%)

As expected, our non-defence revenue, which was around 6% of the Group's overall revenue for the last few years has fallen to just over 1% in 2025/26 and we expect this to remain at a low level

Strategic progress

The Group's strategic objective is to deliver earnings growth both organically and through acquisition In pursuit of this aim we have invested in product development, facilities and acquisitions We have also recruited a Chief Operating Officer at Group level, Chris Axcell, who has joined us from a senior role at Leonardo Chris s role will be to support all our businesses on matters related to operations and production increasingly important areas as our production volumes continue to grow He will also take day-to-day responsibility for the Group's relationship with the leaders of certain of our businesses, freeing me to spend more time on other aspects of the Chief Executive role Strategic highlights in the past year include the following

Product development

As demand for maritime systems has grown, the Group has invested in new products in several different areas on investment supplemented by customer-funded development contracts
Total expenditure on research and development in 2025/26 was £31 1m (2024/25 £20 1m) EID has completed the development of the seventh generation of its Integrated Communications Control System which is now being supplied to the Portuguese Navy ELAC SONAR has developed and demonstrated its ENLITOR system for detection of threats to underwater infrastructure and is completing the development of its ERAZOR product, which is designed to neutralise such threats EM Solutions has commenced the design of a new multi-band multi-orbit satellite terminal aimed at the large market of mid-sized naval ships



With Group colleagues at the Business Excellence Awards

Chief Executives report continued

Facilities investment

Growing demand has created a need for renewal, expansion or replacement of several Group facilities ELAC SONAR's new facility at Holtenau, Kiel was completed in 2024/25 At a cost of £21m, and completed on time and to budget this provides a significantly improved environment for ELAC SONAR s engineering teams and a flexible production space well-suited to ELAC SONAR's complex operations We are at the planning stage for a new single building for Chess Dynamics' operations in Horsham, currently split over 13 separate buildings The new facility will significantly increase production capacity and simplify operations EID is in negotiations with its landlord at Lazarim, Portugal, to implement significant enhancements to its facility, improving the working environment and increasing production capacity We have also invested in ERP systems to improve efficiency at Chess and EID

Acquisitions

The Group acquired EM Solutions and ITS in 2024/25 At EM Solutions we have recruited a number of new senior employees including a finance director and a sales director Having inherited a dual-MD structure, we have appointed John Logan as the sole managing director EM Solutions participates in the Group's quarterly executive meetings and has formed a partnership with EID to support its products in Portugal

The Group reviewed a number of acquisition opportunities in 2025/26 which did not meet our criteria

We continue to review new opportunities and, where appropriate discuss these with the asset owners

Capital allocation

Our capital allocation policy reflects our strategic investment activities, set out above, and shareholder return The three elements of our capital allocation policy are

1 Investment in research and development and the capital requirements of the business, to support our continued organic growth A combined investment of £49m in 2025/26 (2024/25 £34m)

2 Complementary acquisitions driving growth in core areas where the Group can leverage industry knowledge We did not execute any new transactions in 2025/26 but our new bank facility enhances our ability to deliver this strand of our strategy

3 A progressive dividend policy We recognise that whilst we aim to achieve earnings growth dividends are important to many of our shareholders Our dividend policy also sends a clear signal that we are both profitable and cash-generative business Subject to approval of the final dividend at the Group's AGM a further increase of 10% will be implemented this year The Group has increased its dividend every year since IPO in 2006

The Group has seen significant movements in working capital through the year, with an operating outflow of £29 1m in the first half-year offset by an inflow of £43 7m in the second half

As the Group takes on larger contracts, with commensurately large associated payments and receipts, we expect this trend to continue In the past 5 years the Group has generated an overall operating cash flow of £142m applying this to capital purchases (£45m) own funded research and development (£16m) acquisitions (£41m, net of share placing proceeds) and dividends (£30m) Our newly renegotiated £175m bank facility enables us to manage these fluctuations as well as providing access to funding to support growth

Outlook

We continue to see strong demand, driven by conflict in Ukraine and the Middle East, persistent tensions in the Asia-Pacific Region and the policies of the United States administration Revenue from NATO Europe has increased significantly in the year driven by increasing defence budgets

Our order book underpins approximately £264m of 2026/27 revenue (2025/26 £230m) representing 83% of consensus expectations for the year Following contract wins since the start of the financial year that cover now stands at 88%

The Group s operating margin improved to 11 8% this year (2025 10 2%) and we expect this to continue to improve in the coming year to low-teens percentage and onwards to our target of mid-teens percentage by the end of this decade

With the underpinning of our strong order book, we continue to target double-digit earnings growth in each of 2026/27 and the subsequent two years In the same period we expect to generate cashflow before capital expenditure and dividends of around £120m

Andrew Thomis
Group Chief Executive 14/07/26



Celebrating 20 years of Cohort on the London Stock Exchange

Our market overview

A strong position for growth supported by market dynamics

Using our agility and innovation to build sustainable competitive advantage in niches with attractive markets

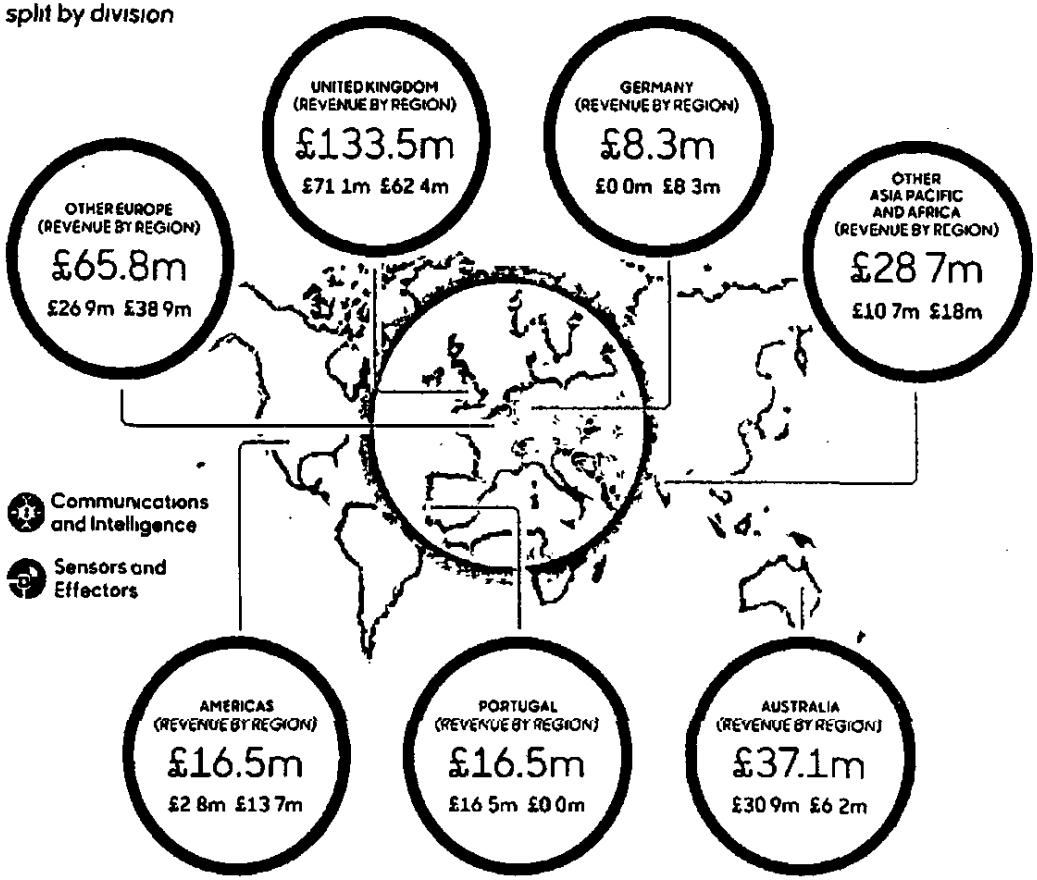
TOTAL REVENUE
£306.4m
(2025 £270 0m)

Diversified across domains *and geographies*

We work across all domains, with a focus on maritime and land Our direct customers include Ministries of Defence, platform providers system integrators and infrostructure operators in national and international markets

	Total revenue by domain
Maritime Equipment systems and services used by navies on or below the water in airspace above the water or on the shore	£199 8m
Land Equipment systems and services used primarily by armies on or in airspace above the land (such as uncrewed air systems)	£58 6m
Air and Space Systems and services used in connection with airborne or spaceborne assets	£21 2m
Joint and Strategic Systems and services used in a joint multi-domain operating environment or in strategic-level headquarters and defence departments	£14 7m
Cyber and Security Systems and services used by armed forces and government agencies to protect or exploit information systems networks, and data	£8 6m
Other Equipment systems and services using defence-related technologies for non-defence applications including legacy products and services	£3 5m

Revenue by region *split by division*



See our operational review / Page 20

Our market overview continued

Well positioned to respond to market drivers

Fast-evolving market conditions driving growth opportunities across the Group.

Link to strategy

- Building our portfolio through acquisition
- Leading empowered businesses for growth

Geopolitical instability continuing to drive global conflict and deterrence

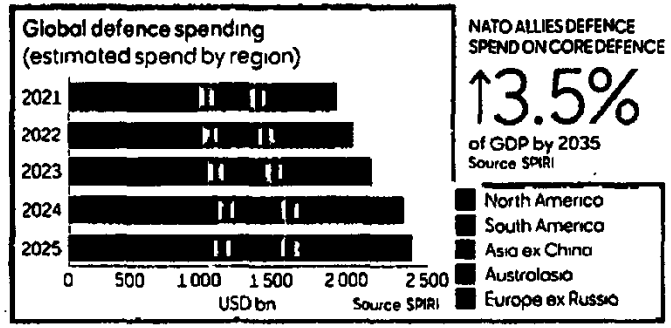
Link to strategy

Impact

Ongoing global tensions and conflicts including the Ukraine conflict China s ongoing investment in new technologies and the recent rise in Middle East tensions are compelling governments around the world to enhance deterrence efforts and continue to invest in defence and security NATO spend excluding the US whose shift in defence spending focus is partially galvanising a renewed defence focus in other NATO countries is projected to increase over the next ten years

Our response

We are increasing our presence in NATO European countries and the Asia Pacific region with a focus on pursuing prospects in many Southeast Asian countries Japan and Australia Our acquisition of EM Solutions provided a footprint for the Group in the region We have already seen growing interest for our products and services as a result of this.



NATO ALLIES DEFENCE SPEND ON CORE DEFENCE

↑3.5%

of GDP by 2035

Source SPIRI

Sustainment of assets and infrastructure driving procurement

Link to strategy

Impact

New forms of warfighting techniques are being adopted by adversaries which requires new responses in areas such as autonomous systems, seabed warfare cyber and electromagnetic effects (CEMA) and hypersonic missiles

Governments are prioritising sovereign capability and procuring domestically to reduce the reliance on long supply chains which are at risk of disruption Additionally upgrading and maintaining physical assets and fleets is becoming a *major driver for procurement*

Our response

We are accelerating technology innovation in areas that are increasingly relevant Chess is developing Counter Unmanned Air Systems (C-UAS) designed to disrupt and neutralise drones engaged in hostile airborne surveillance and malicious activity ELAC SONAR and SEA are developing underwater and autonomous hydroacoustic solutions for persistent surveillance especially for submarine detection and protection of underwater infrastructure MASS is developing new tools services and training which encompass all areas of electronic warfare and cyber SEA is developing naval platform protection systems to provide a rapid threat response to incoming air surface or subsurface threats

Advances in emerging technologies and multi-domain solutions

Link to strategy

Impact

New and disruptive innovations in technology, often from the commercial sector are redefining warfare to provide operational advantage in the battlespace Investment in C4ISR networks is driven by the need to have seamless combat across land sea air cyber and space

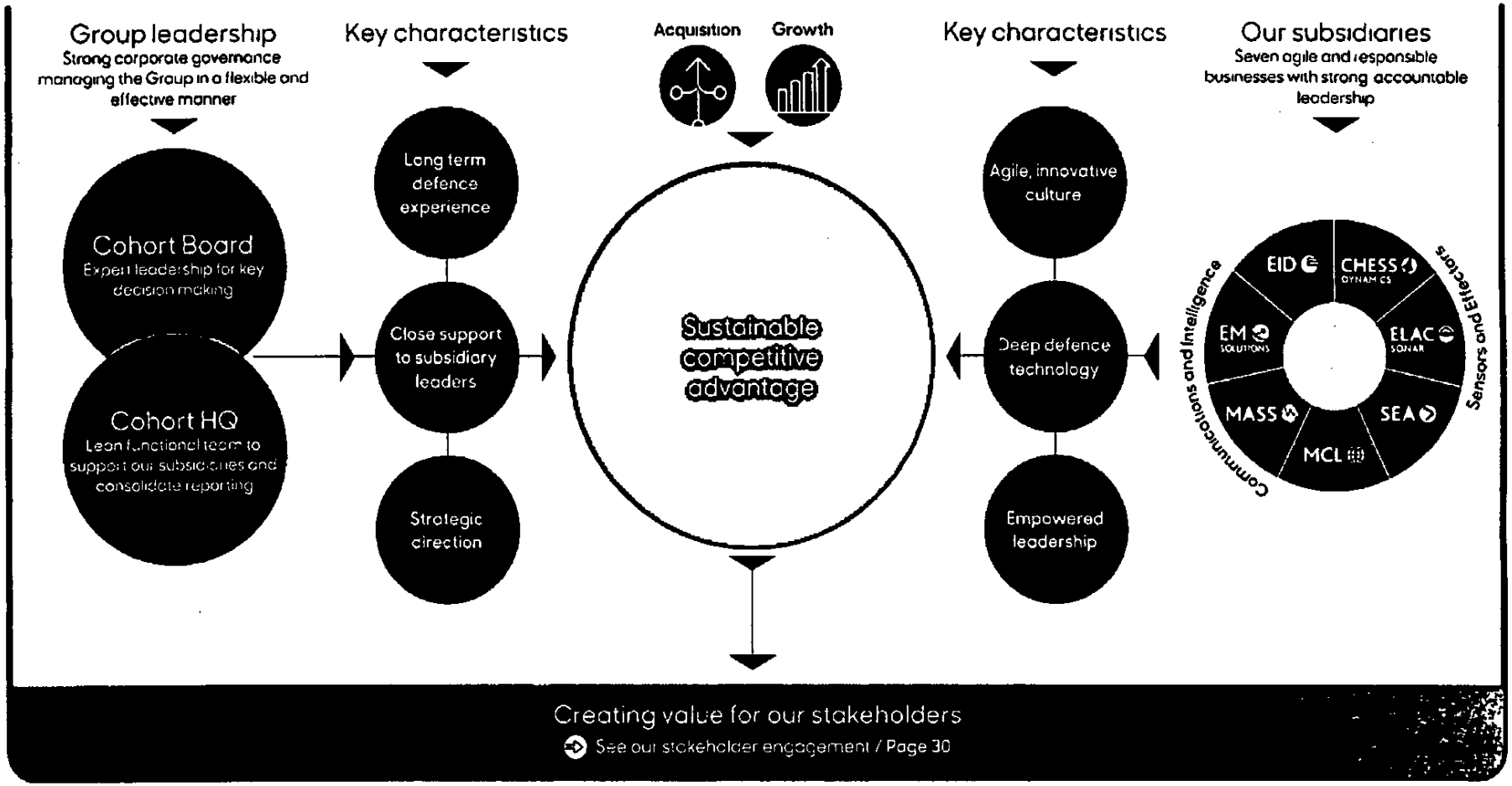
Our response

We are incorporating artificial intelligence machine learning data science robotics autonomy and resilient secure digital communication technologies into our products and systems to enhance their capabilities

Our business model

Securing significant **competitive advantage**

We lead responsibly, with effective corporate governance, to cultivate organic growth and acquire new businesses that align with our culture and strategic goals



Our strategic framework

A **clear strategy** for growth

Cohort believes agile businesses can prosper by being part of a larger group, where they benefit from strong leadership, financial strength and a shared culture

Building our portfolio through **acquisitions**

What we do

Cohort seeks innovative technology businesses operating in defence and security markets

Businesses join the Group either as standalone businesses, or as a bolt in to an existing Cohort company where capabilities or customer relationships align

How we add value

We seek niche technology businesses operating in defence and security markets at a stage where there will be mutual benefit in joining the Group with

- Strong market position and opportunities for growth
- Sustainable competitive advantage that sets them apart from their peers
- Innovative technology and capability aligned to our markets
- Relationships and knowledge we can share and build on
- A culture that resonates with our values

Leading empowered businesses for **growth**

What we do

Cohort empowers its businesses to operate autonomously whilst providing the strength expertise and resilience that underpin sustainable competitive advantage

We foster close working relationships and encourage the sharing of expertise and relationships, where it makes sense to do so

See our strategy in action / **Page 18**

How we add value

We bring the power of the Group to the ingenuity of our businesses

- Providing strong leadership corporate governance and financial strength
- Facilitating global market access and expansion
- Sharing our knowledge and relationships across the Group
- Nurturing our leadership and emerging talent

Our culture underpins our strategy

Cohort empowers agile decision making and innovative solutions that meet today's and future challenges. We maintain confidence through strong corporate governance, and we empower our teams to act responsibly with expertise and a dynamic outlook. We cultivate an environment where every decision is guided by our core values, ensuring sustainable growth and long term success across all parts of the Group

We are **Expert**

We are **Practical**

We are **Responsible**

We are **Dynamic**

Read more about our culture and values / Page 35

Our strategic framework continued

Progress against our strategy

Building our portfolio through acquisition

Increase the profitability of the Group and access new markets through selective acquisitions

How we deliver

- Maintain a strong acquisition team
- Proactively engage with businesses that could potentially add value as part of the Group
- Demonstrate a structure and culture that are attractive to potential sellers
- Structure transactions creatively with flexibility to bridge value gaps

Progress in 2025/26

- EM Solutions delivered a strong result and continues to expand its pipeline
- SEA's small transport business sold 30 June 2025 to enable SEA to focus completely on its defence business
- Continued to evaluate numerous acquisition opportunities.

Mid-term priorities to 2030

- Continue to seek and evaluate value-adding acquisition opportunities with strong market positions in relevant sectors that align with our strategy



Leading empowered businesses for growth

Consistently grow profits and cash generation organically through our subsidiaries.

How we deliver

- Focus on long term customer partnerships
- Invest in innovation
- Identify and pursue growth opportunities in new and existing markets
- Develop high-quality leadership teams and a high-performance culture
- Manage subsidiaries through a framework of financial control strategy review performance management and leadership development
- Implement an effective operational strategy providing support and guidance when circumstances change

Progress in 2025/26

- Organic revenue was flat year-on-year with the record MCL delivery of last year falling back as expected This was offset by the additional nine-month contribution from EM Solutions
- Record closing order book and good visibility On order cover for 2026/27 at 83% of latest external forecasts Length of order book out to 2037
- Group headcount increased from 1,619 to 1,719 over the year to meet the demands to deliver the growing order book
- Continued a transformation programme at EID to improve its business winning and delivery performance
- Changes made in Chess senior management to improve delivery
- Chief Operating Officer joined Cohort team to assist with improving business performance with initial focus on Chess and EID

Mid-term priorities to 2030

- Continue to improve long term order book across the Group and expand pipeline
- Seek opportunities from increased focus on expanding defence budgets, especially in NATO Europe and South East Asia
- Monitor and proactively manage supply chain and recruitment challenges
- Improve efficiency of delivery to drive a better overall net margin, towards our target of mid-teens percentage especially at Chess, EID and SEA

Discover more in our strategy in action / Page 18

Strategy in action

Leading empowered businesses for growth

KraitSense: Data collection at depth

The underwater domain is becoming more crowded and more contested - from conventional submarines and divers in littoral waters to autonomous vessels and the rapid growth of seabed infrastructure for communications, power, oil and gas. At the same time, many nations need to protect long coastlines and critical infrastructure without the cost and manpower burden of deploying large numbers of fixed sensors and crewed platforms.

SEA's KraitSense closes this gap by enabling vessels to field a towed-array capability they previously could not, and by enabling uncrewed surface and subsurface vessels to perform tasks typically reserved for crewed assets. The result is greater coverage, mass and persistence, delivered at a fraction of the cost of traditional approaches.

KraitSense delivers credible capability quickly, with low integration and operating burden, especially as undersea threats and infrastructure protection requirements expand. Interest spans research organisations through to operational users with a strong pull from machine learning and artificial intelligence teams who need to capture large, high-quality acoustic datasets at pace to train and validate operational models.

With straightforward deployment and low cost per hour, KraitSense makes repeatable data collection practical, helping customers accelerate machine learning and AI development and shorten the path from experimentation to operational impact.

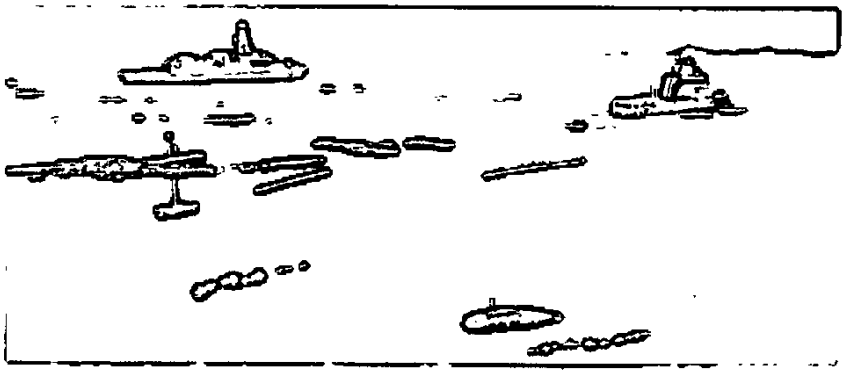
ENLITOR: Tackling seabed warfare threats

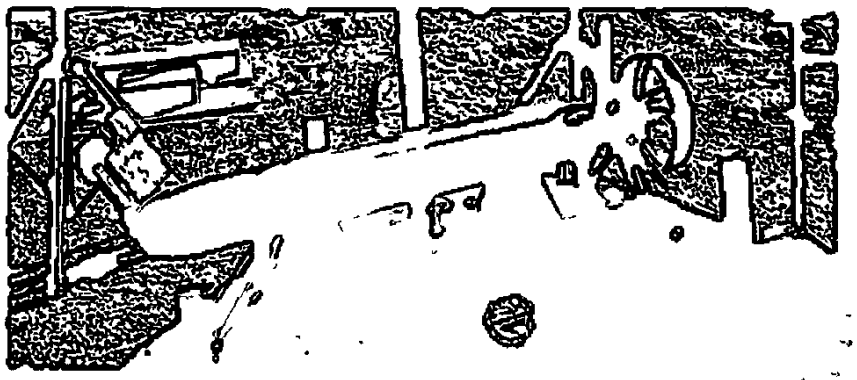
As seabed warfare and threats to critical underwater infrastructure (CUI) increase, the underwater domain has remained a dangerous 'blind spot' for modern defence.

Designed for modern defence and security operations addressing challenges in seabed warfare, ELAC SONAR's ENLITOR delivers persistent undersea awareness without interruption. This passive subsea surveillance system provides 365-day autonomous monitoring with 24/7 endurance, operating reliably regardless of sea state or environmental conditions - from littoral waters to depths of 6,000 metres.

ELAC SONAR participated for the second time in the SeaSEC Challenge Weeks Data2Sea, a military-led exercise conducted in cooperation with the German Navy. ENLITOR was tested in real-time against actual underwater challenges to provide direct operational value for CUI protection.

Currently, ELAC SONAR is partnering with four consortiums to embed ENLITOR into their Command & Control (C2) systems, proving its ability to deliver seamless integration and high-quality target data. This multi-partner approach demonstrates that ENLITOR is not a closed system, but a flexible component capable of enhancing full-domain awareness across various naval and security architectures.





Strategy in action continued

Leading empowered businesses for **growth**

Partnerships: Building relationships with Hanwha Ocean

Cohort signed a memorandum of understanding (MoU) with South Korean shipbuilder Hanwha Ocean at Defence & Security 2025 in Bangkok, Thailand. The agreement signals the ambition of the two companies to deliver innovative and cost-effective defence technologies to address the needs and requirements of the Royal Thai Navy's second-phase frigate acquisition programme.

The MoU provides opportunities for businesses across the Group to come together and provide a package of defence technology solutions including proven naval defence capabilities such as sonar systems, torpedo launcher systems, surveillance, targeting and fire-control systems as well as communications management. With Cohort's maritime technologies, which also include satellite communications terminals, in service with navies across the globe, the Group is well positioned to deliver its innovative solutions to meet the needs of the Royal Thai Navy.

The agreement marks a key milestone to grow Cohort's relationship with Hanwha Ocean and is an important step in strengthening Cohort's international partnerships. Cohort's business model underpinned by strong governance allows its businesses the autonomy to respond to customer demands in the most efficient way operationally for them, while securing the best possible result for its customers. At the same time, the partnership identifies synergies to pursue joint business development opportunities that will secure the continued success of the Cohort Group.

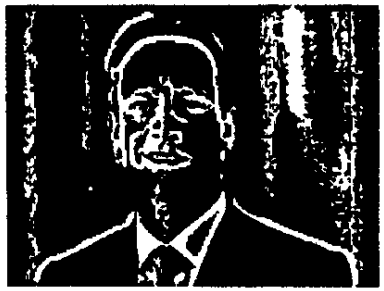


Investment in **future growth**

CASE STUDY

Chris Axcell appointment as COO

In February 2026, Cohort appointed its first Chief Operating Officer, Chris Axcell, to support the growth of its subsidiaries, pursue strategic acquisitions and strengthen operational delivery. Chris works alongside Chief Executive Andy Thomis to strengthen operational performance across the Group, especially around manufacturing and operational efficiency.



Looking ahead: Strong opportunity pipeline with long term visibility

Communications and Intelligence

EID	Good domestic opportunities for Navy and Army off the back of the EU SAFE Programme
EM Solutions	Hunter Class and multipurpose frigates and landing ships for Australia. Japan destroyer upgrades. Royal Navy carriers
MASS	Strong export opportunities especially in the Middle East
MCL	Continuing flow of support orders for ongoing operations

Sensors and Effectors

CHESS Dynamics	Multiple opportunities for C-UAS systems via partners including Rheinmetall Air Defence
ELAC Sonar	Italy follow-on surface ship and submarine programmes in NATO and Asia
SEA	Multiple opportunities for KraitSense and KraitArray partnership with Terma for Ancilia

ORDER BOOK TOTAL

£618.8

(2025 £616.4m)

ORDER BOOK COVERAGE

83%

(2025 83%)

Operational review

Communications and Intelligence

Highlights

REVENUE
£158.9m
(2025: £124.9m)
↑ 27.1%

ADJUSTED OPERATING PROFIT
£32.4m
(2025: £21.1m)
↑ 53.5%

NET CASH FLOW GENERATED FROM OPERATIONS
£36.1m
(2025: £24.3m)
↑ 49.0%

HEADCOUNT
709
(2025: 641)
↑ 10.6%

Associated subsidiaries

MASS EID MCL EM SOLUTIONS

Progress

Communications and Intelligence delivered a much stronger profit performance on a 25% increase in revenue This was due to a strong full year contribution from EM Solutions with a net margin of over 25% MASS also grew by nearly 20% achieving annual revenue of over £50m for the first time and a net margin of 20% EID had a very good year of securing orders enhancing its long-term revenue visibility, but its operating performance was slightly behind last year's due to delays in completing a project for the Portuguese Army We expect this to be resolved in the coming financial year MCL's performance was behind its record 2024/25 performance, reverting to a more typical volume level, but still delivering a result which was ahead of our expectations

Order intake at Communications and Intelligence was stronger than last year representing 117% of its annual revenue for 2025/26 (2025 109%) MASS's order intake, at over £50m, was significantly stronger than last year EM Solutions order intake was £50 3m in the year, a similar level to its revenue A very strong performance was also achieved at EID where order intake at £48 7m was 220% of its revenue

This division saw orders ultimately intended for UK MOD of £60 1m (2025 £81 6m) This is dominated by MCL and MASS The other significant order intake in this division was from Portugal of £39 6m (2025 £45 2m) at EID and £19 6m from Australia at EM Solutions Orders from other European countries (driven by EM Solutions with significant orders from the Netherlands and Norwegian defence ministries) accounted for £34 4m (2025 £4 4m) and orders from Asia Pacific and Africa amounted to £23 0m (2025 nil)

Outlook

The Communications and Intelligence division enters 2026/27 with £127 8m (2025 £104 7m) of its revenue on order The pipeline of opportunities remains strong with opportunities in Australia Portugal, other NATO Europe markets and the Middle East We expect the division to grow again in the coming year delivering a net margin close to 20%



Operational review continued

Sensors and Effectors

Highlights

REVENUE
£147.5m
(2025: £145.1m)
2%

ADJUSTED OPERATING PROFIT
£10.5m
(2025: £12.7m)
-16.7%

NET CASH FLOW GENERATED FROM OPERATIONS
£3.4m
(2025: £42.9m)
-91.8%

HEADCOUNT
986
(2025: 959)
2.8%

Associated subsidiaries

CHESS DYNAMICS
ELAC SONAR
SEA

Progress

The Sensors and Effectors division delivered a flat revenue performance and the resulting adjusted operating profit was slightly lower than in 2024/25. Revenue was higher at Chess and ELAC SONAR, while SEA was lower following the disposal of its Transport business in June 2025.

The lower net profit in this division was due to several factors:

1. In SEA, a weaker mix due to disposal of the Transport business and some low-margin legacy projects. We expect to complete the majority of the latter in the first half of 2026/27.
2. We continued to recognise margin at a level appropriate to the development phase of the sonar suite for new Italian submarines. We expect to complete the delivery of the first boat systems by the end of the 2026 calendar year. At that stage we may be able to begin to retire some risk and recognise a higher margin on the project.
3. Chess delivered a small profit, slightly better than its breakeven performance in 2024/25, but below our expectations for the year. Further changes were made to the senior management team in the second half of the financial year and we expect Chess to start to deliver a better net margin in 2026/27, although mostly in the second half.

Order intake at Sensors and Effectors was 89% of its 2025/26 annual revenue (2025: 102%).

Chess won significant orders for European customers, both for counter-drone systems and naval control systems. SEA won orders in the Maritime domain, especially for torpedo launcher systems and Krait arrays, all in export markets. UK order intake was £41.3m (2025: £40.8m), and from other domestic markets (namely Germany) was £11.7m, whilst export orders totalled £75.3m (2025: £93.0m). We continue to see good prospects in the Maritime domain for our products, especially in export markets, as well as our domestic markets.

In the Land domain, order intake was dominated by export (41%, 2025: 26%), much of it being European, especially from Chess which secured around £21m (2025: £28m) of European export orders with good prospects into future years.

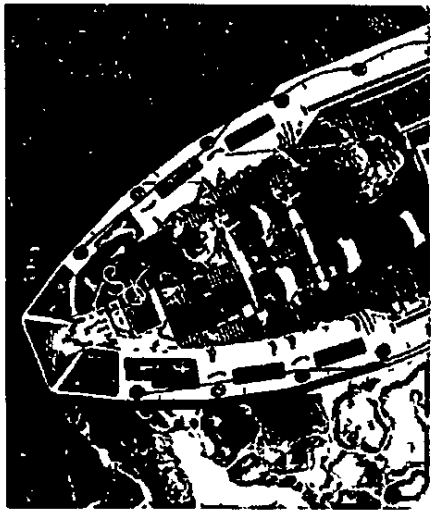
Outlook

Looking forward, this division is well underpinned for 2026/27 with £135.9m (2025: £124.6m) of revenue on order at 30 April 2026. The significant order book and good prospects give us confidence that this division will grow in the coming year, improving its net margin to above 10%.

The recent operating performance of this division has been below our expectations, mostly due to Chess.

We have made changes and with support from the Group's newly appointed Chief Operating Officer, we expect Chess's performance to improve materially in the next few years. We plan to invest around £15m in a new facility for Chess, close to its current site in Horsham, to enable it to improve operational efficiency and to deliver the expanding demand we expect especially for counter-drone systems. This move is likely to complete in the second half of 2027/28.

The pipeline for this division remains strong with prospects in NATO Europe, both land and maritime systems, as well as naval systems in Southeast Asia and South America.



Key performance indicators

Measuring our **progress**

Good progress in KPIs Cash conversion consistently strong.

Link to strategy
- Building our portfolio through acquisition
- Leading empowered businesses for growth

CHANGE IN REVENUE

13%



Indicates the change in total Group revenue compared with prior years

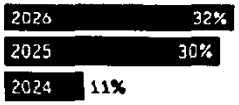
Why is it important?
Revenue growth gives a quantified indication of the rate at which the Group's business activity is expanding over time

Comment on results
The Group revenue was up on last year increasing from £270.0m to £306.4m with a full-year contribution from EM Solutions offsetting the expected decline at MCL from its record performance in 2024/25

Link to strategy

CHANGE IN ADJUSTED OPERATING PROFIT

32%



Change in Group operating profit before exceptional items amortisation of other intangible assets, research and development expenditure credits and non-trading exchange differences, including marking forward exchange contracts to market

Why is it important?
The adjusted operating profit trend more accurately captures the business's contribution to shareholder value than a pure cash measure. It is also an indication of whether additional revenue is being gained without profit margins being compromised

Comment on results
On the back of the higher revenue the trading result of the Group improved by a higher level a result of improved mix especially in Communications and Intelligence. A net margin of 12% compared with 10% last year

Link to strategy

ORDER BOOK VISIBILITY

83%



Orders for the next financial year expected to be delivered as revenue presented as a percentage of market revenue forecasts for the year as at 30 April 2026

Why is it important?
Order book visibility based on expected revenue during the year to come, provides a measure of confidence in the likelihood of achievement of future forecasts

Comment on results
This is broadly consistent with the last three years reflecting the continuing progress in the size and longevity of the order book, with orders now stretching out to 2037. The order book cover for 2026/27 had further increased to 88% by mid-July 2026

Link to strategy

CHANGE IN ADJUSTED EARNINGS PER SHARE

14%



Annual change in earnings per share before exceptional items amortisation of other intangible assets and non-trading exchange differences including marking forward exchange contracts to market all net of tax

Why is it important?
Change in adjusted earnings per share is an absolute measure of the Group's return to shareholders (net of tax and interest)

Comment on results
The 14% increase is a result of a 32% increase in the adjusted operating profit partially offset by the full-year dilution impact of last year's share placement and a higher tax rate impact at 16.2% (2025 12.6%)

Link to strategy

FREE CASH FLOW

80%



Net cash generated from operations (net of interest and net capital expenditure) before tax as compared to the profit before tax and interest excluding amortisation of other intangible assets over a rolling four-year period

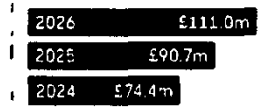
Why is it important?
Free cash flow measures the ability of the Group to convert profit into cash

Comment on results
As we signalled last year the free cash flow was weaker this year in part due to unwinding of customer advances but mostly the investment in working capital on the Italian sonar project at ELAC SONAR and the Royal Australian Navy satellite communications project at EM Solutions. We expect the coming year to see an improvement in working capital partly offset by the investment in Chess's new facility

Link to strategy

INTERNATIONAL REVENUE

£111.0m



Total sales to markets outside the UK, Australia, Germany and Portugal

Why is it important?
International markets are important to the organic growth of the business and reduce our dependence on domestic markets

Comment on results
The increase in 2026 export revenue is driven by higher export sales in Communications and Intelligence especially for naval customers of EM Solutions

Link to strategy

Financial review

"Record revenue, adjusted operating profit, and earnings per share. Record closing order book stretches out to 2037."

Simon Walther
Finance Director



Record operating performance

Introduction

2025/26 was another record year for the Group We achieved over £300m of revenue and order intake and delivered close to 12% net margin, a key step on our objective of mid-teens net margin by the end of this decade The Group's banking facility was renewed just before the year end, tripling the size of our facility and widening our supporting banks from three to seven This provides the Group with significant financial flexibility to finance its organic investment and acquisitive growth

Revenue analysis

The Group reports its segmental revenue through its two divisions, Communications and Intelligence, and Sensors and Effectors

The revenue for the Group is also broken down by three separate categorisations

1 Market (and geography) (see table on page 24)
2 Product or service (see table on page 25), and
3 User domain i e Maritime Land Air and Space Joint and Strategic Cyber and Security, or Other (see Our market overview on page 13 and Market segments on page 97)

The Group revenue is dominated by defence and security customers with £303 0m (2025 £255 6m) delivered to these markets 99% of Group revenue (2025 95%)

The growth in Group revenue has been driven by an increase in export activity, and deliveries to our domestic customers in Germany and Australia, the latter reflecting a full year of ownership of EM Solutions UK MOD revenue decreased to £123 6m (2025 £134 0m) and as a proportion of Group revenue was 40% (2025 50%)

Export defence revenue grew by 27% (2025 22%), increasing as a proportion of overall revenue from 32% last year to 36% this year

The Group continues to derive the largest proportion of its revenue from products (hardware and/or software) The increase in the absolute revenue this year was driven by a full year contribution by EM Solutions offsetting the expected reduction at MCL from its record deliveries last year The services proportion of the Group's revenue decreased from last year due to the continued increase in product sales In absolute terms, service revenue increased very slightly to £63 5m (2025 £62 6m) 21% of Group revenue (2025 23%)

In the past, the service revenue for the Group was around 40%, but this has continued to fall as a proportion of the Group revenue as the product and systems activity has increased We continue to work on increasing the support and services work across the Group

The Group's statutory gross margin percentage was slightly higher than last year at just over 34% The main cause of the increase was a stronger mix in Communications and Intelligence, particularly a full year contribution from EM Solutions and improved mix at MASS

REVENUE
£306.4m
(2025 £270 0m)

ADJUSTED OPERATING PROFIT
£36.3m
(2025 £27 5m)

CASH GENERATED FROM OPERATIONS
+£15.1m
(2025 +£58 2m)

Financial review continued

Revenue analysis continued

The Group's revenue is dominated by Maritime and Land, at 84% of Group revenue (2025 81%) The growth in Maritime is due to increase in exports in Sensors and Effectors, and a full year contribution from EM Solutions Land domain revenue decreased in absolute terms, due to the lower contribution from MCL only partially offset by higher counter-drone activity and deliveries to the Portuguese Army Joint and Strategic at 5% (2025 5%) was slightly higher in absolute terms The majority of the revenue in this domain is support to the UK's Joint Warfare capability Going forward, we expect the Maritime domain to remain dominant and continue to grow We also expect Land to grow as we ramp up delivery of counter-drone systems

Revenue by market and geography

	Communications and Intelligence		Sensors and Effectors		Group			
	2026 £m	2025 £m	2026 £m	2025 £m	2026 £m	2026 %	2025 £m	2025 %
Direct to UK MOD	529	775	299	178	828	27	953	36
Indirect to UK MOD where the Group acts as a sub-contractor or partner	96	66	312	321	408	13	387	14
Total UK defence	625	841	611	499	1236	40	1340	50
UK security	86	59	-	-	86	3	59	2
UK other (non-defence and security)	-	01	13	79	13		80	
Total UK	711	901	624	578	1335		1479	
Australia defence and security	288	48	62	30	350	11	78	3
Portuguese defence and security	165	176	-	-	165	5	176	7
German defence and security	-	01	83	29	83	3	30	1
Total non-UK domestic defence and security	453	225	145	59	598	19	284	11
Export defence and security								
- Other European countries	269	32	389	349	658		381	
- Asia Pacific and Africa	107	59	180	279	287		338	
- North and South America	28	27	137	127	165		154	
Total export defence and security	404	118	706	755	1110	35	873	33
Non-UK other (non-defence and security)	21	05	-	59	21		64	
	1589	1249	1475	1451	3064	100	2700	100

"The Group order book underpins 83% of the 2026/27 latest consensus revenue expectations This has increased to 88% in July"



The opening of the London Stock Exchange to celebrate 20 years of Cohort being listed

Financial review continued

Revenue by type of deliverable

	Year ended 30 April 2026		Year ended 30 April 2025	
	£m	%	£m	%
Product	242 9	79	207 4	77
Communications and Intelligence	105 3	34	80 4	30
Sensors and Effectors	137 6	45	127 0	47
Services	63 5	21	62 6	23
Communications and Intelligence	53 6	17	44 5	16
Sensors and Effectors	9 9	4	18 1	7
Total revenue	306 4	100	270 0	100

Operational outlook

Order intake and order book

	Order intake		Order book	
	2026 £m	2025 £m	2026 £m	2025 £m
Communications and Intelligence	186 0	136 3	229 5	202 4
Sensors and Effectors	128 2	148 4	389 3	414 0
	314 2	284 7	618 8	616 4

The increase in the Group's order book reflects the strong order intake, the second highest order intake for the Group in a financial year, with a surplus of orders over revenue

The 2025/26 order intake was 103% (2025 105%) of the Group s revenue for the year

The external consensus forecast revenue on order (order cover) for the coming year was 83% (2025 83%) at 30 April 2026 This had risen to 88% in July 2026

The Group s order intake and order book are the contracted values with customers and do not include any value attributable to frameworks or other arrangements where no enforceable contract exists

The order intake and order book take account of contractual changes to existing orders including extensions variations and cancellations

Communications and Intelligence

Order intake at Communications and Intelligence was stronger than last year representing 117% of its annual revenue for 2025/26 (2025 109%) MASS s order intake at over £50m, was significantly stronger than last year EM Solutions order intake was £50 3m in the year, a similar level to its revenue A very strong performance was also achieved at EID where order intake at £48 7m was 220% of its revenue

This division saw orders ultimately intended for UK MOD of £60 1m (2025 £81 6m) This is dominated by MCL and MASS The other significant order intake in this division was from Portugal of £39 6m (2025 £45 2m) at EID and £19 6m from Australia at EM Solutions Orders from other European countries (driven by EM Solutions with significant orders from the Netherlands and Norwegian defence ministries) accounted for £34 4m (2025 £4 4m) and orders from Asia Pacific and Africa was amounted to £23 0m (2025 nil)

Sensors and Effectors

Order intake at Sensors and Effectors was £128 3m (2025 £148 4m), representing 87% of its 2025/26 annual revenue (2025 102%)

Chess won significant orders for European customers, both for counter-drone systems and naval control systems

SEA won orders in the maritime domain especially for torpedo launcher systems and Krait arrays, all in export markets UK order intake was £41 3m (2025 £40 8m) and from other domestic markets (namely ELAC SONAR to Germany) was £11 7m, whilst export orders totalled £75 3m (2025 £93 0m)

Domains

We continue to see good prospects in the maritime domain for our products, especially in export markets as well as our domestic markets

In the land domain, order intake was dominated by export (41% 2025 26%) much of it being European especially from Chess, which secured around £21m (2025 £28m) of European export orders with good prospects into future years

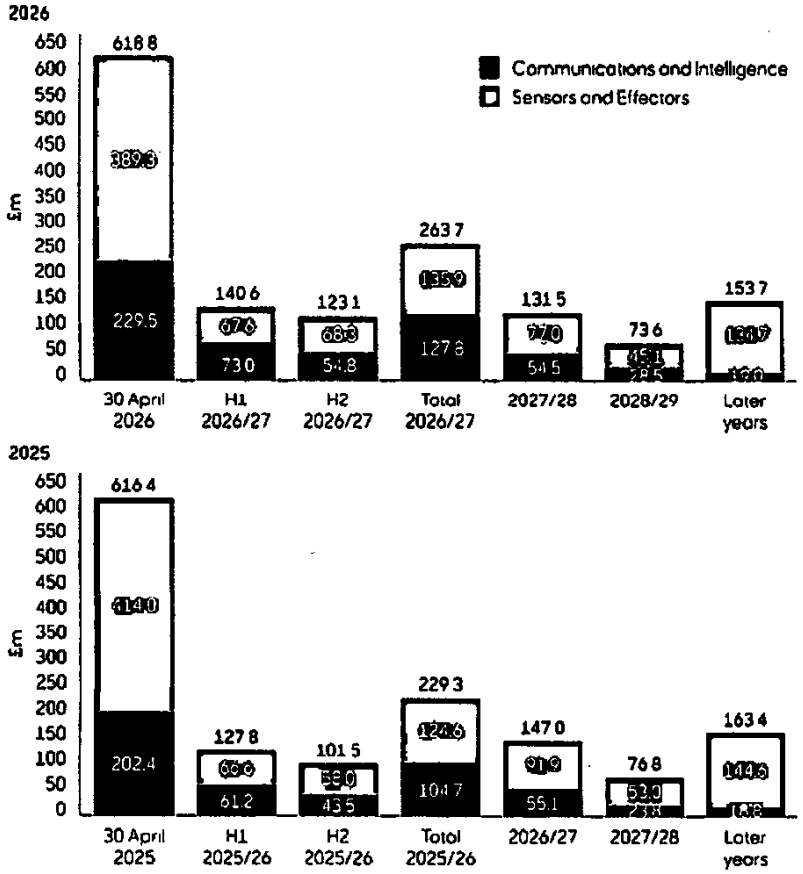


Investor tour at ELAC SONAR in March 2026

Financial review continued

Delivery of the Group's order book into revenue

The table below shows the expected delivery of future revenue from the current order book together with a similar analysis from 2024/25 for comparison The growth in on-order revenue for the current year and two following years in the Communications and Intelligence division is notable reflecting the impact of the EM Solutions acquisition



Order intake

Over the last five years, the Group's orders won and delivered in year were as follows

	Order book at beginning of year £m	Consensus revenue on order %	Consensus revenue for the financial year £m	Revenue delivered in year £m
2025/26	616 4	83	275 8	306 4
2024/25	518 7	92	200 0	270 0
2023/24	329 1	80	178 6	202 5
2022/23	291 0	78	163 6	182 7
2021/22	242 4	64	154 6	137 8

Cohort's order book has grown again following a year of record deliveries The order book for Sensors and Effectors is both larger and longer than for Communications and Intelligence, in line with the division's greater proportion of long-term projects for naval customers In Communications and Intelligence, the longevity of the order book is dominated by the multi-year support contracts for the UK MOD communication systems for the Portuguese Navy and satellite communications terminals for the Royal Australian Navy

The short-term nature of some of the business in Communications and Intelligence especially the product delivery of MCL and MASS's shorter duration contracts in training and cyber mean that this division will typically enter a financial year with less of its forecast revenue on order

We do expect to see some increase in the longevity of this division s order book in the coming year with prospects of long-term orders for EID and EM Solutions, examples of which were secured this year

Sensors and Effectors has a number of large multi-year programmes both for delivery and support, with work now stretching out to 2037 The prospects for this division to further increase the size of the order book in the coming year are good, both in the UK and especially export markets

The Group's businesses are not dependent upon a single critical order to achieve their respective revenue targets for 2026/27

We continue to report an analysis of the number of orders secured by a range of order size This is shown in the "Order intake analysis" chart on the right

Financial review continued

Order intake continued

This shows that 94% (2025 95%) of the Group s orders (by number) secured are of less than £0 5m in value, accounting for 13% (2025 15%) of the Group s total order intake value The remaining 6% of orders account for 87% (2025 85%) of the Group's total order value The order number of >£1m was 62 (2025 53) and a value of £249 1m (2025 £226 7m)

This year, we have won ten orders larger than £5m (2025 thirteen) with a total order value of £127 0m (2025 £136 6m) As a policy we usually only announce individual orders with a value of over £10m

Funding resource and policy

On 30 April 2026 the Group s cash and readily available credit was £177 2m (2025 £55 3m), following the renewal of the Group's bank facility which completed on 29 April 2026 The facility is for five years to April 2031 with the option to extend to April 2033 via two one-year extensions

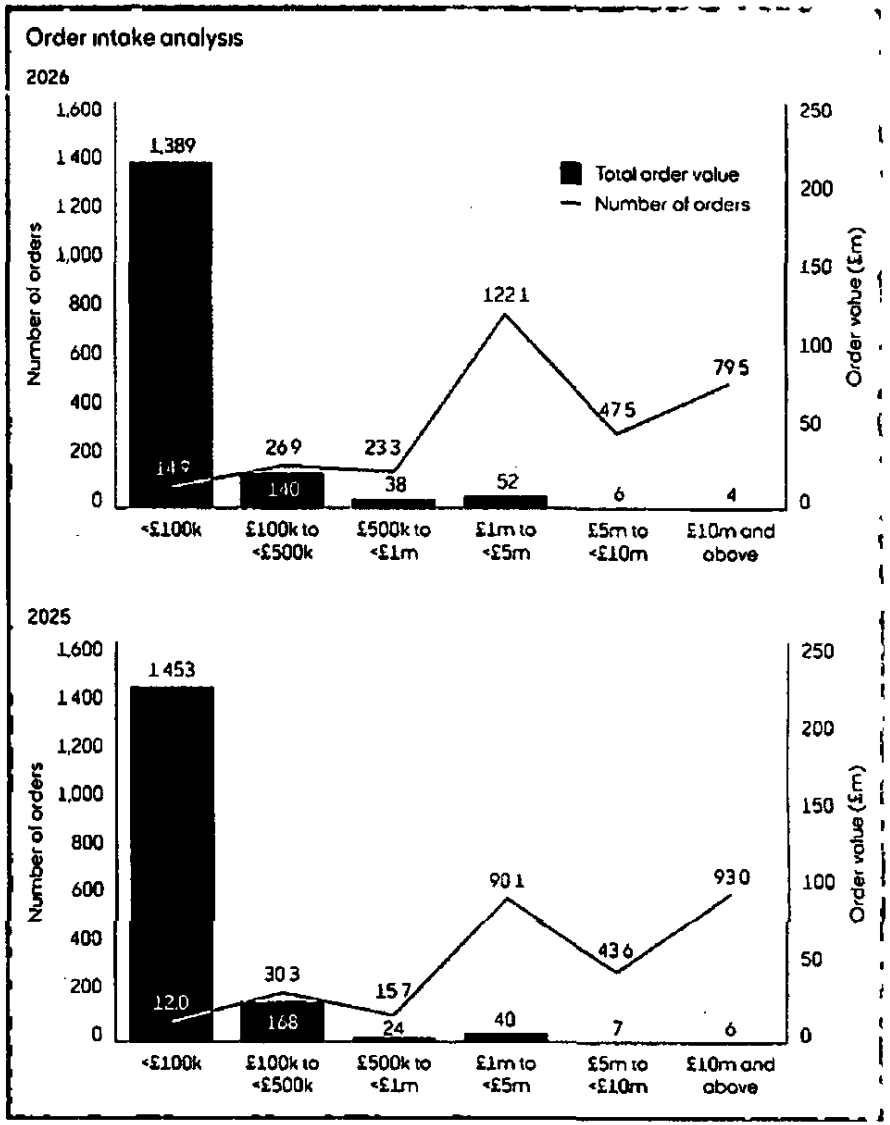
The facility comprises a revolving credit facility (RCF) of £125m with two term loans of c £25m denominated respectively in Australian dollars and euros The facility also includes an option (accordion) for a further £50m The facility provides the Group with a flexible arrangement to *draw down for acquisitions and to cover* increasing operating requirements The Group's banking covenants were all passed for the year ended 30 April 2026 Looking forward, we expect this to continue out to 31 July 2027 and beyond

The facility is available to all members of the Group outside of Portugal and is fully secured over the Group's assets The Group takes a prudent approach to treasury policy with its overriding objective being protection of capital In implementing this policy deposits are usually held with institutions with credit ratings of at least Baa3 Deposits are generally held on short (less than three months) duration to maturity on commencement, retaining flexibility, while trying to ensure an acceptable return on its cash

EID's bank facilities are managed locally in Portugal The cash is spread across a number of institutions to minimise capital risk EID provides no security over its assets and its wide range of banks enable it to be well supported in executing export business, specifically in respect of foreign exchange contracts guarantees and letters of credit

The Group regularly reviews the ratings of the institutions with which it holds cash and always considers this when placing a new deposit

The Group's net funds at 30 April 2026 were £2 2m (30 April 2025 £5 3m), reflecting a marked improvement from the Group s H1 position at 31 October 2025 (net debt of £32 5m) as working capital build-up began to be delivered, albeit at a slower pace than anticipated We expect the Group's net funds at 30 April 2027 to be broadly in line with those at 30 April 2026 The Group expects to see a further increase in net funds by 30 April 2028, if there is no further corporate activity



Financial review continued

Funding resource and policy continued

The Group's exposure to foreign exchange risk arises from two sources

1. the reporting of overseas subsidiaries earnings (currently EM Solutions EID and ELAC SONAR) and net assets in sterling and
2. transactions in currencies other than our Group reporting currency (£) or subsidiary reporting currency where different (currently € at EID and ELAC SONAR and A$ at EM Solutions)

The first risk is a translation, rather than a transaction risk and we do not hedge the translation of earnings

In terms of reporting asset values, we have in place two natural hedges of borrowings the first in euros to acquire a euro asset (ELAC SONAR) and the second in AUD to acquire an AUD asset (EM Solutions) but over time, as the assets grow and the loans diminish, this hedge will wane

We take a prudent approach to transactional foreign exchange risk requiring all significant sales and purchases to be hedged at the point in time when we consider the transaction to be certain usually on contract award We mark these forward contracts to market at each reporting date, recognising any gain or loss in the income statement

The Group has maintained its progressive dividend policy, increasing its dividend this year by 10% to a total dividend paid and payable of 17 90 pence per share (2025 16 30 pence) The last five years' annual dividends, growth rate, earnings cover and cash cover are as follows

	Dividend Pence	Growth over previous year %	Earnings cover (based upon adjusted earnings per share)	Cash cover (based upon net cash inflow from operations)
2026	179	10	35	14
2025	163	10	33	69
2024	148	10	29	37
2023	134	10	27	30
2022	122	10	26	39

In summary, the Group's cash performance in 2025/26 was as follows

	2026 £m	2025 £m
Adjusted operating profit	363	275
Depreciation and other non-cash operating movements	59	42
Working capital movement	(253)	201
	169	518
Sale of Transport business	59	-
Acquisition of ITS (including costs)	-	(31)
Acquisition of EM Solutions (including costs)	-	(809)
Placing	-	410
Tax, dividends capital expenditure interest and other investments	(258)	(266)
Decrease in funds	(30)	(178)

During the year the working capital of the Group increased significantly as work on larger contracts primarily in the Naval domain, progressed

Looking forward, we retain the flexibility to use newly issued shares as well as EBT shares to satisfy employee share options

The Group's customer base of governments, major prime contractors and international agencies makes its debtor risk low The year end debtor days in sales were 31 days (2025 29 days) This calculation utilises the count-back methodology as this is considered a more appropriate measure than calculating based upon the annual revenue given the heavy weighting of the Group's revenue in the last quarter of each year The increase has been mostly in Sensors and Effectors

Tax

The Group's tax charge for the year ended 30 April 2026 of £8 3m (2025 charge of £6 0m) was at a rate of 25 5% (2025 23 4%) of profit before tax This includes a current year corporation tax charge of £7 2m (2025 £7 1m), a prior year corporation tax credit of £0 7m (2025 £0 4m) and a deferred tax charge of £1 8m (2025 £0 7m credit)

The Group's overall tax rate of 25 5% was above the standard UK corporation tax rate of 25 0% (2025 25 0%), due to a higher contribution from Australia (30%) partially offset by R&D credits

The Group has reported research and development expenditure credits (RDEC) for the UK in accordance with IAS 20 and shown the credit of £3 6m (2025 £3 3m) in cost of sales and adjusted the tax charge accordingly The RDEC has been reversed in reporting the adjusted operating profit for the Group to ensure comparability of operating performance year on year

Financial review continued

Tax continued

Looking forward the Group s effective current tax rate (excluding the impact of RDEC reporting) for 2026/27 is estimated at 20% compared with 16% of the pre-RDEC adjusted operating profit less interest for 2025/26 The Group maintains a cautious approach to previous R&D tax credit claims for tax periods that are still open currently 2024/25 and 2025/26 as well as the potential outcome of a tax audit in Portugal

Adjusted earnings per share

The adjusted earnings per share (EPS) of 61 93 pence (2025 54 44 pence) are reported in addition to the basic earnings per share and exclude the effect of amortisation of intangible assets, exceptional items and foreign exchange movements including marking forward exchange contracts to market, all net of tax



With Cohort managing directors at Indo Pacific in Sydney

The adjusted earnings per share exclude *non-controlling interest of EID (20%)*
The reconciliation from last year to this year is as follows

	Adjusted operating profit £m	Adjusted earnings per share Pence
Year ended 30 April 2025	27 5	54 44
100% owned businesses throughout the year ended 30 April 2026	97	1777
Impact of businesses with minority holding	(0 9)	(1 32)
Change in tax rate (excluding RDEC) 16 2% (2025 12 6%)		(2 81)
Other movements including interest and higher weighted average share capital		(6 15)
Year ended 30 April 2026	**36 3**	**61 93**
Increase from 2025 to 2026	32%	14%

The adjustments to the basic EPS in *respect of exchange movements and* other intangible asset amortisation of EID only reflect that proportion of the adjustment that is applicable to the equity holders of the parent

The Group's statutory operating profit of £34 6m (2025 £26 1m) reflects the amortisation of other intangible assets, a £5 9m non-cash charge in 2026 (2025 £3 0m), research and development credit (RDEC) of £3 6m (2025 £3 3m), which in turn is offset by a higher tax charge and an exceptional gain of £0 5m (2025 £1 7m charge) in respect of SEA's disposal of its transport division

The Group also reported a non-cash foreign exchange gain of less than £0 1m (2025 £0 1m) arising from marking forward exchange contracts to market

Accounting policies

There were no significant accounting policy changes in 2025/26

Simon Walther
Finance Director

14/07/26

Stakeholder engagement

Engaging with **our stakeholders**

Our stakeholders are those groups likely to be affected by the actions of the Company, or whose actions can affect the operation or business model of the Company Stakeholder views are considered to the greatest extent possible in the Board's decision making

Section 172(1) statement

The Directors confirm that throughout the year, in accordance with Section 172 of the Companies Act 2006, they have continued to act in such a way that they considered, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole and, in doing so, have had regard (among other matters) to the matters set out below Examples of how the Directors have fulfilled this duty are included throughout this report

Section 172 matters	How the Board has had regard to these matters	Relevant disclosure
The likely consequences of any decision in the long term	The Board oversees the Group's strategy and recognises that their decisions will affect the Group s long term success The Board closely monitors progress against strategic goals throughout the year both at Group and subsidiary level The Board believes that our strategy will result in long term success and increased value for all stakeholders The Board also carefully considers the Group's commercial and operational risks and how to protect shareholder value	Find out more Our strategy / Page 16 Governance / Page 58 Stakeholder engagement / Page 30 Principal risks / Page 43 Non-financial and sustainability information statement / Page 48 Remuneration report / Page 67
The interests of the Company's employees	The Board recognises that our people are essential to our success and takes a keen interest in the development and retention of employees across the Group The Board actively supports the leadership development programme and effective employee engagement initiatives The Board visited most of the Group s subsidiary businesses during the year to understand the businesses their employees and culture better and attended employee and management events	Find out more People and culture / Page 35 Governance / Page 58 Stakeholder engagement / Page 30 Principal risks / Page 43 Directors report / Page 77
The need to foster the Company s business relationships with suppliers customers and others	The structure of the Group means that engagement with suppliers and customers takes place most often at a subsidiary level The Board supports the subsidiary senior management teams to foster good relationships with their customers and suppliers and, if appropriate will engage directly usually through the Executive Directors The Board monitors the relationship with key customers and suppliers through the Executive Directors and the monthly reports from each subsidiary Managing Director	Find out more Business model and strategy / Page 15 Stakeholder engagement / Page 30 Principal risks / Page 43
The impact of the Company's operations on the community and environment	The Board recognises the importance of the impact its decisions may have on the community and environment In accordance with the Group Environmental Policy, each subsidiary carefully manages its impact on the environment (see our Sustainability report for more) Our subsidiaries engage with their local communities through a variety of mechanisms including charity events, equipment sponsorship for local teams' sporting activities providing work experience and university school and college support	Find out more Communities / Page 33 Stakeholder engagement / Page 30 Sustainability / Page 34 Principal risks / Page 43 Non-financial and sustainability information statement / Page 48

Stakeholder engagement continued

How this works for the Cohort Group

Day-to-day management decisions across the Group are made by the senior leadership teams of each subsidiary, within their delegated authority The Board maintains and oversees a clear governance and delegation framework, retaining oversight of key matters including strategy, finance compliance, people and culture, and commercial and risk management

Operating in various locations worldwide, each business engages with its local stakeholders Delegated authority enables decisions to be taken at business unit level, within defined limits, ensuring local stakeholder considerations are reflected The Board monitors these decisions and retains ultimate accountability for stakeholder engagement across the Group



Principal decisions made during the year

Key decisions and stakeholders considered	Board's decision-making process and long term considerations under s. 172
Acquisitions and disposals Link to strategy **Stakeholders considered** Shareholders, operating companies, suppliers, our people and future customers	In alignment with our strategy and to support long term value creation for shareholders. the Board considered several potential acquisitions throughout the year, and the disposal of the SEA intelligent transport systems division completed on 30 June 2025
Board and Senior Management appointments Link to strategy **Stakeholders considered** Shareholders, operating companies, customers, suppliers and our people	Following the Group's expansion, Chris Axcell was appointed as Chief Operating Officer in February 2026 to strengthen executive capacity at Cohort The Board believes this appointment will support the long term delivery of the Group's strategy and strengthen overall operational resilience The Board also approved the appointment of Andy Smith as the new Managing Director of Chess in September 2025 following a competitive selection process The Board believes this appointment will support the organic growth of Chess protecting long term value for investors and the interests of customers and employees An executive search firm was used for both appointments
Refinancing of Group s existing facilities Link to strategy **Stakeholders considered** Shareholders, operating companies, customers suppliers and our people	The Group's banking facility was increased from £50m to £175m This supports our strategy by providing additional capacity for acquisitions and working capital requirements to support organic growth

Link to strategy Building our portfolio through acquisition Leading empowered businesses for growth

Stakeholder engagement continued

Overview of stakeholders

Our shareholders

Who engaged

Non-executive Directors Executive Directors and Company Secretary

Key areas of interest

Financial performance dividends share price, strategy acquisitions, business model remuneration and behaviours towards other stakeholders

How we engaged

- We released trading updates contract wins and other important announcements via a regulatory news service
- We made our Annual Report available to all shareholders and other interested parties with the notice of our Annual General Meeting and responded to investor requests for information
- We held regular meetings with current institutional and prospective shareholders
- We invited investors to DSEI 2025 to view demonstrations of our technologies and meet with leadership teams, and held an investor tour at ELAC SONAR's new facility in Kiel
- We updated the Investor section of our website and created content to help inform investors on geopolitical issues

Engagement focus and outcome

- Commitment to delivering long term value to our shareholders so that they continue to benefit from our success
- Maintained high standards of corporate governance and provided clear and consistent communication
- Approval of all our resolutions at the 2025 AGM

Our people

Who engaged

Non-executive Directors, Executive Directors subsidiary Managing Directors and Group Head of HR

Key areas of interest

Safe working environments development and progression diversity and inclusion competitive remuneration and appropriate workplace policies

How we engaged

- The Board visited subsidiary sites and engaged with employees
- The Board received monthly health and safety reports which included updates on safety incidents involving employees throughout the Group
- The Chairman Executive Directors and subsidiary Managing Directors attended the Cohort Business Excellence Awards to commend individuals for their achievements
- The Executive Directors contributed to Q&A sessions held for the Leadership Development Programme
- The Board considered updates from the Group Head of HR to gain a better understanding of employee recruitment and retention employee engagement and diversity and inclusion metrics across the Group

Engagement focus and outcome

- Developed our understanding of our employees environments and challenges
- Supported the development of the cross-Group Leadership Development Programme to nurture leadership talent
- Supported an increase in the total number of employees to 1 719 at 30 April 2026 (2025 1 619)
- Supported our subsidiaries to roll out new employee initiatives

Our customers

Who engaged

Non-executive Directors Executive Directors and subsidiary Managing Directors

Key areas of interest

Innovative solutions product development, long term relationships value and product availability

How we engaged

- The Board received regular updates on key customers from subsidiary Managing Directors
- Board members met with customers on Cohort Group stands at DSEI Japan DSEI UK Indo Pacific and other events
- Non-executive Directors worked directly with project teams to support customer engagement and product development that satisfies customer requirements
- The Board hosted two dinners joined by defence industry experts to discuss current challenges and outlook for the sector with our Managing Directors
- Subsidiaries participated in events to engage more closely with their customers including DSEI Japan CNE DSEI UK, Indo Pacific D&S Thailand S&P UDT and DSA

Engagement focus and outcome

- Continued to invest in research and development of new technologies increasing by 55% to £31 in year
- Guided and empowered our businesses to operate with openness responsibility and a dynamic outlook to promote strong customer relationships enabling us to understand customers initiatives and priorities
- Through regular and open communication with customers the Group established a responsive service which we can align to our customers requirements supported by our Group engagement principles endorsed by the Board

Stakeholder engagement continued

Overview of stakeholders continued

Our suppliers

Who engaged

Executive Directors and subsidiary Managing Directors

Key areas of interest

Ethical and social impact, payment practices and long term partnerships to develop innovative products and solutions

How we engaged

The Board received updates on relationships with key suppliers and strategic partners through monthly reporting and the year end compliance reports

The Executive Directors provided support to subsidiaries on engagement with key suppliers as required

We engaged with key suppliers to understand their businesses and governance arrangement at several events around the globe including DSEI Japan CNE DSEI UK Indo Pacific D&S Thailand S&P UDT and DSA

Subsidiaries worked with suppliers to ensure the supply chain is robust We continually review our supply chain and stock levels to ensure we have timely supplies for our needs The Chief Operating Officer initiated a supplier forum to review supply chain issues and pinch points

Engagement focus and outcome

We continued to work closely with our suppliers and partners to build long term, resilient relationships including broadening our base of suppliers and shortening supply chains

We ensured that our suppliers are paid in line with our commitments for goods and services received

Our communities

Who engaged

Executive Directors and subsidiary management teams

Key areas of interest

Improving quality of life environmental and social impact and diversity and inclusion

How we engaged

Across the Group we supported groups and charities that have a link to our activities especially military veterans or service personnel and their families

We supported communities and charities local to our businesses operations providing financial and material donations including local hospices and hospitals

We hosted school visits and work experience students in STEM subjects at our operations attended careers fairs and continued to develop long-standing relationships with local schools colleges and universities

We hosted prominent local community figures including MPs at our subsidiary sites to show our commitment to local economy

We reviewed our climate-related risks and responses across the Group in alignment with our CFD assessment

Engagement focus and outcome

We made a number of financial donations to charities and communities we support including a fund matching scheme for funds raised by employees

We continued to engage with local communities through education work experience fundraising and sponsorship initiatives

Across the Group we employed armed forces veterans and reservists and are proud to be a signatory of the UK Armed Forces Covenant

Further information is available

Our shareholders.
Our business model / Page 15
Our strategy / Page 16
Sustainability / Page 34
Corporate governance / Page 55

Our people
Sustainability / Page 34

Our customers
Our business model / Page 15
Our strategy / Page 16
Sustainability / Page 34

Our suppliers
Sustainability / Page 34

Our communities
Sustainability / Page 34
Our strategic report / Page 09

Sustainability

Group commitment to **responsible business**

As a Group, we act responsibly to address our social, environmental, and governance priorities
We monitor how our business activities impact our stakeholders and uphold high ethical and governance standards



Across the Group Cohort is committed to providing good outcomes for our people and the communities they work in while having a strong focus on sustaining the future of the defence industry

Focus areas

- People and culture
- Community engagement

Highlights during 2025/26

- *Record number of entries for the Group's Business Excellence* Awards
- Company-wide employee events at all subsidiaries
- Record number of early career training positions across the Group
- Four subsidiaries now reporting a Gender Pay Gap Report



The Cohort Group is committed to managing the environmental impact of its activities improving resource efficiency and reducing waste where possible Cohort has a Group-wide environmental policy outlining how our key stakeholders work together to ensure high standards of environmental protection

Focus areas

- Energy and greenhouse gas reporting and performance
- Energy efficiency and initiatives
- Water waste and recycling
- Environmental standards

Highlights during 2025/26

- *All lighting uses efficient LEDs in all locations*
- Expansion of energy efficient sources including heat pumps and solar panels
- Six businesses now accredited or working towards ISO14001



The Cohort Board maintains the highest standards of governance ethics and responsible business conduct across all of the Group's operations

Focus areas

- Ethical business conduct
- Anti-bribery
- AI cyber risk and data security
- Prevention of fraud
- Whistleblowing

Highlights during 2025/26

- *In line with our high standards for ethical conduct we launched a* number of new policies including Conflicts of Interest Group Use of AI Use of Social Media and Failure to Prevent Fraud
- We completed a review of two subsidiaries under the NIST Cyber Security Framework
- We also refreshed and updated several existing policies

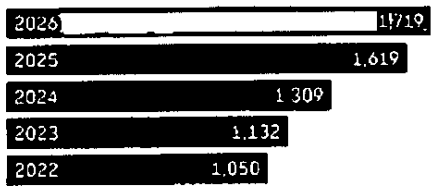
Investing in **our people and culture**

Our culture and values

We recognise that our success hinges on the engagement and behaviours of our people We cultivate an environment where every decision is guided by our values, ensuring sustainable growth and long term success across all parts of the Group We empower our teams to act responsibly, with expertise and a dynamic outlook

NUMBER OF PERMANENT EMPLOYEES 30 APRIL 2026

1,719 ▲ 6%



Our culture of responsible business aligns closely with our core values

We are Expert
We are knowledgeable and share our expertise

We are Responsible
We act with integrity to make the right decisions

We are Practical
We deliver what works for the right situation

We are Dynamic
We think innovatively and adapt quickly

Our people

Our strong capabilities and customer relationships are underpinned by the talent and commitment of our people Guided by our core values, employees across the Cohort Group are supported to develop their careers realise their potential and make a meaningful contribution in their roles We aim to create an environment where individuals feel valued and recognised for what they do

We recognise that our long term success depends on the attitudes and behaviours of our workforce By embedding our values into decision making, we promote responsible actions, share expertise, and foster a forward-looking mindset across the Group

Employee engagement

Employee engagement is critical to our success We strive to ensure our people feel informed valued and connected - both within their own business and across the wider Group

The Board places significant importance on engaging directly with the subsidiary leadership teams Regular site visits enable the Cohort Directors to meet local management and employees, gain insight into operational priorities, and reflect these perspectives in Board decision making

The Chief Executive provides in-person Group strategy presentations to all subsidiaries, helping employees across the Group maintain a strong awareness of the financial and economic factors affecting performance

At subsidiary level, managing directors maintain regular communication with their employees Established leadership teams support the sharing of updates, discussion of key initiatives, and the effective flow of information throughout their businesses

The Group supports communication across our subsidiaries through a range of channels, including a Group intranet, presentations from senior leaders, and all-employee emails The intranet platform provides regular updates from the Chief Executive, highlights Group-wide activities, and shares news and developments from across the Group to keep employees informed and connected Where possible, Group communications are translated into the local language

Employee feedback

Our businesses conduct regular employee engagement surveys, with results used to develop action plans for local management Employee engagement remains high across several subsidiaries, reflecting the efforts of their teams Survey results are reported to the Board



Sustainability continued

Social

Health, safety and wellbeing

Safety

All subsidiaries are committed to protecting employee health and safety, with regular walkthroughs, checks briefings and reporting to maintain safe working environments that meet high international standards Each business has designated first aiders at its office locations All our businesses hold ISO 9001 Quality Management certification, EM Solutions and SEA hold ISO 45001 Occupational Health and Safety Management certification and Chess and EID hold ISO 14001 Environmental Management certification Relevant businesses also provide hazardous substance awareness training

Health and wellbeing

Across the Group our businesses run a range of activities throughout the year to support employee health and wellbeing Employee Assistance Programmes and other benefits are promoted regularly, alongside initiatives such as wellbeing days, enhanced employee benefits medical and dental insurance health checks, hybrid, remote and flexitime working options, financial seminars and pension updates Some businesses also offer discounted gym or fitness programmes and some have appointed Mental Health Ambassadors or First Aiders who provide support and awareness for employees

Learning and development

Continuous learning

We aim to attract and nurture the best talent and provide them with stimulating workplaces and practical career development opportunities Many training schemes operate at subsidiary level such as upskilling in business-wide software and business operations, and CPD accreditation courses Cohort cascades down Group-wide training from its online learning platform Skillcast, which can also be used for business-specific training needs

Leadership development

The Cohort Leadership Development Programme (LDP) helps current and future leaders build the skills needed to deliver the Group's strategic priorities and respond effectively to a competitive changing operating environment The latest programme had 17 participants and concluded in October 2025

Chess ELAC SONAR EM Solutions, MASS and SEA all provide regular line management training courses to develop their employees managerial and leadership skills MASS also has its own leadership programme

Early careers and training

Across the Group we run several apprenticeship and graduate programmes, incorporating both technical and non-technical specialists

There are currently 35 graduates at Chess, ELAC SONAR MASS and SEA (2025 36) 27 apprentices across Chess, EID, EM Solutions MASS, MCL and SEA (2025 18), and 36 internships/student placements in our schemes across the Group (2025 38)

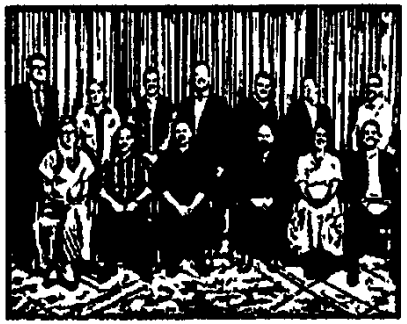
UK-based businesses utilise the apprenticeship levy funding for new apprentices or to add to the skills of existing employees We supported National Apprenticeship Week with presentations held at local schools and colleges We continue to work with local schools colleges and universities across all the Cohort businesses

Total number of graduates and apprentices across the Group

APPRENTICES	GRADUATES
27 (2025 18)	35 (2025 36)

"Now I feel like I'm a part of the team, I work alongside a lot of experienced people and learn what everyone's doing and how they interact"

Chelsie Reddin
Graduate Electronics Engineer at SEA



CASE STUDY

Developing leadership talent across the Group

The Cohort Leadership Development Programme (LDP) is designed to equip current and future leaders with the skills to deliver the strategic priorities of the Group effectively and to respond to the competitive and changing environment in which we operate The latest programme of 17 people from across the Cohort Group completed the course at the end of October 2025 The Cohort Executive Directors and senior representatives of our businesses play an important part in the LDP process including taking part in Q&A sessions

Sustainability continued

Social continued

Our subsidiaries support initiatives designed to foster greater diversity within the sector

Inclusivity commitments

SEA and MCL are part of the Disability Confident Employers scheme MCL is a Living Wage Employer MCL is a signatory to the BITC Race at Work Charter

Cohort is a signatory of the Women in Defence Charter aiming to improve gender balance in defence SEA are partners of the Women's Engineering Society and the Association for Black and Minority Ethnic Engineers (AFBE-UK) EM Solutions is part of the University of Queensland's Women in Engineering programme

Reward and recognition

Each year, Cohort hosts its Business Excellence Awards with a lunch and ceremony acknowledging teams and individuals across the Group who exemplify our values, make a real contribution to the success of our business and who have been commended by our customers The ceremony was attended by the nominees, the Board and senior management of the Group

This year, the Team Gold award went to SEA's site optimisation team Our other gold winners were IT Service Engineer Jude Hollywood from MASS (Early Careers Award) and Brian Glover from EM Solutions (Individual Award)

Some subsidiaries also run their own employee award events peer recognition schemes and thank you rewards SEA, MASS and EM Solutions award their long-serving employees

We are also proud that our subsidiaries often win external awards This year, SEA was awarded a King s Award for International Trade, in recognition of its sustained global growth and success in exporting advanced fleet protection and anti-submarine warfare capabilities

As part of our reward and recognition approach, subsidiaries reward employees in line with business performance

Cohort also supports employee investment in the Group through the UK Save As You Earn scheme and Share Incentive Plan, with options for non-UK locations under review

Key employees may also receive share options as an incentive as set out in the Remuneration report

"From turning washers in 1975 to negotiating international contracts, I've seen this company change many times But the one thing that's never changed is the spirit of the people who work here"

Neil Herbert
Celebrating 50 years service at SEA



Winner of Business Excellence Award from ELAC SONAR



Winners of the Cohort Business Excellence Team Award

SEA

CASE STUDY

SEA wins King's Award

SEA was awarded the coveted King's Award for International Trade this year, in recognition of its sustained global growth and success in exporting advanced fleet protection and anti-submarine warfare A King's Award is the highest official achievement a UK business can receive for supporting skilled jobs, local supply chains and new capability development



EM Solutions attended the Women in Engineering breakfast at University of Queensland

Sustainability continued

Social continued

Community initiatives

Science Technology, Engineering and Mathematics (STEM)

Cohort's businesses are committed to supporting the development of STEM skills to ensure a future workforce in defence technology

Cohort maintains close links with academic institutions, and we are enterprise partners of the Institute of Engineering and Technology (IET)

Several subsidiaries provide opportunities for work experience and graduate thesis sponsorship within their organisations and continue outreach partnerships with local schools and colleges, as well as being involved in careers fairs SEA partnered with Engineering Trust Training and invited local students to learn about apprenticeships Students are sponsored at various levels across the Group, including at the University of Applied Sciences Kiel, the University of Lincoln, the University of Bath and the University of Queensland



Staff Town Hall at EM Solutions

Chess and SEA continue to be members of UKNEST, an organisation that promotes STEM on behalf of the UK naval sector EM Solutions maintains close ties with the University of Queensland through various programmes and research including their Women in Engineering Programme

Defence community

Cohort businesses continue to maintain membership of various industry-specific bodies UK subsidiaries are part of ADS, the trade association for advancing leadership in aerospace and defence ELAC SONAR is a member of the Association for Electronic Design and the German Society for Defence Technology, and EM Solutions is part of the Defence Teaming Centre in Australia to support the Australian defence sector MASS is part of TechUK furthering the digital technology sector All subsidiaries are members of professional learning and memberships bodies associated with engineering and STEM

Supporting our armed forces and employment

We recognise the enormous contribution that our Armed Forces make to protect our nations and the work that we do helps them carry out their vital tasks more effectively Across the Group, we employ many military veterans and current reservists, and in the UK we celebrate their achievements during Armed Forces Week

CASE STUDY

Commitment to the Armed Forces



Under the UK MOD's Employer Recognition Scheme (ERS) we hold Gold Award at SEA, Silver Awards at MASS MCL and Cohort plc, and Bronze Award at Chess The ERS is for organisations that pledge, demonstrate or advocate support to defence and the armed forces community, and align values with the Armed Forces Covenant Similarly, EM Solutions is an Australian Veteran Employment Supporter

Cohort is proud to be an active sponsor of the UK Armed Forces charity SSAFA through the Corporate Friends Scheme In 2025, the Group sponsored the SSAFA Christmas Carol Concert, and similarly SEA sponsored the Somerset Festival of Remembrance marking 80 years since the end of World War II All of our UK-based subsidiaries are involved with supporting SSAFA through various activities EM Solutions shows its support for the Returned Services League (RSL) by celebrating ANZAC Day as a team at the RSL in Brisbane

MCL supports the Royal Signals Institute and SEA also supports the Royal British Legion and the local air cadets



Sustainability continued

Social continued

Local communities

Our subsidiaries are active participants in their local communities and engage in initiatives to provide charitable support as well as being responsible community members

We host visits from prominent community figures In March this year, the Bishop of Setubal paid a special visit to EID

Charity contributions

Some subsidiaries offer employees a number of paid volunteering days annually

As well as community engagement and company-contributed donations, our employees across the Group are also active in supporting various charities important to them

Both SEA and Chess held Macmillan Coffee Mornings at all their office locations raising money for the cancer charity

Our companies directly contribute to charities important to them, including SSAFA, Help for Heroes, Royal British Legion, Save the Children UK Rotary Hilfe Kiel local sports clubs and several local hospital and hospice care organisations

GROUP COMPANIES CONTRIBUTED DONATIONS TO CHARITIES IN 2026

£30,000

(2025 £38 000)



International Women s Day at EM Solutions



CASE STUDY

Government engagement at a local level

In August 2025, local Member of Parliament Fred Thomas visited Chess and toured the naval systems facility in Plymouth to see some of their latest surveillance systems for the Royal Navy Fred Thomas also co-chairs the All-Party Parliamentary Group on Defence Technology so the visit was an opportunity to discuss innovation, local employment and apprenticeships, and how smaller businesses can strengthen UK defence capability



EID attending a careers fair

Sustainability continued

Environment

The Group is committed to managing the environmental impact of its activities, improving resource efficiency and reducing waste As part of the Group's commitment to responsible business operations, the Board has created and endorsed a Group Environmental Policy

This outlines how our businesses work together with our employees, contractors, suppliers, customers and communities to ensure high standards of environmental protection through a variety of actions including

- compliance with all relevant environmental legislation,
- preparing and publishing environmental reports for our stakeholders,
- reviewing the environmental impact of our activities and following good business practices to manage this,
- improving resource efficiency and reducing waste wherever we can,
- having measures in place for effective and expedient incident control, investigation and reporting,
- where relevant, having regard to environmental factors in business decisions, and
- engaging and communicating with our employees and other stakeholders on environmental matters

Ownership of our Environmental Policy rests with the Cohort Board, which is responsible for providing the strategic vision and direction on all environmental-related matters The Board is also committed to supporting our subsidiaries and ensuring that this policy is effectively implemented across the Group

The Climate Impact Forum, chaired by Beatrice Nicholas, reports directly to the Board and is responsible for reviewing climate-related risks and opportunities across the Group You can read more about the work of the forum in our Climate-related financial disclosures on page 48

Each subsidiary's Managing Director has responsibility for implementing an Environmental Policy and procedures appropriate for that business, and for communicating that policy to their employees to ensure that they are aware of their responsibilities They must also ensure that environmental issues are given adequate consideration in the planning and day-to-day undertaking of all business activities

In addition, the Board expects all employees in the Group to be ambassadors of good environmental practices and to report any practices that do not meet the required standards

Performance Energy and greenhouse gas (GHG) reporting

Cohort appointed Carbon Footprint Ltd, a carbon and energy management company, to independently assess its Greenhouse Gas (GHG) emissions in accordance with the UK Government's "Environmental Reporting Guidelines Including Streamlined Energy and Carbon Reporting Guidance"

The GHG emissions have been assessed following the GHG Protocol Corporate Accounting and Reporting Standard, using the emission factors developed by the Department for Environment, Food and Rural Affairs (DEFRA)

Energy efficiency and initiatives

Our businesses continue to develop and monitor their energy efficiency commitments and the majority have now introduced EV charging points at their sites, with all the UK-based subsidiaries having electric vehicle leasing schemes in place for employees Initiatives across our businesses include

- Chess utilises green energy at all its sites,
- ELAC SONAR's new facility runs solely on electricity from heat pumps and solar panels and has a green roof over 60% of the roof area, and
- EM Solutions utilises 180 solar panels to offset their power consumption

Water, waste and recycling

Our subsidiaries continue to seek opportunities to build on the recycling initiatives of previous years These include

- all businesses have waste separation for recycling,
- SEA is a zero to landfill business,
- EM Solutions uses wastewater recycling for its garden maintenance,
- ELAC SONAR's new facility recycles processed water and
- MASS upgraded its ablution facilities to reduce water consumption

ISO 14001 accreditations

Chess, EID, MCL and SEA are ISO 14001 accredited MASS and ELAC SONAR continue to work towards accreditation

Looking forward

Several subsidiaries have extreme weather plans in place to ensure business continuity in cases of extreme heat or flooding EM Solutions is looking to expand solar panel usage, and connect waste water to internal services MCL is working towards reducing its energy usage to as low as reasonably possible (ALARP)

Environmental incidents

Refrigerant emissions increased significantly during 2025/26 compared to 2024/25 due to a major system leak at the EID site, leading to the system being replaced The refrigerant top up for the new system accounted for the majority of refrigerant emissions

Sustainability continued

Environment continued

Subsidiaries continue to monitor hazards and have training or mitigation measures in place, including spill teams, CoSHH training, and hazardous material handling training The following tables summarise the GHG emissions for reporting year 1 May 2025 to 30 April 2026 We have been assessing our carbon emissions since 2019 and have provided both last year's assessment results and the baseline year for comparison

Table 1 UK GHG Emissions (UK operations only, assessed since 2019)

Scope	Activity	Baseline year 2019/20 tCO_2e	2024/25 tCO_2e	2025/26 tCO_2e
Scope 1	Site gas	167 32	146 89	146 00
	Company vehicles[1]	137 82	43 84	55 16
	Site gas oil	38 74	-	-
	Refrigeration & A/C	0 84	-	-
Scope 1 Sub-total		**344 71**	**190 73**	**201 15**
Scope 2	Electricity generation (location-based)	536 47	327 02	336 92
Scope 2 Sub-total		**536 47**	**327 02**	**336 92**
Scope 3	Flights	1,725 18	2,126 17	1,746 58
	Grey fleet	138 24	175 55	172 89
	Electricity transmission Distribution	45 55	28 82	35 07
	Hire Cars	39 60	56 69	48 84
	Public Transport	27 95	17 86	21 09
Scope 3 Sub-total		**1,976 52**	**2,405 09**	**2,024 47**
Total Location-based tCO_2e		**2,857 71**	**2,922 84**	**2 562 55**
Total Market-based tCO_2e		**N/A**	**2,904 86**	**2,617 94**
Market-based tCO_2e per employee		**4 45**	**2 57**	**2 23**
Market-based tCO_2e per £m turnover		**23 58**	**14 16**	**13 43**
Total Energy Consumption (kWh)[2]		**3,791,999**	**3,436,358**	**3,763,999**

1 Includes owned freight and company car travel

2 Total Energy Consumption includes electricity gas company vehicles grey fleet and hire cars

Table 2 UK and European GHG Emissions (European operations assessed since 2022)

Scope	Activity	Baseline year 2022/23 tCO_2e	2024/25 tCO_2e	2025/26 tCO_2e
Scope 1	Site gas	136 32	146 89	146 64
	Company vehicles[1]	227 40	164 24	184 55
	LPG	-	8 01	8 18
	Refrigeration & A/C	61 52	18 25	282 56
Scope 1 Sub-total		**425 24**	**337 42**	**620 93**
Scope 2	Electricity generation (location-based)	622 13	554 49	786 95
	District Heating	184 22	195 46	0 10
Scope 2 Sub-total		**806 34**	**749 94**	**787 05**
Scope 3	Flights	1,769 88[3]	2,631 57	2,220 15
	Grey fleet	211 90	175 55	173 11
	Electricity transmission & distribution	57 29	45 13	63 59
	Hire Cars	26 44	59 61	50 88
	District heating transmission & distribution	9 70	10 29	0 01
	Public transport	17 47	20 68	24 38
Scope 3 Sub-total		**2,092 68**	**2 942 83**	**2,532 13**
Total Location-based tCO_2e		**3 324 26**	**4,030 19**	**3,940 11**
Total Market-based tCO_2e		**3 367 00**	**4,047 54**	**4,255 96**
Market-based tCO_2e per employee		**2 42**	**2 71**	**2 71**
Market-based tCO_2e per £m turnover		**15 01**	**15 36**	**16 64**
Total Energy Consumption (kWh)[2]		**6,355,779**	**4,904,840**	**6,055,300**

3 Flight emissions adjusted to account for improved data quality

Sustainability continued

Governance

Cohort is committed to maintaining the highest standards of governance, ethics, and responsible business conduct across all of its operations We view each business as a social unit whose success depends not only on economic output but also on shared values such as honesty, trust loyalty, cooperation, and healthy competition These principles underpin the way Cohort manages and runs its businesses

To ensure strong governance Cohort operates a robust compliance framework Each year, subsidiary Managing Directors provide formal statements confirming compliance with Group policies and procedures Where any non-compliance is identified, subsidiaries must implement corrective action plans, which are actively monitored and followed up by the Group legal team

Further details of our Corporate Governance arrangements are set out at https //www cohortplc com/investors/corporate-governance

Ethical business conduct

Ethical conduct is central to Cohort's culture The Group's Ethics Policy sets clear expectations for behaviour, requiring employees and representatives to act lawfully and ethically in all jurisdictions

Employees are encouraged to report concerns or seek guidance if they encounter potential breaches, supported by a whistleblowing facility (See Whistleblowing section)

In line with our high standards of ethical conduct we launched a number of new policies including Conflicts of Interest, Group Use of AI, a Social Media Policy and Prevention of Fraud and Tax Evasion

Anti-bribery and Failure to prevent Fraud

Cohort has zero tolerance for bribery, corruption, fraud and tax evasion Its Anti-Bribery and Anti-Corruption Policy aligned with the Bribery Act 2010, is supported by mandatory training programmes enhanced refresher training for high-risk roles and regular policy reviews A Prevention of Fraud and Tax Evasion Policy was launched in July 2025, with mandatory training across the Group

Modern slavery

The Cohort Group is committed to respecting human rights Its Anti-Slavery Policy addresses modern slavery risks under the Modern Slavery Act 2015, with an annual public statement outlining steps taken to prevent slavery and human trafficking within operations and supply chains Cohort expects the same high standards from its suppliers and business partners

Cyber risk and data security

Cyber security and data protection are treated as critical risks The Group's Information Security Policy governs physical and cyber security, business continuity disaster recovery, and data protection Compliance is assured by internal and external audits supported by ongoing monitoring of cyber threats and mandatory employee training All of our UK subsidiaries hold recognised cyber security certifications, and a new Group Use of AI Policy was introduced in March 2026

Health and safety

Through its Health and Safety Policy Cohort is committed to the highest standards of health and safety throughout its business activities Health and safety responsibilities are delegated to, and embedded in, the subsidiaries, with regular safety checks and reporting mechanisms Health, safety and wellbeing initiatives are covered in the Social section of this report

Quality

Where appropriate, quality management is reinforced through a number of ISO certifications covering quality environmental management, occupational health and safety, and information security management

Whistleblowing

Cohort supports transparency and accountability across the Group through an independently operated, third-party whistleblowing service and our whistleblowing policy This is overseen by the Audit Committee

Focus areas

- Ethical business conduct
- Anti-bribery
- AI, cyber risk and data security
- Prevention of fraud
- Whistleblowing



Risk management and principal risks

Principal risks at a glance

How we manage risk

Assessing risk is an essential element of the management of our organisation and risk management is embedded within our businesses

Our risk management framework

The Board has overall responsibility for the Group's risk management framework and ensuring the risk management process is robust The Board's role includes promoting a culture that emphasises integrity at all levels of business operations and setting the overall risk management and control The Board sets its overall risk appetite considering the balance between risk and reward

The Audit Committee supports the Board by monitoring the effectiveness of the Group's risk management and internal control systems

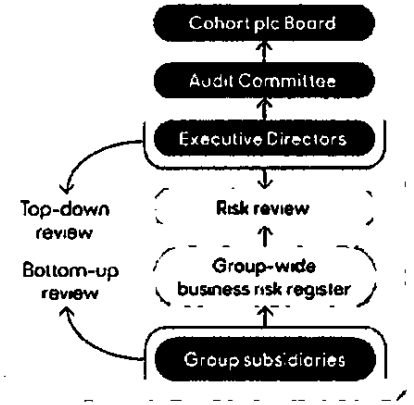
We take a holistic approach to risk management, building a picture of principal risks at the business unit level then consolidating these with the risks across the Group into a Group view Executive Management have regular meetings to discuss the principal risks, as well as the identification of emerging risks, all of which are considered before being presented to the Audit Committee and Board for review The objective of this process is to ensure that key risks for the Group are identified and considered regularly, are actively monitored and mitigating controls are put in place to the extent possible, in order to ensure the potential impact on the organisation is managed within the risk appetite set by the Board

Principal risks

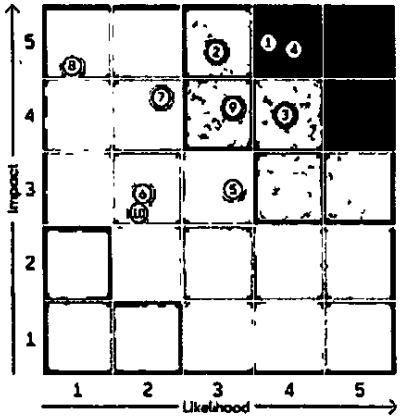
Principal risks are those that would materially threaten the Group's business model or future performance and have been identified based on likelihood of occurrence and potential impact on the Group

The principal risk chart to the right, summarises the Group's principal risks for 2026 by likelihood and impact, populated by reference to the year end risk assessment The following pages show each principal risk and the mitigations in place and contain a commentary on how the risk has played out during the period Overall risk appetite is shown

Risk management framework



Group risk matrix (Post mitigation actions)



Risks

1. Capacity to grow the Group
2. Reputation
3. Operations and project execution
4. Cyber security
5. Acquisitions
6. Supply chain
7. Employees
8. Financial resources
9. Geopolitical and economic conditions
10. Legal and regulatory compliance

Likelihood

5	Highly likely/certain	80-100%	Highly likely/certain Expected to occur in most circumstances
4	Likely	60-80%	Will probably occur in most circumstances Likely to occur at least once within the next year
3	Possible	40-60%	Reasonable expectation that event will occur Likely to occur within the next 1-2 years
2	Unlikely	20-40%	Possible Unlikely in next 2-5 years
1	Very unlikely	0-20%	Only likely to occur in exceptional circumstances Unlikely in the next 5-10 years

Impact

				Impact as a % of average annual trading profit
5	Severe	Significant failure or event Risk to health and safety Critical incident Major reputational damage	Major system loss Long term impact to share value Product not usable Loss of major contract recompetes	>60%
4	High	Potential product failure Major product variations	Non-conforming product Medium term disruption to operations	>40%-<60%
3	Moderate	Key system requirements continue to be met Quality issues but product usable	Potential delays Short-term disruption to operations	>20%-<40%
2	Limited	Single shortfall in a secondary parameter	Processing efficiency loss Minor quality problems	>5%-<20%
1	Very low	Minimal effect on cost/system performance and/or delivery times		<5%

Risk management and principal risks continued

Change for 2026 Decrease No change Increase | Risk appetite Low Medium High | Link to strategy Acquisition Growth

Risk appetite

Low
We are cautious and accept as little risk as possible
Risk mitigation actions are taken even though prevention costs may be greater than incident costs

Medium
We take a balanced approach to risk taking
Risk mitigation actions are made based on cost effectiveness and potential perceived outcomes

High
We are willing to take a higher level of risk in order to deliver on value creating opportunities

1 Capacity to grow the Group

Change for 2026 | Risk appetite High | Link to strategy

As an AIM-listed Company, Cohort's strategy is to grow, both organically and by acquisition. This gives rise to the risk of the Group not having the capacity to grow in line with our strategic objectives. Specific elements of this risk include our ability to win new business and design new and competitive products and solutions, whilst ensuring that we meet our obligations to our customers and identify and execute suitable value-adding acquisitions. It also includes having sufficient people of the right skill sets to deliver our existing commitments and develop our future products and solutions (see risk 7 "Employees").

Mitigation and progress
Remain agile and responsive to changing markets and identifying new business opportunities
Ensure business growth opportunities are adding value
Have proportionate controls to reduce residual risks to a level aligned to the risk appetite for that risk
Ensure strong management is in place

We saw order book increase, again, to a record level and duration of delivery lengthen to 2037

We appointed a new Managing Director at Chess and strengthened executive capacity at Cohort with the appointment of our first Chief Operating Officer

2 Reputation

Change for 2026 | Risk appetite Low | Link to strategy

Any event which affects the Group's reputation with its customers, both our domestic and export markets, could put the Group's revenue at risk.

The Group's single most important customer remains the UK MOD, £123.6m (40%) of our revenue (2025 £134.1m, 50%) and £99.7m (42%) of our order intake (2025 £115m, 55%) come ultimately from this customer, either directly or via other contractors.

Mitigation and progress
The decrease in the proportion of the Group's revenue from its largest customer in 2026 compared with 2025 reflects the impact of the EM Solutions acquisitions as well as the expected return to normalised performance levels at MCL within the Communications and Intelligence division. In the future we expect revenues, direct and indirect with the UK MOD, to increase from this absolute level, but as we see further growth in revenue from our overseas businesses and increased export activity, particularly in Sensors and Effectors, the proportion of the Group's revenue with the UK MOD is expected to reduce further.

£111.0m of revenue (36%) was delivered to defence and security export customers this year (2025 £87.5m, 33%), largely due to the Sensors and Effectors division's sales into Europe and Asia Pacific. We expect this revenue stream to continue to grow in the coming few years.

Risk management and principal risks continued

Change for 2026 Decrease No change Increase | Risk appetite Low Medium High | Link to strategy Acquisition Growth

3 Operations and project execution

Change for 2026 — Risk appetite M — Link to strategy

The subsidiary trading and business risks are similar across divisions

1 Bid risk – the businesses bid on contracts where the scope of work may not be well or fully defined by the customer

2 Fixed-price contracts – these are often of a long-term nature (greater than 12 months) and typically include either delivery of hardware and software, some of which may be developed as part of the contract, or delivery of off-site managed services

3 Due to the nature of their business requirements, Chess, EID, ELAC, EM Solutions, MASS and SEA all have a fixed level of core software and hardware engineering and technical expertise

4 There are four significant contracts across the Group that together make up c32% of the Group's order book These contracts are core to the Group and effective management of these projects is key to the Group's future prospects

Mitigation and progress

Bid risk Typical in defence and managed through bid/no bid reviews at the appropriate level using experienced personnel, including the Cohort Executive and Board Projects managed by dedicated project management teams, monthly reviews by the subsidiary board and regular interaction with customer and key suppliers, with lessons learned fed back into the bid process

Technical risk Risks are inherent in the nature of the work performed requiring careful management both during the bidding and operation phases of projects

Revenue and margin are recognised taking account of risk contingencies within the estimated cost at completion The cost base is carefully monitored through budgets and rolling quarterly forecasts to identify risk of low utilisation/under-recovery of cost Higher inflation and lengthening supply chain delivery times are mitigated where possible through increased stock holdings of key components

Employee shortages mitigated by use of sub-contractor employees in the short term For long term, a programme of skills assessment and training is in place, to provide flexibility of the Group's engineering and technical resources

Legacy project weaknesses at Chess continue Chess maintains a healthy order book and good prospects moving forward and the Cohort executive will continue to work closely with Chess to ensure that it successfully delivers on this strong order book

New project reporting introduced to Board level on major programmes

4 Cyber security

Change for 2026 — Risk appetite L — Link to strategy

The cyber threat remains high, and we have seen an increase in attack threats as evidenced recently by high profile attacks in the UK As a Group we have seen increased attacks since the Ukraine war started Whilst also a business opportunity (mostly at MASS) the risk is in terms of the following

- Disruption of business
- Critical loss of customer trust

Mitigation and progress

The Information Security Policy was revised in 2024 to mandate enhanced elements of the policy to ensure the cyber security of the Group is more consistent

In the year, a detailed review under the NIST Cyber security framework was undertaken (by PWC) to measure the cyber maturity at MASS and SEA and to report that to the Board This review process has subsequently been rolled out across the Group Subsequent actions are to be implemented as from the current (2026/27) financial year

Vulnerability assessments and penetration testing are conducted on a regular basis at the Group's businesses

Risk management and principal risks continued

Change for 2026 Decrease No change Increase | Risk appetite Low Medium High | Link to strategy Acquisition Growth

5 Acquisitions

Change for 2026 — | Risk appetite H | Link to strategy

The buying (and selling) of businesses is a risk in respect of value, distraction, integration and ongoing obligations and undertakings

Mitigation and progress

The Group's acquisition risk is mitigated as far as practicable by the acquisition process being led at the Cohort Board level, making use of a skilled and experienced internal team augmented by external expertise and resources as and when required. Our approach to acquisitions is set out more fully in our Business model. During the year ended 30 April 2026 the Group continued to review potential businesses with a view to them joining the Cohort Group

6 Supply chain

Change for 2026 ↗ | Risk appetite M | Link to strategy

As is typical in the defence sector, the Group is reliant on certain key suppliers for specific elements of its technical and product offerings. This reliance is long term, with product duration in this sector often being tens of years

Mitigation and progress

- Close liaison with suppliers, good project management, and contingency plans to contract with alternative suppliers
- Supporting customers through funded ongoing product support and re-life tasks to account for long term life of many defence products
- During the year we have seen a tightening of supplies of certain motors using rare-earth elements for magnets. We have addressed this risk by seeking alternative suppliers outside of the United States of America. The Chief Operating Officer has also instigated a supply chain forum to mitigate specific risks and issues leveraging Group experience and knowledge

7 Employees

Change for 2026 — | Risk appetite M | Link to strategy

The Group's main resource is our employees. We are not a capital-intensive business and as such our value, and our customers' value, derives from the ability of the Group to recruit, retain and train employees with the right skills and flexibility. In some of our key areas, resources are limited, and it is a risk if we cannot maintain sufficient numbers and appropriate skills

Mitigation and progress

- Maintain close links with military and security customers, a primary source of domain experts for our businesses, and support their people initiatives including the UK MOD Armed Forces Covenant
- Maintain close links with academic institutions where appropriate skills exist
- Apprenticeship and graduate recruitment schemes across the Group to develop our own people and ensure skills are maintained into the future
- Expanding workforce across the Group
- Addressing challenges in both availability and cost to recruit the right skills, especially software and cyber skills
- Continue to engage closely with employees, ensuring a working environment that is interesting and rewarding
- Our approach to this risk and how we mitigate it are further expanded in the social section of the annual report

Risk management and principal risks continued

Change for 2026 Decrease No change Increase | Risk appetite Low Medium High | Link to strategy Acquisition Growth

8 Financial resources

Change for 2026 — | Risk appetite L | Link to strategy

The risk that the Group is unable to secure or retain finance facilities, service debt or other financial obligations and execute on investments and acquisition strategies to accomplish financial objectives and deliver value to shareholders

Mitigation and progress

In April 2026, the Group completed a new banking facility of £175m Further information can be found in note 15 The Group regularly monitors its covenant position and considers the impact of proposed transactions upon our banking covenants to ensure that they are not breached It also has regular (no less than twice yearly) meetings with its banking providers to ensure that any potential issues or risks are identified and communicated early and that any implications for covenants can be addressed The Group has remained in compliance with its banking covenants in 2025/26 and will continue to do so

9 Geopolitical and economic conditions

Change for 2026 NEW | Risk appetite M | Link to strategy

The risk that the Group is unable to successfully navigate the impact of international tensions, conflicts and changes in government policy or funding, leading to reduced revenue, increased costs, supply shortages and adverse effects on efficiency

Mitigation and progress

Mitigations include

- enhanced contractual protections (including milestone payments and advance payments)
- active engagement with the various MOD's we deliver to and close monitoring of defence spending priorities
- maintaining a diversified portfolio of specialist operating businesses across the UK, Australia, Canada, Germany and Portugal
- continued focus on export opportunities in allied and permitted markets

10 Legal and regulatory compliance

Change for 2026 NEW | Risk appetite L | Link to strategy

The Group operates across jurisdictions with diverse legal and regulatory requirements Non-compliance could result in financial penalties or other sanctions, criminal or civil liability legal costs, reputational harm exclusion from tenders and reduced confidence from customers, employees and stakeholders Complying with new or amended laws and regulations may also increase operating costs

Mitigation and progress

The Group has a comprehensive compliance framework to support compliance with applicable legal and regulatory requirements This includes

- clearly defined policies and procedures addressing key risk areas, including anti-bribery and corruption, fraud and the use of AI,
- training programmes for employees, tailored to roles and geographies, and
- an in-house legal function, supported by specialist external advisers where appropriate

Each business submits an annual assurance statement to the Audit Committee reporting on compliance with the Group's framework The Board and its committees also receive regular updates on compliance matters and emerging regulatory developments

The Group also maintains a confidential reporting facility (see page 60, Principle 4)

Risk management

Climate-related financial disclosures

Non-financial and sustainability information statement

This disclosure sets out the UK Mandatory Climate Disclosures for Cohort plc in accordance with Sections 414CA and 414CB of the Companies Act 2006 (CFD), and encompasses all of its subsidiary undertakings

Compliant	Relevant content
(a) a description of the governance arrangements of the company in relation to assessing and managing climate-related risks and opportunities	Page 48
(b) a description of how the company identifies, assesses and manages climate-related risks and opportunities	Page 48
(c) a description of how processes for identifying, assessing and managing climate-related risks are integrated into the overall risk management process in the company	Page 51
(d) a description of – (i) the principal climate-related risks and opportunities arising in connection with the operations of the company and (ii) the time periods by reference to which those risks and opportunities are assessed	Page 50
(e) a description of the actual and potential impacts of the principal climate-related risks and opportunities on the business model and strategy of the company	Pages 51 - 53
(f) an analysis of the resilience of the business model and strategy of the company, taking into consideration different climate-related scenarios	Page 53
(g) a description of the targets used by the company to manage climate-related risks and to realise climate-related opportunities and of performance against those targets	Page 54
(h) the key performance indicators used to assess progress against targets used to manage climate-related risks and realise climate-related opportunities, and a description of the calculations on which those key performance indicators are based	Page 54

Governance

Board and management oversight of climate change

The Board is ultimately responsible for the oversight of the Group's strategy and risk management framework which includes climate-related risks and opportunities, and for ensuring the suitability of any climate-related controls in place. Beatrice Nicholas, Non-executive Director, is the Chair of our Climate Impact Forum (CIF) and reports to the Board after each CIF meeting. The members of the CIF are the finance directors and other senior representatives from each subsidiary.

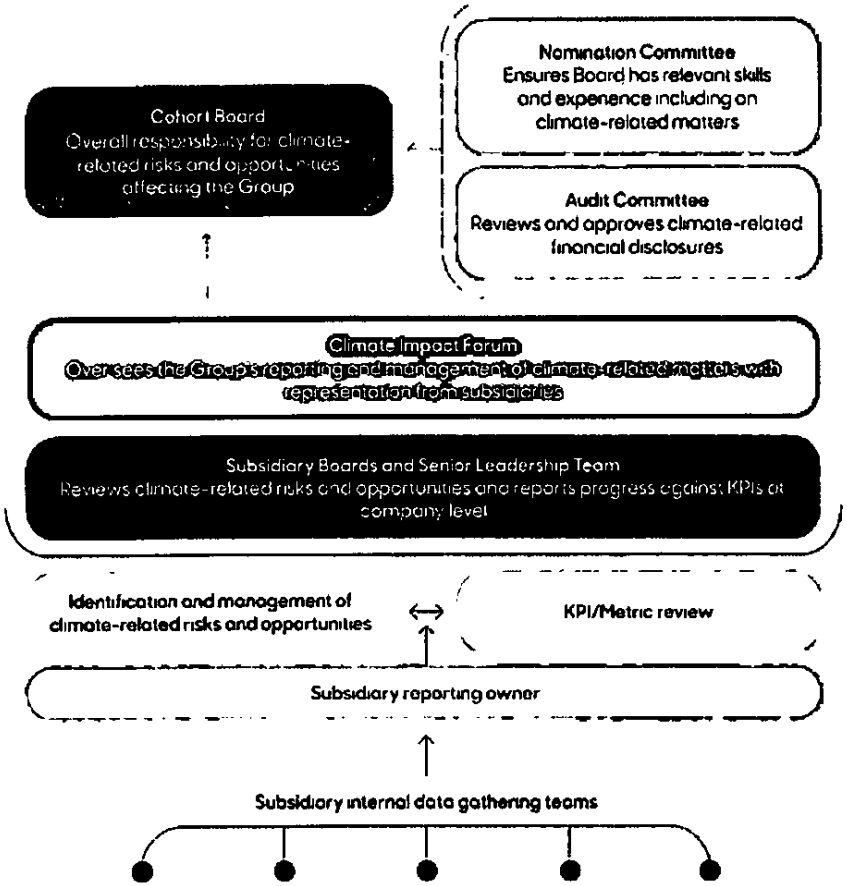
The CIF is responsible for reviewing the climate-related risks and opportunities identified, using the scenario analysis methodology, for developing the Group's collective response to material climate-related risks and opportunities, reviewing the effectiveness of climate-related risk management across the Group and compliance with applicable laws and regulations. The CIF met twice in the reporting year and the outcomes were reported to, and considered by, the Board after each meeting. The climate-related disclosures are reviewed by the Audit Committee.



Risk management continued

Climate-related financial disclosures continued

Board and management oversight of climate change



Scenario analysis methodology

In 2024, we conducted a full qualitative scenario analysis aided by external advisers, Ever Sustainable The finance directors of each of our subsidiaries took part in the workshops We applied three bespoke scenarios (described on page 50) We use these scenarios to identify potential climate-related risks and opportunities and how these may play out under the varying futures predicted by the scenarios We consider our exposure to, and the potential impact of, acute and chronic physical risks transition risks, and transboundary risk drivers across short medium and long term horizons

In the reporting year, two CIF meetings were held in spring and autumn to review and identify any changes to the scenario analysis scores and any emerging risks or opportunities The CIF will continue to monitor the risks and opportunities in this way and it is our intention to refresh the scenario analysis in the next financial year

Since the initial scenario analysis no new risks have been identified for the Group However, there have been some weather-related events which have affected our businesses and which have required appropriate mitigation steps to be taken



Risk management continued

Climate-related financial disclosures continued

Scenario	Reference scenario sources	Strategic impact and key impacts
Net Zero 2050	IEA Net Zero by 2050 IPCC RCP2.6 / SSP1-1.9 NGFS Net Zero 2050	Transition risks are most prominent in this scenario. The most significant of which will be, the cost, resource and alignment of complying with policy and regulation, the cost and disruption associated with the energy cost and availability impacts of the transitioning energy system, and the potential cost of carbon emissions, should Cohort or our supply chain be subject to carbon trading schemes. Physical risks will also increase compared to current levels
Stated Policies	IEA Stated Policies Scenario IPCC RCP4.5 / SSP2-4.5 NGFS Nationally Determined Contributions	Both physical and transition risk impacts will manifest to a significant degree under this scenario. Intensification and increased frequency of climate events and associated physical risks could impact Cohort's entire value chain and operations. Transition risks are still relevant as the current policy landscape and transition efforts are sustained
Taking the Highway	IPCC RCP8.5 / SSP5-8.5	This scenario poses the most significant threat to Cohort's business. Flooding and storms have the potential to severely impact operations, inventory and key supply chain partners. Extreme temperatures will push the limits of our products, while simultaneously stressing our employees and those within our supply chain. Overall the potential disruption impact that increased severity and frequency of climatic events will have on our supply chain is our largest risk

Updated results of our scenario analysis

		Scenario	Net Zero 2050			Stated Policies			Taking the Highway		
		Risk Timeframe	Short	Medium	Long	Short	Medium	Long	Short	Medium	Long
Physical Risk	Acute	Extreme temperature	L	L	L	L	L	M	L	M	H
		Flooding and storms	L	L	M	L	M	M	M	H	H
		Drought	L	L	L	L	L	M	L	M	H
	Chronic	Extreme temperature	L	L	L	L	L	L	M	M	H
		Water stress and drought	L	L	L	L	M	M	L	M	H
Transitional Risk	Market	Energy costs and availability	M	M	L	L	M	L	L	L	L
		Inflation fuelled by climate change	L	L	L	L	L	M	L	M	H
		Increasing investor expectations	L	M	M	L	M	M	L	L	M
	Policy and Legal	Cost of carbon	L	M	M	L	L	M	L	L	L
		Policies and compliance	L	M	M	L	M	M	L	L	L
		Litigation	L	L	L	L	L	L	L	L	M
	Transboundary	Supply chain disruption	L	M	M	L	M	H	L	H	H
		Civil unrest	L	L	L	L	L	L	L	M	M

Risk score key L Low M Medium H High E Extreme

Timeframes Short (1-3yrs) Medium (3-10yrs) Long (10+yrs)

The risk level results align to the Group-wide risk scoring methodology

Risk management continued

Climate-related financial disclosures continued

Time horizons: — Short — — Medium — — — Long

Value chain segments: Supply chain, Operations, Customers

Risk management of climate-related risk

Risks and opportunities are identified at subsidiary level using the outcome of the scenario analysis and reported up to Group level through the bi-annual risk management process and through the CIF Subsidiary finance directors are responsible for identifying and assessing emerging and managing existing, climate-related risks and opportunities in their business as part of their risk management process The CIF reviews these at each meeting and reports any material climate-related risks and opportunities to the Board (minimum of twice a year)

Each subsidiary is required to review its risk scores at least annually under the three scenarios adopted by Cohort

During the reporting year, climate-related risks were integrated into our usual business risk management processes across the Group, with subsidiaries identifying standalone climate-related risks such as extreme weather events or identifying the climate-related element of existing business risks, for example, potential supply chain issues Material risks were included in risk registers with appropriate mitigating actions

Physical risks

1 Acute Extreme temperatures

Time horizons: — | — — | — — —

Link to value chain: Supply chain, Operations, Customers

Potential impacts

Extreme heat can impact the performance of sensitive equipment and change the operational requirements in locations where record-breaking temperatures have been recorded and are expected to worsen Likewise, extreme cold associated with abnormal weather variations may change product requirements Extreme heat in Cohort s key geographies may also decrease employee productivity and health and wellbeing during heatwaves

Managing our risk exposure

Investment may be required to mitigate these impacts working with customers to create specific temperature specifications We conduct research into temperature-resistant materials that can be used in our products We are also taking steps to protect the health and wellbeing of our employees during prolonged periods of extreme heat such as changing shift patterns

2 Acute Flooding and storms

Time horizons: — | — — | — — —

Link to value chain: Supply chain, Operations

Potential impacts

Floods and storms are already impacting the global supply of key materials and our operations This may affect Cohort s product sourcing and delivery logistics channels or damage physical assets and inventory

Managing our risk exposure

Cohort will continue to monitor the exposure of its assets and geographies to extreme weather events and will continue to monitor all operational sites to identify areas for further consideration Procurement and finance teams are working to identify materials that are sourced from areas most at risk of extreme weather events and engaging with suppliers or identifying an alternative source where possible

Physical risks continued

3 Acute Drought

Time horizons: — — | — — —

Link to value chain: Supply chain

Potential impacts

Drought events can carry significant disruption to supply chains, manufacturing processes and overall human health and wellbeing Disruption to water supply or sewage systems may impact the ability of global suppliers to deliver vital components such as semiconductors to Cohort Drought events could generate significant costs to minimise the impacts particularly when coupled with other events like heatwaves

Managing our risk exposure

Cohort will continue to monitor the exposure of its key materials and components to drought events Procurement and finance teams are working to identify materials that are sourced from areas most at risk of drought events and using this to develop an alternative source or engage with partners to develop strategies where possible

4 Chronic Extreme heat

Time horizons: — | — — | — — —

Link to value chain: Supply chain, Operations, Customers

Potential impacts

Increasing temperatures can affect working and manufacturing conditions while simultaneously putting increased pressure on supply chains Chronic temperature increases can increase the number of days when temperatures exceed levels that can impact Cohort s key supply chain partners key regions of product use, human health wellbeing and productivity, and increase costs related to cooling requirements

Managing our risk exposure

Investment may be required to mitigate these impacts, working with customers to create specific temperature specifications We conduct research into temperature-resistant materials that can be used in our products. Procurement teams will engage with suppliers and work to identify such materials We are also taking steps to protect the health and wellbeing of our employees during prolonged periods of extreme heat such as changing shift patterns

Risk management continued

Climate-related financial disclosures continued

Time horizons: — Short — — Medium — — — Long

Value chain segments: Supply chain, Operations, Customers

Physical risks continued

5 Chronic Water stress and drought

Time horizons: — — | — — —

Link to value chain: Supply chain

Potential impacts
Long term drought and water stress can carry significant disruption to supply chains manufacturing processes and overall human health and wellbeing Prolonged periods of water supply disruption may significantly impact the ability of global suppliers to deliver vital components such as semiconductors to Cohort

Managing our risk exposure
Cohort will continue to monitor the exposure of its key materials and components to water-stressed or drought-prone regions Procurement and finance teams are working to identify materials that are sourced from areas most at risk and using this to develop an alternative source or engage with partners on mitigation strategies where possible

Transitional risks

6 Market Energy cost and availability

Time horizons: — | — —

Link to value chain: Supply chain, Operations, Customers

Potential impacts
An increase in energy prices will not only increase the price of raw materials and the cost to manufacture and utilise products but it is also likely to impact employees and the cost of living

Managing our risk exposure
We will be evaluating our opportunities to reduce energy consumption and access cheaper and renewable sources of energy

7 Market Inflation fuelled by climate change

Time horizons: — — | — — —

Link to value chain: Supply chain, Operations, Customers

Potential impacts
It is possible that climate change will have long term impacts on inflation globally This is fuelled by the physical impact climate change will have on food production energy manufacturing and logistics

Managing our risk exposure
As a Group we are continually monitoring and measuring the financial impact inflation will have on the business including the influence climate change has on the rising cost of materials

Transitional risks continued

8 Market Increasing investor expectations

Time horizons: — — | — — —

Link to value chain: Supply chain

Potential impacts
As a result of climate change, financial providers and insurers might look to reduce portfolio climate risk or increasingly link capital and loans to ESG performance Investors may increase their expectations of the company's approaches to analyse both the climate s impact on the company and the company's impact on the environment

Managing our risk exposure
Our subsidiaries continually conduct research to identify new and innovative products, including assessing sustainability and climate resilience

Each of our businesses located in the UK and Europe monitors and reports on their energy use and associated greenhouse gas emissions through our SECR reporting and each of our UK businesses has adopted a carbon reduction plan

9 Policy Cost of carbon

Time horizons: — — | — — —

Link to value chain: Supply chain, Operations

Potential impacts
Increased demand and offset credits and/or inclusion within an emissions trading scheme covering operations or supply chain partners and associated credit costs could increase operational and material costs significantly High-carbon products could also see their prices rise as suppliers look to cover the costs of offsetting their own impact

Managing our risk exposure
While a risk, the immediate impacts are unknown Cohort is not currently captured by any emissions trading schemes We track emissions from our UK and European subsidiaries The Board will monitor costs and take appropriate action if necessary

10 Liability Policies and compliance

Time horizons: — | — — | — — —

Link to value chain: Operations, Customers

Potential impacts
There is increasing activity by regulators to align Company activity to a low-carbon economy There is a cost associated with meeting and aligning practices to these requirements as well as potential costs for non-compliance There is also reputational risk that stakeholders might perceive our response to climate change as insufficient or inaccurate

Managing our risk exposure
The Group will continue to review emerging policy and regulation that may impact our subsidiaries and will take appropriate action as and when required

Risk management continued

Climate-related financial disclosures continued

Time horizons — Short — — Medium — — — Long

Value chain segments Supply chain Operations Customers

Transitional risks continued

11 Liability Litigation

Time horizons — | — — | — — —

Link to value chain

Potential impacts
Climate change litigation as a result of a perceived failure on behalf of a company to consider mitigate or adapt to the risks associated with climate change or where the company has been unable to meet contractual requirements as a result of climate change impacts

Managing our risk exposure
Cohort monitors its regulatory and contractual requirements closely to ensure its exposure to litigation remains minimal

Transboundary risks

12 Supply chain disruption

Time horizons — — | — — —

Link to value chain

Potential impacts
Supply chains that rely on specialised commodities and key infrastructure can be disrupted by climate events impacting supply facilities and causing production shortages Demand for key materials may also cause disruption

Managing our risk exposure
Each of our subsidiaries is conducting a review of key suppliers and identify those that may be impacted

13 Civil unrest

Time horizons — — | — — —

Link to value chain

Potential impacts
Climate change impacts on life-sustaining systems such as shifts in agricultural systems and water sources exposure to extreme weather events, and loss of homes could contribute to conflicts and unrest across the world Transboundary migration or conflict driven by climate impacts can have significant domino effects across global value chains

Managing our risk exposure
The Group will continue to monitor how this emerging risk will impact our sector

Climate-related opportunities

Many of the themes arising from the mapping and scenario analysis of our climate-related risks also manifest as strategic opportunities We believe Cohort is well positioned to take advantage of increasing investor and customer focus on the transition to a low-carbon economy through the development of climate-resilient products and supporting our customers to reach their own net zero commitments

Impact on business model and strategy

As outlined in the table on the right our businesses are taking steps to identify any climate-related risks and opportunities that may affect their business models and strategies

Mitigations implemented include research into temperature-resistant materials working with our supply chains, investing in our existing and new sites During the construction of ELAC SONAR's new premises there was a focus on climate change mitigations and future-proofing We will continue to integrate climate-related risks into our strategic approach and build on this year's work However, we do not consider that climate-related risks currently pose a significant risk to our business model and strategy We will continue to review our assessment on an annual basis

Alignment to our purpose and values	Opportunity	How we can contribute
Innovation	1 Innovating in climate-resilient products	Investing in innovative equipment that helps customers adapt their defence capability to extreme weather events and climatic conditions
Security	2 Responding to climate-driven security threats	Climate change will have an impact on natural resource distribution and habitability in some parts of the world This could lead to aggressive conflicts either to gain control of natural resources or to divert internal unrest The UK and its allies will need to ensure that they are ready to deal with such aggression, and the Group offers products and services that will assist in this
Security	3 Helping countries to manage increased migration	Increased migration flows from the regions most affected by climate change will pose a political and security challenge for destination countries including the UK and its allies The Group provides sea-based and land-based sensor systems that are an essential element in responding to this

Risk management continued

Climate-related financial disclosures continued

Metrics and targets

Climate-related risk	Metric	Climate-related target	Target date	Update April 2026
Physical risk Supply chain may be impacted by climate-related events	The Group will identify key strategic partners and suppliers of goods and services and will engage with them regarding their exposure to and management of climate risk	Engagement with 100% of strategic partners and suppliers (as identified by each subsidiary taking into account alternative sources of supply and vulnerability of key suppliers to climate change)	30 April 2026	Completed by target date
	Embed assessment of climate-related risks into the procurement process of each business	Assessment of climate-related risks for all new material suppliers and partners across the Group as part of our existing due diligence process	30 April 2026	Completed by target date
Physical risk Short-term acute physical risks	Each site to have an up-to-date assessment regarding its exposure to extreme weather events	100% of all sites under the control or ownership of the Group to be assessed	30 April 2025	Completed by target date
Physical risk Medium-long term physical risks	Identify sites located in areas exposed to climate risk and adopt suitable adaptation measures	All sites considered at risk to have adopted suitable adaptation measures	30 April 2030	In progress

Note Metrics and targets will be updated and reset following our next scenario analysis

The outcome of our scenario analysis indicated that our main climate-related risk takes the form of physical risks from extreme weather conditions such as floods and storms, and scarcity of key resources such as water and electricity impacting our supply chain

However we recognise that the risk faced by each of our subsidiaries will be slightly different and this is reflected in our selection of metrics and targets

We already aim to reduce our emissions in the UK through our carbon reduction plans and this has not been identified as a key risk at this stage

Our metrics and targets will be reviewed and updated as necessary following our second scenario analysis assessment which we expect to take place in the next reporting year

Cohort has been reporting Scope 1 and 2 and limited Scope 3 emissions in the UK and Europe since the introduction of the Streamlined Energy and Carbon Reporting (SECR) regulations in 2019 This has informed the Group's awareness of our emissions and our ability to manage our overall environmental impact

Focus areas for 2027

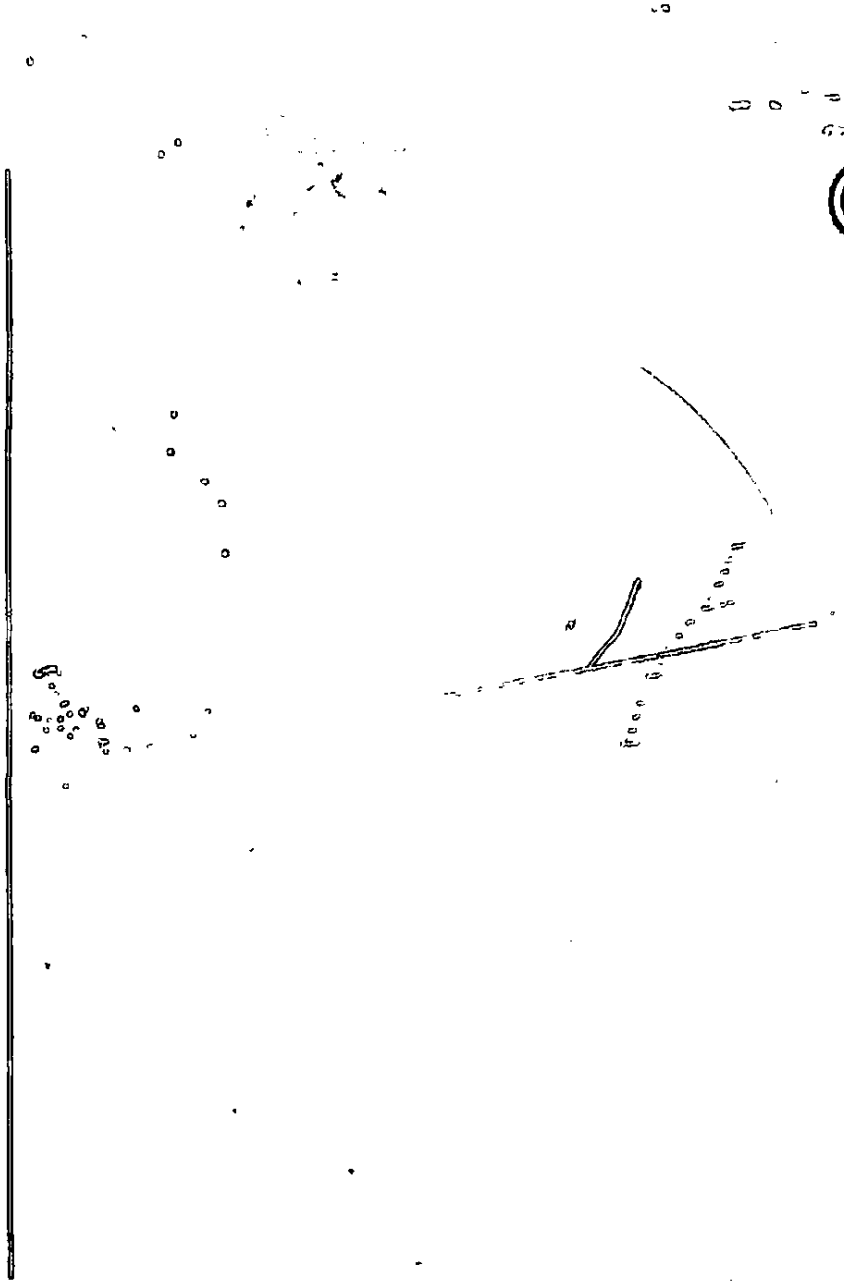
Governance
Continue to develop the skills of the Board and senior management regarding climate-related risks and opportunities

Risk management
Continue to consider and identify any emerging climate-related risks and opportunities

Review mitigation measures put in place for any material climate-related risks identified

Metrics and targets
Consider adopting further metrics and targets that would allow the Group to monitor and track its material climate-related risks and opportunities

Our full SECR report can be found on / Page 41



Corporate Governance

56 Board of Directors
58 Governance at a glance
59 Corporate governance report
63 Audit Committee report
66 Nomination Committee report
67 Renumeration at a glance
68 Remuneration Committee report
77 Directors' report
80 Statement of Directors' responsibilities

Board of Directors Non-executive Directors



Nick Prest CBE
Chairman

Appointed 2006

Committee membership I N

Nick became Chairman of Cohort on flotation in March 2006

After graduating from Oxford in 1974, Nick joined the UK MOD In 1982, Nick moved to Alvis plc the defence contractor undertaking a variety of roles before becoming Chief Executive in 1989 and Chairman and Chief Executive in 1996 Nick left Alvis following its acquisition by BAE Systems in 2004, by which time the company had become a leading international business in military land systems Nick was also Chairman of Aveva Group plc from 2006 until 2012 and Chairman of Shephard Media until 2020



Edward Lowe
Independent Non-executive Director

Appointed 2019

Committee membership I A A N

Edward was appointed to the Board on 1 July 2019 and became Chair of the Remuneration Committee on 23 July 2019

Edward joined Racal Electronics in 1980 and, over a 20-year period undertook a variety of commercial sales and managerial roles In 2000 he was appointed Vice President within Thales UK with responsibility for the commercial sales and strategy functions In 2005 he was appointed Managing Director of the Thales UK naval activities and led the international business line for naval platforms and services In 2010 he was appointed Chief Operating Officer for Thales UK with operational responsibility for all Thales UK activities



Peter Lynas
Independent Non-executive Director and Senior Independent Director

Appointed 2024

Committee membership I A A N

Peter was appointed to the Board in January 2024 He was appointed the Chair of the Audit Committee following the retirement of Jeff Perrin at the 2024 AGM and is a member of the Remuneration and Nomination Committees

Peter is a qualified Fellow of the Chartered Association of Certified Accountants (FCCA) who spent the early part of his career in a variety of financial roles, primarily with GEC Marconi From 2000 he was at BAE Systems, first as Group Financial Controller and then as Group Finance Director from 2011 until his retirement in 2020

Peter is also a non-executive director of FirstGroup plc and he served as a non-executive director of SSE plc from 2014 until 2023



Dr Beatrice Nicholas
Independent Non-executive Director

Appointed 2021

Committee membership I A A C

Beatrice joined Cohort in September 2021

Beatrice started her career at the GEC Hirst Research Centre in 1984, moving to GEC Marconi Avionics (subsequently Leonardo Group) in 1995, where she held several senior management positions

In 2010 she was appointed Senior Vice President with responsibility for leading the electronic warfare business In 2013, she was appointed Director of Engineering for the Airborne and Space division of Leonardo UK Limited with responsibility for the execution of all engineering projects within the division

Between 2017 and early 2022, she established and operated an independent consultancy Beatrice Nicholas Consulting Limited advising on diversity and inclusion

Beatrice is also the Chair of the Cohort Climate Impact Forum

Committee membership

- I Member of the Board of Directors
- A Member of the Remuneration Committee
- A Member of the Audit Committee
- N Member of the Nomination Committee
- C Chair

Board of Directors Executive Directors and Company Secretary



Andrew Thomis
Chief Executive

Appointed 2009

Committee membership O

Andrew took over as Chief Executive of Cohort in May 2009

Andrew graduated with an MEng degree in Electrical and Electronic Engineering from Imperial College London in 1987. He spent nine years in science, technology and policy roles in the UK MOD. He left in 1996 and, after a period working with public and private sector clients at Capita plc's management consultancy arm, he joined Alvis in a role covering strategy, M&A and business development. Following the acquisition of Alvis by BAE Systems in 2004, Andrew worked with Nick Prest and Stanley Carter on the creation of Cohort plc, acting as Finance Director during the flotation and, subsequently, Corporate Development Director. From 2007 to 2009, he was Managing Director of MASS. Andrew is a Fellow of the Institution of Engineering and Technology.



Simon Walther
Finance Director

Appointed 2006

Committee membership O

Simon joined Cohort as Finance Director in May 2006.

After graduating with a BSc in Toxicology and Pharmacology from University College London, Simon went on to qualify as a Chartered Accountant with Touche Ross in 1992. Simon moved to the Peninsular and Oriental Steam Navigation Company (*P&O*) in 1993 where he was appointed as Chief Accountant for P&O European Ferries in 1995. He has nearly 30 years' industry-relevant experience, with previous senior finance roles at Alvis and BAE Systems.



Raquel McGrath
Company Secretary and General Counsel

Raquel graduated from the University of Bristol in 1991 with a Bachelor of Laws LLB (Hons) followed by Law Society Finals at the College of Law, Chester in 1993. She started her career as a Solicitor and Articled Clerk with Slaughter and May in London before moving to Melbourne to work with Allens as a Senior Associate.

Raquel has held the role of General Counsel and Company Secretary at a number of UK AIM-listed and large private companies. Raquel joined Cohort plc in November 2019 before taking over the role of Company Secretary from Simon Walther in October 2020 in addition to being appointed General Counsel for the Cohort Group.

Board skills

The Board has a broad range of skills with particularly deep experience in the defence sector. The balance of skills and experience of the Board is summarised as follows:

	N Prest	P Lynas	E Lawe	B Nicholas	A Thomis	S Walther
Defence sector	●	●	●	●	●	●
Financial		●				●
General management	●	●	●	●	●	
Other public company (board level)	●	●				
Public sector	●				●	

Governance at a glance

Ensuring good governance

"Our corporate governance structure and high governance standards have enabled sustainable growth over the past 20 years"

Nick Prest CBE
Chairman



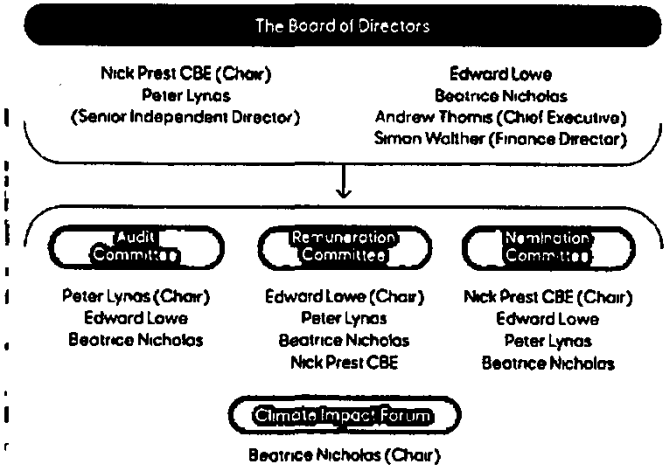
Chairman's introduction

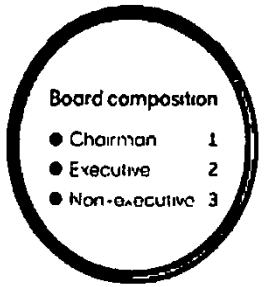
Cohort has placed a great importance on corporate governance since its flotation in 2006 and our corporate governance structure and high governance standards have enabled sustainable growth over the past 20 years We continue to apply the QCA Corporate Governance Code 2023 (the QCA Code), which the Board considers is appropriate for a company with the size and structure of Cohort Our Corporate governance report for the year ended 30 April 2026 summarises how we have applied the ten principles of the QCA Code to the extent that the Board considers these to be appropriate for Cohort

As Chairman I take primary responsibility for corporate governance An important part of my role is to build strong relationships with shareholders and other stakeholders and to ensure that the views expressed by shareholders are communicated to and considered by the Board

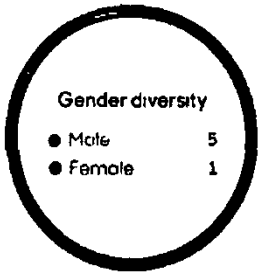
The voting pattern at our 2025 AGM indicated a broad measure of shareholder support in relation to corporate governance matters We nevertheless continue to keep these matters under close review and to pay careful attention to shareholder views

Governance structure - Corporate governance framework









9
Board meetings held during the year

98%
Board meeting attendance

100%
Committee meeting attendance

Corporate governance report

QCA code compliance

Application of the QCA Code

Principle 1 Establish a purpose, strategy and business model which promote long term value for shareholders

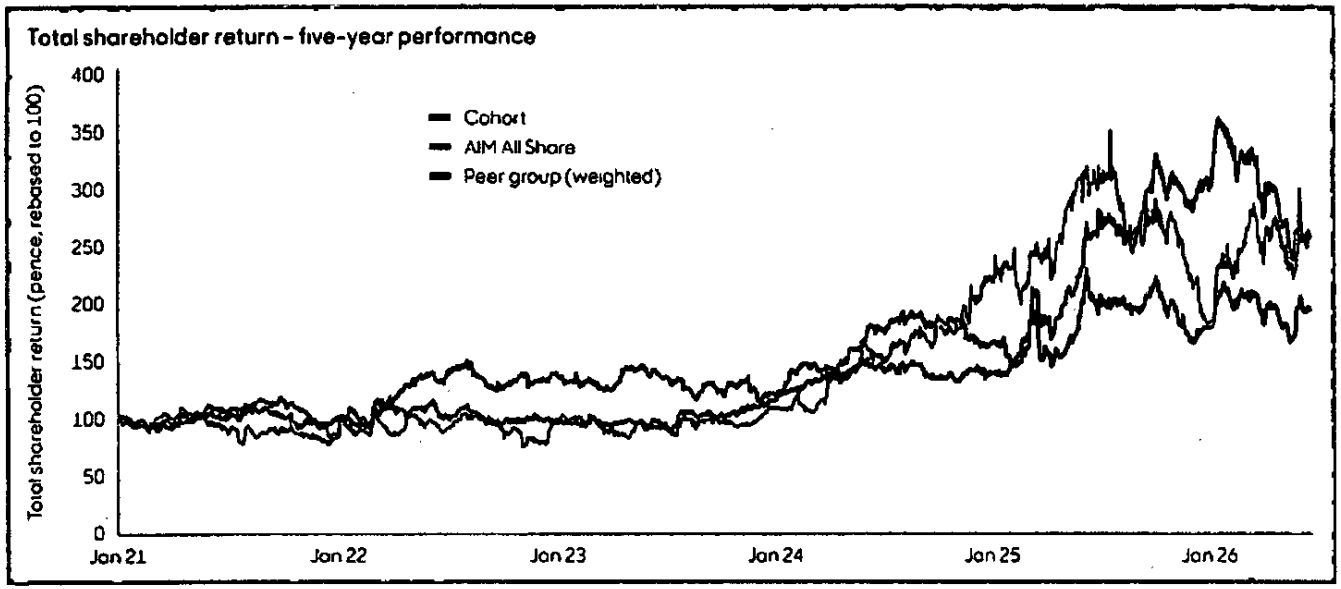
Our purpose business model and strategy are set out in the Strategic report, which also explains how our strategy has been executed over the past year One challenge is identifying suitable acquisition opportunities with sustainable niche technology that complement our existing businesses

To address this, we maintain a wide network of contacts in the defence industry both in the UK and internationally, ensuring a broad pipeline of potential opportunities Challenges relating to the organic growth of our existing businesses are addressed in the Risk management report

The Board sets the Group s strategic direction and is responsible for its leadership, oversight and long term success In addition to scheduled Board meetings, the Board holds an annual strategy day to conduct a thorough review of the Group s strategy and business plans This enables in-depth discussion on execution and provides an opportunity to challenge the corporate strategy The Board also meets the subsidiary Managing Directors and reviews the execution of strategy by their business throughout the year Strategic issues and emerging risks are frequently discussed by the Board as they arise and progress on the execution of strategy is reported quarterly

The value created for our shareholders through the application of our strategy is demonstrated by our five-year financial performance (on page 2) and our key performance indicators (shown for the last three years on page 22) We believe our strategy will continue to deliver shareholder value over the medium and long term

Our progressive dividend policy and share performance over the past five years, including total shareholder return further demonstrate this



See our purpose, strategy and business model / Page 15-16

Principle 2 Promote a corporate culture that is based on ethical values and behaviours

Cohort refreshed the Group's corporate values at the start of the financial year to better reflect the purpose and business model of the Group and held roadshows throughout the Group to embed the updated values The Board monitors and assesses corporate culture during its visits to subsidiaries The Governance section of our Sustainability report explains how our ethical culture is supported by our policies

See our culture and values / Page 35 and Governance / Page 42

Corporate governance report continued

Principle 3 Seek to understand and meet shareholder needs and expectations

Cohort places a great deal of importance on communication with all shareholders and details of how we achieve this are set out in our Stakeholder engagement section The Company meets with its institutional shareholders and analysts and receives regular feedback from them either directly or via its NOMAD Investec The Board also receives regular share register analysis and updates from advisers on market sentiment and peer benchmarking to ensure alignment with shareholder expectations

The primary contacts with the shareholders are the Chief Executive, the Finance Director and me Peter Lynas the Senior Independent Director, is available to all shareholders should they have any concerns which communication through the normal channels, has failed to resolve or for which contact through the normal channels would be inappropriate

We also consider any voting guidance reports received

See Stakeholder engagement / Page 32

Principle 4 Take into account wider stakeholder interests, including social and environmental responsibilities, and their implications for long term success

Our other stakeholders include employees, customers, partners, suppliers and local communities Details of how we engage with and respond to, stakeholder needs and expectations are set out in our Stakeholder engagement report and in the People section of our Sustainability report

We believe our employees are the key to our success We are not a capital-intensive business but depend upon their skills, capabilities and flexibility Our business model depends upon us being agile and responsive The Board receives regular updates on employee engagement diversity, wellbeing, health and safety, culture, and on key client and supplier relationships

Employees are able to raise concerns anonymously using an independent third-party whistleblowing service Any reports received are reported to the Audit Committee and, if appropriate to the Board

The Board has oversight of environmental issues through the Climate Impact Forum and any material risks identified are integrated into our risk management procedures and, if appropriate, into our strategy

The Board has put an Environmental Policy Statement in place which provides a framework for subsidiaries to implement their own environmental policies according to the needs of each business Feedback channels for other stakeholders are made available via our website

See Stakeholder engagement / Page 33 and people / Page 35

Principle 5 Embed effective risk management, internal controls and assurance activities, considering both opportunities and threats throughout the Group

Our risk appetite, and our approach to risk and internal controls are set out in the Audit Committee report and the Risk management and principal risks section Climate-related risks and opportunities are reported in the Non-financial and sustainability information statement (page 48) and, where appropriate are integrated into each subsidiary's risk reporting and management process

The Audit Committee keeps the Group's internal controls and risk management systems under review The senior management teams are empowered to manage operational risk and to report emerging risks During the reporting year, we launched a Group Failure to Prevent Fraud and Tax Evasion policy in addition to our existing policies

Such systems are designed to manage rather than eliminate risks and can provide only reasonable and not absolute assurance against material misstatement or loss In addition to our internal risk management process, the Audit Committee and the Board review material risks in discussions with the external auditor

On the recommendation of the Audit Committee, the Board has determined that an internal audit function is not currently required due to the relatively small size of Cohort and the high level of Director review and authorisation of transactions The Board will keep this matter under review When appropriate, external experts are engaged to assess management of particular risks and to provide assurance to the Board, for example on cyber security

The independence of the auditor is formally considered by the Audit Committee each year prior to commencement of the audit

See Risk management / Page 43 and Audit Committee report / Page 63

Corporate governance report continued

Principle 6 Establish and maintain the Board as a well-functioning, balanced team led by the Chair

The Board is highly experienced in the defence market The mix of skills and experience contributed by the Directors is set out on page 57 The Board believes that, collectively, the Directors have the necessary blend of sector, financial and public market expertise, along with the personal qualities and capabilities required to oversee the delivery of our strategy and create sustainable value for shareholders This is reviewed by the Nomination Committee each year

The Board holds at least eight scheduled meetings each year with additional business and strategic reviews, and ad-hoc discussions as required The Board visits each subsidiary regularly and individual Non-executive Directors also visit subsidiaries as required to assist with matters within their areas of expertise The Non-executive Directors and I also meet at least once a year without the Executive Directors present

All the Non-executive Directors give sufficient time to fulfil their responsibilities and, as Chairman I monitor this Any proposed new external appointments for a Director will be discussed with and considered by, me in advance

Attendance at scheduled meetings during the year ended 30 April 2026	Board (9 scheduled meetings)	Audit Committee (3 meetings)	Remuneration Committee (2 meetings)	Nomination Committee (1 meeting)
N Prest CBE (Chairman) (Independent on appointment)	8/9	n/a	2/2	1/1
E Lowe (Independent Non-executive Director)	9/9	3/3	2/2	1/1
P Lynas (Independent Non-executive Director and Senior Independent Director)	9/9	3/3	2/2	1/1
B Nicholas (Independent Non-executive Director)	9/9	3/3	2/2	1/1
A Thomis (Chief Executive)	9/9	n/a	n/a	n/a
S Walther (Finance Director)	9/9	n/a	n/a	n/a

See our Board / Page 56 and Committees / Page 58

Principle 7 Maintain appropriate governance structures and ensure that individually and collectively the Directors have the necessary up-to-date experience, skills and capabilities

The Board is supported by three committees Audit, Remuneration and Nomination Details on the members and work of these committees can be found in their respective reports The Board's oversight of climate and environmental matters is supported by the Group s Climate Impact Forum, chaired by Beatrice Nicholas The Board is also advised by internal experts on cyber security and makes use of independent external reviews to provide additional assurance

Each Director takes responsibility for maintaining their skill set, which includes formal training and attending relevant events and roundtables, including on matters within the remit of the Board's Committees

It is the Board's responsibility to formulate, review and approve the Group's strategy budgets, major expenditure and commitments, material contract bids, and acquisitions and disposals The Board is satisfied that it receives sufficient information to enable it to do so and to monitor execution of strategy through a combination of detailed monthly reports from the Executive Directors and the subsidiary Managing Directors Board papers and, as required, any relevant materials

The Executive Directors regularly attend the subsidiary executive management meetings and sit on the Board of each subsidiary In addition, two independent Non-executive Directors with experience of the Australian defence sector have been appointed to the board of EM Solutions which meets four times each year

When necessary external advice is sought, on legal, personnel, financial and governance matters including from Investec, our NOMAD During the reporting year, the Board received advice from the Company's lawyers and advisers on the refinancing

Corporate governance report continued

Principle 8 Evaluate Board performance based on clear and relevant objectives, seeking continuous improvement

As Chairman I believe that Board evaluation should be a continuous process rather than just a periodic event It is my responsibility as Chairman to stimulate and orchestrate this process, consulting colleagues both individually and collectively As part of the process I also obtain the views of colleagues on my own performance Evaluation embraces, at the individual level skills personality and commitment and, at the collective level, processes and teamwork

This year, the Board has continued to evolve and has carried out an informal internal review of its performance In 2025/26, areas of focus for the Board have included the Group's strategy process, its approach to M&A and opportunities for shared value creation within the Group The Board will continue to evolve each of these areas during the coming year The Board completed an external evaluation facilitated by an independent third party in 2022 (Independent Audit Limited) and the Board will continue to consider conducting external Board evaluations periodically as required by the QCA Code

The Board has also undertaken its annual review of its succession planning, including timelines where appropriate

See Nomination Committee report / Page 66

Principle 9 Establish a remuneration policy which is supportive of long term value creation and the Company's purpose, strategy and culture

The Remuneration report sets out how our Remuneration Policy supports long term value creation, our purpose strategy and culture This policy was implemented in 2021, and material shareholders were consulted prior to its implementation This year, we will put our Remuneration Policy to an advisory vote as recommended in the QCA Code We will also continue to put our Remuneration report to an annual advisory vote This received strong support at the 2025 AGM with more than 99% of votes cast in favour

The Remuneration Committee has worked closely with the Audit Committee to review the Group's outcomes against the performance targets set under the Executive Remuneration Policy and the Board has reviewed the overall outcome of the application of the policy each year and is satisfied that it incentivises responsible long term performance and growth of the Group

This year, we have made the first awards under the Restricted Share Plan which was approved at the 2025 AGM

We will also continue to operate our UK all-employee share plans (Save As You Earn scheme and a Share Incentive Plan) and our discretionary Company Share Option Plan

See Remuneration report / Page 68

Principle 10 Communicate how Cohort plc is governed and is performing by maintaining a dialogue with our shareholders and other relevant stakeholders

The Board communicates how the Company is governed and how it is performing through the mechanisms described in this report and in Stakeholder engagement section The corporate website provides access to reports, regulatory announcements and AIM Rule 26 disclosures

These channels support informed decision making by our stakeholders and ensure the Group remains responsive to stakeholder interests and expectations

The Board welcomes considered enquiries from shareholders and other stakeholders at any time

See Stakeholder engagement/ Page 30

Nick Prest CBE
Chairman

Audit Committee report



Peter Lynas
Independent Non-executive Director and Senior Independent Director

Audit Committee members
Edward Lowe
Beatrice Nicholas

NUMBER OF MEETINGS
3

ATTENDANCE
100%

Introduction

The Audit Committee comprises three independent Non-executive Directors and is scheduled to meet at least three times a year It is the Audit Committee's role to review and monitor the integrity of the financial reporting of the Group, to review the Group's internal control and risk management systems to oversee the relationship with the external auditor and to report to shareholders on its activities

Peter Lynas is Chair of the Audit Committee being a qualified Chartered Certified Accountant and having experience of the defence industry in this and previous roles

Year in focus

During the year, and in addition to its usual remit, the Audit Committee has focused on two specific items Firstly the final acquisition accounting of the Australian EM Solutions business and secondly, the Audit Committee oversaw the audit tender process undertaken during the year

EM Solutions acquisition accounting

The acquisition accounting for EM Solutions was completed during the year as noted in the interim results announcement for the half year ended 31 October 2025

The final accounting adjustments made during the measurement period centred around provisions requiring significant judgement in determining expected future impacts and a large tax credit related to acquired intellectual property

Deloitte were engaged to confirm the tax credit in relation to intellectual property with the review concluded in the first quarter of 2025/26

Work on provisions was undertaken by local management applying their knowledge and experience of engineering effort and costs likely required This was reviewed and challenged by Group Management using their knowledge of similar items and outcomes across the Group

It is the view of the Audit Committee, having reviewed the conclusions reached, that the measurement period adjustments made are reasonable and reflect a true picture of the acquisition of EM Solutions

External audit tender

The Audit Committee began a tendering process for selection of the external auditor in February 2026 All big four audit firms and four challenger firms were reviewed and ultimately two firms EY and BDO were invited to participate in the tender having satisfied the Committee as to their independence and geographical coverage

Both firms were provided with access to an online data room and were provided direct access to executive and key management personnel to enable them to build up an understanding of the Cohort Group

Two weeks before tender submissions and presentations to the Committee were due, BDO withdrew from the tender BDO's withdrawal was not disclosed to EY, who continued to submit and tender for the external audit

The Committee considered efforts made by both EY and BDO up to the date of their withdrawal, feedback received on both firms as well as presentations made by EY in considering whether a robust tender for the external audit had been performed

It is the view of the Audit Committee that based on progress made on the tender prior to BDO's withdrawal, a robust tender process had been undertaken

Accordingly, EY was selected as the Group's external auditor for the financial year ending 30 April 2027 A resolution will be put to shareholders at the 2026 AGM to approve this appointment

Consideration of the financial statements

In making its recommendation that the financial statements be approved by the Board, the Audit Committee has taken account of the following significant issues and judgement areas

Audit Committee report continued

Areas of judgement

Revenue and profit recognition on fixed-price contracts

The judgement applied in recognising revenue on a contract over time as performance obligations are completed is in respect of the input costs incurred and the attributable margin The latter requires judgement in respect of estimating the cost to complete on a particular contract and the remaining risk and associated contingency This cost contingency takes account of the stage that the contract has reached and any judgement and uncertainty remaining to deliver the remainder of the contract It is usual for these cost contingencies to reduce as the contract progresses and risk and uncertainty reduce

Recoverability of trade and other receivables

Judgement is applied in determining whether any of the Group s trade and other receivables require a bad debt provision to be recognised This takes account of the nature of our customers many of whom are ultimately governments, our historical experience and the commercial terms we have in place to protect the recoverability of our receivables

Goodwill

The Group has recognised goodwill and other intangible assets in respect of the acquisitions of businesses within its two reporting divisions, Communications and Intelligence (EID, EM Solutions, MASS and MCL) and Sensors and Effectors (Chess, ELAC SONAR and SEA) The other intangible assets are in respect of contracts acquired, intellectual property rights and specific opportunities and in each case, are amortised over the expected life of the earnings associated with the other intangible assets acquired The goodwill, which is not subject to amortisation but to at least annual impairment testing, arises from the intangible elements of the acquired businesses for which either the value or life is not readily derived This includes, but is not limited to, reputation, customer relations contacts and market synergies with existing Group members The goodwill relating to acquisitions made by the Group has been tested for impairment as at 30 April 2026 with no impairment arising The Group's 2026 post-tax WACC (Weighted Average Cost of Capital) of 12 01% (2025 10 1%) reflects higher equity risk and volatility in the Group's share price

Provisions

The Group makes estimates of provisions for existing commitments arising from past events In estimating these provisions, the Group makes judgements as to the quantity and likelihood of the liability arising Certain provisions require more judgement than others In particular warranty provisions and contract loss provisions have to take account of future outcomes arising from past deliveries of products and services In estimating these provisions, the Group makes use of management experience, precedents and specific contract and customer issues

Alternative performance measures (APMs)

The Group reports a number of APMs which are not in accordance with the reporting requirements of UK adopted IAS The Audit Committee has reviewed these during the year ended 30 April 2026 to ensure they are appropriate and that in each case

- the reason for their use is clearly explained
- they are reconciled to the equivalent UK adopted IAS figure, and
- they are not given undue prominence over the equivalent UK adopted IAS figure

The most important APMs reported by the Group are as follows

Adjusted operating profit

This is used by the Group to report what the Board considers its trading profit in a consistent manner, year on year, to provide the readers of the accounts with a consistent comparative This is derived from the operating profit as reported under UK adopted IAS by excluding amortisation of other intangible assets, research and development expenditure credits, exceptional items, including costs of acquisitions and reorganisations and foreign exchange movements from non-trading activities, including marking forward exchange contracts to market

The reconciliation of operating profit (UK adopted IAS) to adjusted operating profit is shown in the Consolidated income statement for the Group and in note 1 to the accounts for the Group's reporting divisions The table below shows the Group's adjusted operating profit compared with operating profit for the last five years

	2026 £m	2025 £m	2024 £m	2023 £m	2022 £m
Adjusted operating profit	36 3	27 5	21 1	19 1	15 5
Operating profit (UK adopted IAS)	34 6	26 1	21 2	15 3	11 1

In most years, the main difference between the two figures is the amortisation of other intangible assets value which arises on the acquisition of subsidiaries

It is the Board's opinion that the trading performance of the Group is better reflected by the adjusted operating profit

Adjusted earnings per share

This is based upon the adjusted operating profit after taking account of tax applying to adjusted operating profit and interest, to enable the Group to report an earnings per share figure based upon what the Board considers is a more appropriate and comparable earnings basis

Audit Committee report continued

This is reconciled to the headline (UK adopted IAS) earnings per share in note 8 to the accounts

Independent auditor

Although not applicable to Cohort plc the Audit Committee has considered the Financial Reporting Council's published standard on Audit Committees and External Audit Minimum Standard This is considered good practice and where appropriate the Cohort plc Audit Committee has followed the responsibilities outlined in this standard, specifically

The independent auditor liaises with the Audit Committee regarding work to be undertaken and complies with the Ethical Standards for Auditors issued by the Financial Reporting Council Prior to commencing its audit work, the independent auditor confirmed in writing the nature of any non-audit work carried out on behalf of the Group and the safeguards in place to ensure its independence and objectivity Any in-year proposals for non-audit work are subject to prior approval by the Audit Committee The Audit Committee has assessed the independence of the auditor in light of safeguards in place, non-audit work performed and tenure of senior audit staff and is satisfied that the auditor remains independent

The independent auditor presented its audit plan to the Audit Committee prior to the Audit Committee meeting held in March 2026 The plan was reviewed and approved at that meeting with specific areas of focus by the independent auditor discussed in detail for the ensuing audit

The independent auditor (RSM UK Audit LLP) was appointed in November 2019

The analysis of RSM UK Audit LLP (2025 RSM UK Audit LLP) remuneration is shown in the table below

Auditor's remuneration

This table has been audited

	2026 £'000	2025 £'000
Fees payable to the Company's auditor for the audit of the Company and consolidated accounts	189	200
Fees payable for the audit of the Company's subsidiaries	589	571
Total audit fees	778	771
Interim review fee	106	81
Agreed upon proceedures	2	-
Total non-audit fees	108	81
Total fees paid to auditor and its associates	886	852
Charged to profit for the year	886	852

Fees payable to RSM UK Audit LLP and its associates for non-audit services to the Company are not required to be disclosed because the consolidated financial statements are required to disclose such fees on a consolidated basis only

Peter Lynas
Chair of the Audit Committee

Nomination Committee report



Nick Prest CBE
Chairman

Nomination Committee members
Edward Lowe
Peter Lynas
Beatrice Nicholas

NUMBER OF MEETINGS
1

ATTENDANCE
100%

Key responsibilities

The Committee is appointed by the Board and its Terms of Reference are available on the Company's website (cohortplc com) The Committee meets as required, there was one meeting held in the reporting year In addition to our formal meeting, the members of the Nomination Committee discussed the various matters for which the Committee is responsible in the course of other meetings and undertook work to support the Executive Directors

The key responsibilities of the Committee are

- to review regularly the structure size and composition of the Board (including the skills, knowledge, experience and diversity of the Board) and to make recommendations to the Board with regard to any changes,
- to keep the leadership needs of the organisation under review, including succession planning, in relation to both executives and non-executives with a view to ensuring the continued ability of the organisation to compete effectively in the market place,
- to be responsible for identifying and nominating for the approval of the Board candidates to fill Board vacancies as and when they arise and
- to undertake any work requested by the Board or Chief Executive to select or approve appointments below Board level

Activities during the year

The Committee's main activities have been

- reviewing the composition of the Board,
- approving a detailed candidate specification for the appointment of the Chief Operating Officer,
- reviewing the Board succession planning,
- considering the performance of the Board over the course of the financial year and
- reviewing the process for the appointment of subsidiary Managing Directors

Members of the Committee also interviewed and approved the appointment of Chris Axcell, the new Chief Operating Officer and Andy Smith the new Managing Director of Chess

Board evaluation

Having considered the Board's performance, skills and experience the Nomination Committee did not consider it necessary to commission an externally facilitated Board review this year, the last such review having been conducted in 2022

Re-appointment of Directors

In line with principle 6 of the 2023 QCA Code all Cohort Directors will continue to offer themselves for annual election by shareholders at the 2026 AGM The Board has considered the performance and commitment to the role of each of the Directors and recommends their re-election to the Board on the basis that their contribution is, and continues to be, important to the Company's long term sustainable success

Nick Prest CBE
Chair of the Nomination Committee

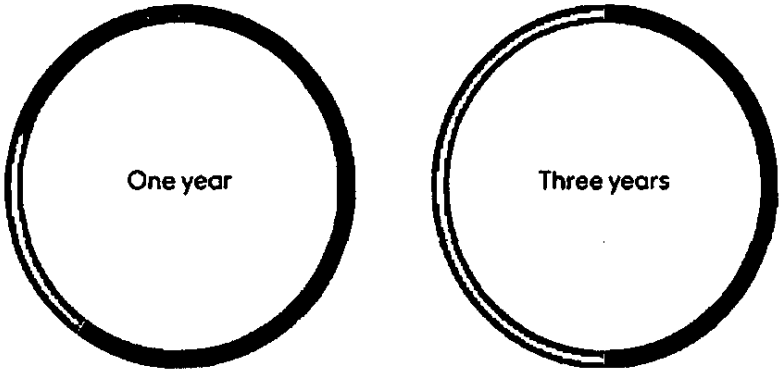
Remuneration at a glance

The components of remuneration for the Executive Directors

Fixed pay

- Base salary
- Benefits
- Pension/Retirement allowance

Variable pay



Annual Bonus metrics

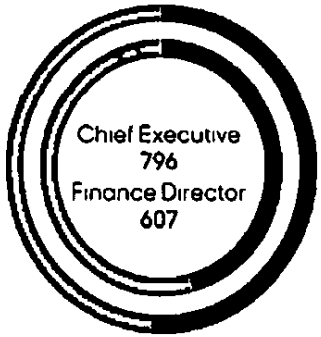
Full-year adjusted EBIT	15%
Half-year adjusted EBIT	5%
Operating cash flow	5%
Total	25% salary

LTIP metrics

Organic growth	62.5%
Total growth	62.5%
Total	125%

Link to further reading / Page 70-71

The single figure of remuneration for the Executive Directors (in £'000)



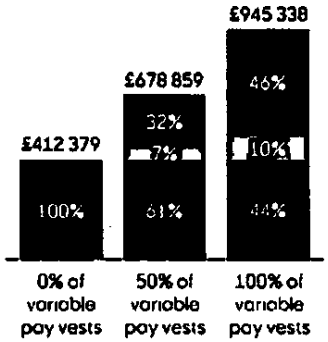
Chief Executive and Finance Director

Total fixed	49%
Total variable	51%
Salary	46%
Long term incentive plan	48%
Pension	3%
Annual bonus	3%

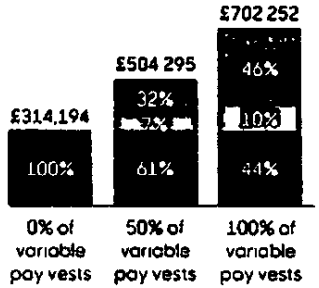
The potential remuneration of the Executive Directors

The charts below illustrate how the application of the remuneration policy would apply for the directors at three different earning targets Salary only with no bonus or LTIP achieved at a 50% achievement for bonus and LTIP and a 100% achievement of bonus and LTIP targets

Chief Executive



Finance Director



- Salary benefits and retirement allowance
- In-year performance bonus
- Long term performance award

Remuneration Committee report



Edward Lowe
Independent Non-executive Director

Remuneration Committee members
Peter Lynas
Beatrice Nicholas
Nick Prest CBE

NUMBER OF MEETINGS
2

ATTENDANCE
100%

I am pleased to present the Remuneration Committee report for the year ended 30 April 2026

This report is split into three sections

this annual letter summarising the work of the Committee in 2025/26,

a statement of the current Directors Remuneration Policy (the Policy), including the Long Term Incentive Plan (LTIP), and

the annual report on remuneration, providing details of remuneration earned by Executive Directors and Non-executive Directors in the year ended 30 April 2026

Executive Directors' Remuneration Policy

The current policy for the LTIP was implemented in 2021/22 and the third award under the policy will vest in August 2026 based on performance over the three-year period ended 30 April 2026 (as reported) The award will vest, partly in cash and partly in shares

The Committee believes that the Policy has supported long term value creation for our shareholders and has focused the Executive Directors to deliver the Group's long term strategy alongside strong financial and operational performance In line with QCA guidance, we have decided that both the remuneration policy and this report will be put to an advisory vote at the 2026 AGM

The remuneration of the Group's key executives including the subsidiary Managing Directors is structured similarly to that of the Executive Directors

Performance-related pay

The current reporting year (2025/26) has again seen a record trading performance and another strong year of order intake, laying a good foundation for 2026/27 and beyond

The Group's financial performance for the reporting year resulted in a cash in-year bonus for the Executive Directors of 7 5% of salary (maximum pay out being 25% of salary) and 125% of base salary under the LTIP (maximum level being 125% of base salary at the time of award)

The Committee considered that the calculated level of award was an appropriate and merited outcome considering the Group's strong overall performance

Employee share schemes

The Committee is keen to promote the involvement of the Group's employees in the long term success of the Group and is pleased to see continuing interest by UK employees in the Share Incentive Plan (SIP) and the Save As You Earn (SAYE) schemes

As reported last year, the Company has introduced a Restricted Share Plan in addition to, or as an alternative to the Company Share Option Plan (CSOP) to provide better incentivisation and retention for key employees

Outlook for 2026/27

The Committee continues to ensure that executive remuneration is in line with best practice and appropriately incentivises the Executive Directors over the long term to deliver the Cohort strategy For this year, the Committee has decided to award a 3 9% increase in basic salary to the Executive Directors from 1 May 2026, in line with awards made to other senior staff The Committee has also reviewed the Company's contribution to the Executive Directors retirement allowance and is adjusting this from 5 5 to 7% to be in line with the market and other Cohort plc employees All other aspects of the Remuneration Policy are unchanged from last year, but the Committee is considering making some changes to the in-year bonus arrangements and will seek shareholder support for any such changes at the 2026 AGM

The Chairman and Non-executive Directors' fees were last reviewed in 2021 and, following a benchmarking exercise, were increased as detailed within the report

I would like to thank shareholders for their support over the last year

Edward Lowe
Chair of the Remuneration Committee

Remuneration Committee report continued

Cohort plc Executive Directors' Remuneration Policy

Base salary

Purpose: To provide competitive fixed remuneration to attract, motivate and retain Executive Directors of a calibre required to deliver growth for the business.

Operation	Maximum potential value	Performance measure and target
Reviewed annually with changes taking effect from 1 May each year	No prescribed maximum salary or maximum increase in salary. Salaries are market competitive to retain skilled executive talent and attract new talent as required Any percentage increases are awarded having given consideration to those awarded across the wider workforce	Not applicable

Benefits

Purpose: As above

Operation	Maximum potential value	Performance measure and target
Executive Directors are entitled to benefits such as private health insurance, income protection and life assurance Executive Directors are eligible to participate in any all-employee share plan operated by the Company, on the same terms as other eligible employees	A maximum is not pre-determined Insurance cover is based on market rates The maximum level of participation in all-employee share plans is subject to the limits imposed by HMRC	Not applicable

Retirement allowance

Purpose: To reward sustained contribution by providing retirement benefits

Operation	Maximum potential value	Performance measure and target
The Company pays a retirement allowance in lieu of pension contributions. Where this is operated via salary exchange, the Company passes on the *employer's National Insurance saving of 15% of the* exchanged salary back to the Executive Director as additional retirement allowance, in line with its general workforce practices	For Cohort Executive Directors the retirement allowance was set at 5.5% of basic salary for 2025/26 but has been increased to 7% from 1 May 2026 in line with all Cohort *plc employees' National Insurance saving on allowance* delivered via salary exchange is set at 15% (2025: 15%) of the salary exchanged	Not applicable

Remuneration Committee report continued

Cohort plc Executive Directors' Remuneration Policy continued

In-year performance bonus

Purpose: To reward the achievement of annual financial business performance targets which support the strategic direction of the business

Operation	Maximum potential value	Performance measure and target
Paid annually in cash based on annual performance against targets set and assessed by, the Remuneration Committee 0% to 15% of salary payable based on full-year adjusted operating profit performance against budget calculated as follows Zero if performance is below 100% of budget 5% if performance matches budget Linear increase from 0% to 10% as performance goes from 100% to 115% of budget Plus 0% or 5% of salary based on half-year adjusted operating profit performance against budget calculated as follows Zero if half-year adjusted operating profit performance is below half-year budgeted performance 5% if half-year adjusted operating profit performance exceeds half-year budgeted performance, and full-year adjusted operating profit performance exceeds budgeted full-year adjusted operating profit performance Plus 0% or 5% of salary payable based on full-year operating cash flow performance against budget calculated as follows Zero if performance is below budget 5% if performance is at, or exceeds budget Malus and clawback provisions apply	25% of base salary	Actual performance compared to budget for the financial year for adjusted operating profit and operating cash flow (both excluding the impact of any in-year acquisitions and disposals) Both adjusted operating profit and operating cash flow shall be calculated after deducting the costs of all bonus payments including the cost of long term performance awards Financial measures determine 100% of the bonus calculation The Committee has discretion to adjust the awards if it considers that the calculated numbers are out of line with the underlying performance of the Company or the executive, or in other exceptional circumstances Furthermore, the Committee is considering some changes to the in-year performance bonus to increase its effectiveness and will seek shareholder approval for any such changes at the 2026 AGM

Remuneration Committee report continued

Cohort plc Executive Directors' Remuneration Policy continued

Long Term Incentive Plan (LTIP)

Purpose: Designed to align Executive Directors' interests with our strategic objectives to deliver long term growth in shareholder value, through the consideration of sustainable organic growth and growth from the acquisition of companies that fit well into our strategic objectives

Operation:

Annual award based on the future annualised profit growth of the Group over a three-year performance, 50% based on organic growth and 50% based on total growth An additional two-year holding period applies after the end of the three-year vesting period

Up to 125% of basic salary split
- one-third as a cash bonus, and
- two-thirds as performance shares

Awards will vest subject to the performance criteria set out above and following audit clearance of the Group accounts in the relevant third year Executive Directors are required to hold any shares arising from the vesting of their award, net of any shares sold to meet personal tax and social security obligations for a period of two years from the vesting date An overall reward period of five years

Malus and clawback provisions apply

Maximum potential value

Cash and performance shares valued at up to 125% of basic salary for the base year The shares element is awarded as the number of shares based on the average mid-market share price of Cohort plc shares for the five business days prior to the award under this scheme

Performance measure and target

Compound annualised growth rate per share[1] in adjusted profit before interest and tax (after excluding non-controlling interests) between the base year and the vesting year three years later

For the avoidance of doubt, amortisation of other intangible items, marking forward exchange contracts to market at the period-end and such exceptional items as the Committee, in its absolute discretion, decides shall be excluded from the calculation

The calculation of awards under this scheme will be disclosed in Remuneration Committee reports as awards vest

Share ownership levels

Purpose: To increase alignment between Executives and shareholders

Operation.

Executive Directors are encouraged to build a holding of shares in the Company during their tenure with the Company The Committee keeps the level of the Executive Directors' shareholding under review

Sale of shares in the Company by an Executive Director is only allowed with the approval of the Chairman of the Board

Maximum potential value

Levels were set for 2021 onwards

Performance measure and target.

Chief Executive at 200% of salary

Finance Director and Chief Operating Officer at 150% of salary

Subsidiary Managing Directors at 100% of salary

1 Being the weighted average number of Cohort plc shares in issue

Remuneration Committee report continued

Cohort plc Executive Directors' Remuneration Policy continued

Chairman and Non-executive Directors' fees

Purpose: To provide compensation in line with the demands of the roles at a level that attracts high-calibre individuals and reflects their experience and knowledge

Operation	Maximum potential value	Performance measure and target
A base fee for Chairman and Non-executive Directors Reviewed periodically The Company reimburses any reasonable expenses that a Non-executive Director incurs to carry out their duties as a Director, including travel, hospitality-related and other modest benefits, if appropriate If there is a temporary material increase in the time commitments for Non-executive Directors, the Board may pay extra fees to recognise the additional workload Non-executive Directors are not entitled to any bonuses or share options Non-executive Directors are entitled to participate in the Company private health insurance scheme at their own expense	No maximum Fees are set taking into account internal benchmarks, such as the salary increase for the general workforce and external benchmarks of fees paid by companies of a similar size and complexity	Not applicable

Discretion under the LTIP rules

Under the rules of the LTIP the Committee may, at its discretion, adjust the level of vesting of an award upwards or downwards (including to nil) if the Committee determines that the vesting outcome

is not a fair and accurate reflection of the Group's underlying financial or non-financial performance,

is not a fair and accurate reflection of the relevant individual's personal performance, or

exceptional circumstances exist which justify a variation

Malus and clawback

Both the annual in-year performance bonus and the LTIP awards are subject to malus and clawback provisions covering two years

Reasons for malus and clawback being applied may include

a financial misstatement in the accounts of any Group entity,

an error, inaccuracy or misleading information that affects the award,

conduct that causes, or risks causing, reputational or financial harm, or which would justify dismissal, or

a determination of corporate failure or significant risk management failure attributable to the relevant individual

Remuneration Committee report continued

Shareholder consultation

The Committee's policy is to consult with major shareholders in respect of significant decisions on Executive Director remuneration

The Chair of the Remuneration Committee is available to investors regarding the Company s approach to remuneration and attends the AGM This Remuneration report and the Remuneration Policy will be put to advisory votes at the upcoming AGM in 2026

Executive Directors' service contracts and payments for loss of office

Executive Directors have rolling service contracts with a fixed period of 6 months' notice of termination This changes to 12 months' notice in the event of losing office following a change of control arising as a result of any person or persons acquiring more than 50% of the voting rights at a general meeting of the Company The rules of each of the applicable schemes set out leaver provisions which would be taken into consideration by the Committee in the event that an Executive Director left the Company

Non-executive Directors' letters of appointment

Non-executive Directors do not have service contracts, instead, they hold letters of appointment with a three-month notice period

Base pay and benefits for Directors in 2027

Executive Directors were awarded an increase in salary from 1 May 2026 of 3 9% in line with workplace increases They also received an increase in retirement allowance from 5 5% to 7% of base salary

From 1 May 2026 fees for Non-executive Directors will increase to £140 000 for the Chairman, £57,000 base fee for other Non-executive Directors and an additional £9,000 for Committee chairs

Performance incentive outcomes for Executive Directors in 2026

The in-year performance achieved resulted in 7 46% of salary being awarded as an in-year bonus for the year ended 30 April 2026 (22% for the year ended 30 April 2025)

The performance of the LTIP vesting based on the results of the three-year period ended 30 April 2026 has resulted in a cash and share bonus payment of 100% of the maximum possible, (2025 100% of the maximum possible) The maximum possible award is 125% of base salary on the date of grant These were approved at the Committee meeting on 8 July 2025 and will be awarded in August 2026

Ordinary shares under option outstanding at 30 April 2026 were as shown in Table 2 on page 75 No share options were awarded in 2026 or 2025 The average mid-market price of Cohort plc 10 pence ordinary shares for the year ended 30 April 2026 was 1,299 5 pence (2025 975 1 pence) the lowest and highest market prices in the year were 897 0 pence and 1 748 0 pence respectively

Malus and clawback applies (see page 70 and 71)

LTIP targets applicable to Group executives are as follows

	August 2023 LTIP award (vesting 2026)	August 2024 LTIP award (vesting 2027)	August 2025 LTIP award (vesting 2028)	August 2026 LTIP award (vesting 2029)
Vesting conditions				
- Up to 50% based on organic CAGR over 3 years between	3% to 8%	3% to 8%	3% to 8%	3% to 8%
- Up to 50% based on total CAGR over 3 years between	3% to 13%	3% to 13%	3% to 13%	3% to 13%
Vesting conditions attained				
- 50% based on organic CAGR over 3 years	11 84%			
- 50% based on total CAGR over 3 years	18 78%			

Annual report on remuneration

Table 1 Directors' remuneration

This table has been audited

	Salary 2026 £	In-year cash bonus 2026	Long term cash bonus 2026 £	Performance share awards 2026 £	Benefits in kind 2026 £	Retirement allowance 2026 £	Emoluments 2026 £	Pension contributions 2026 £	Total 2026 £
Executive Directors									
A Thomis	367,500	27 423	125,802	251,604	2,521	20,213	795,063	1,304	796,367
S Walther	273,000	20,371	98,313	196,625	2,440	15,015	605,764	1,304	607,068
Non-executive Directors									
N Prest	115,000	-	-	-	-	-	115 000	-	115,000
E Lowe[1]	62,500	-	-	-	-	-	62,500	-	62,500
B Nicholas[2]	51,500	-	-	-	-	-	51,500	-	51,500
P Lynas	55,000	-	-	-	-	-	55,000	-	55,000
Total	924,500	47,794	224,115	448,229	4,961	35,228	1 684,826	2,609	1,687,435

1 E Lowe receives an additional £7 500 per annum for consulting on the Italian sonar project

2 B Nicholas receives an additional £4 000 per annum for chairing the Climate Impact Forum From 1 May 2026 this will increase to £5 000

Non-executive Directors each received a base fee of £47,500, and an additional £7,500 as Chair of a Committee For comparison the same information is provided below for the year ended 2025

	Salary 2025 £	In-year cash bonus 2025 £	Long term cash bonus 2025 £	Performance share awards 2025 £	Benefits in kind 2025 £	Retirement allowance 2025 £	Emoluments 2025 £	Pension contributions 2025 £	Total 2025 £
Executive Directors									
A Thomis	350,000	77493	118,125	236,250	2,355	14,000	798,223	909	799,132
S Walther	260,000	57,566	92,292	184,583	2,355	10 400	607,196	909	608,105
Non-executive Directors									
N Prest	115,000	-	-	-	-	-	115,000	-	115,000
E Lowe	62,500	-	-	-	-	-	62,500	-	62 500
B Nicholas	51 500	-	-	-	-	-	51,500	-	51,500
P Lynas	52,019	-	-	-	-	-	52,019	-	52,019
Total	891 019	135 059	210,417	420,833	4,710	24 400	1,686,438	1 818	1,688,256

Annual report on remuneration continued

Table 2 Directors share options

	At 1 May 2025 Number	Granted Number	Exercised Number	Lapsed/ forfeited Number	At 30 April 2026 Number	Date of grant	Date from which option can be exercised	Exercise period Years
A Thomis								
Cohort plc 2016 share option scheme (unapproved)								
- Option price of £6 200 per share	8,411	-	-	-	8,411	28 Aug 2020	29 Aug 2023	7
- Option price of £5 390 per share	9 675	-	-	-	9,675	16 Aug 2021	16 Aug 2024	7
Save As You Earn (SAYE) scheme								
- Option price of £3 870 per share	2 176	-	-	-	2,176	28 Sep 2023	1 Nov 2025	
- Option price of £6 990 per share	1,369	-	-	-	1,369	19 Sep 2024	1 Nov 2027	
	21,631	-	-	-	21,631			

	At 1 May 2025 Number	Granted Number	Exercised Number	Lapsed/ forfeited Number	At 30 April 2026 Number	Date of grant	Date from which option can be exercised	Exercise period Years
S Walther								
Cohort plc 2016 share option scheme (approved)								
- Option price of £3 900 per share	307	-	-	-	307	10 Aug 2018	11 Aug 2021	7
- Option price of £6 200 per share	4,645	-	-	-	4,645	28 Aug 2020	29 Aug 2023	7
Cohort plc 2016 share option scheme (unapproved)								
- Option price of £3 900 per share	7,397	-	-	-	7,397	10 Aug 2018	11 Aug 2021	7
- Option price of £4 875 per share	5,922	-	-	-	5,922	28 Aug 2019	29 Aug 2022	7
- Option price of £6 200 per share	1 936	-	-	-	1,936	28 Aug 2020	29 Aug 2023	7
- Option price of £5 390 per share	7,569	-	-	-	7,569	16 Aug 2021	16 Aug 2024	7
Save As You Earn (SAYE) scheme								
- Option price of £5 320 per share	1 015	-	1 015	-	-	5 Sep 2022	1 Oct 2025	
- Option price of £3 870 per share	1,665	-	-	-	1,665	28 Sep 2023	1 Nov 2026	
- Option price of £6 990 per share	880	-	-	-	880	19 Sep 2024	1 Nov 2027	
- Option price of £9 632 per share	-	560	-	-	560	19 Sep 2025	1 Nov 2028	
	31,336	-	-	-	30,881			

There are no future performance conditions applying to any of the share option schemes above The price paid for all share options in the above schemes was nil pence

Annual report on remuneration continued

Directors' interests in the equity of Cohort plc

	At 30 April 2026 Number of 10p ordinary shares	At 30 April 2025 Number of 10p ordinary shares
N Prest CBE	1,441,738	1 791 738
A Thomis	188,939	264,224
S Walther	152,642	242,220
P Lynas	15,000	15 000

The Directors in office during the year under review and their interests in the equity of the Company are shown in the table above

The changes in the Executive Directors equity interests in the Company between 30 April 2025 and 30 April 2026 are analysed as follows

	A Thomis	S Walther
At 30 April 2025	264,224	242 220
Shares awarded under the Long Term Incentive Plan	24,405	19,065
Shares sold	(100,102)	(110,000)
Shares acquired under SAYE	-	1,015
Shares acquired under Cohort plc Share Incentive Plan	189	189
Automatic dividend reinvestment in shares (within an ISA and/or a SIPP)	227	153
Shares sold on transfer to ISA	(4)	-
At 30 April 2026	188,939	152,642

The executives' shareholdings at 30 April 2026 represent 627% of Andrew Thomis and 682% of Simon Walther's annual salaries respectively (at 30 April 2025 the respective levels were 1,034% and 1,276%) and are based upon the market price of Cohort plc shares at those respective dates £12 20 at 30 April 2026 and £13 70 at 30 April 2025 These levels exceed shareholding targets set by the Remuneration Committee

Of the above shareholdings at 30 April 2026, 2,184 (2025 5 064) of Andrew Thomis' and 1 707 (2025 3 959) of Simon Walther's are held on trust by the EBT as part of the closed Restricted Share Scheme and do not receive a dividend These shares will vest in the next year in accordance with the rules of the scheme

Both Andrew Thomis and Simon Walther have participated in the Cohort plc Share Incentive Plan (SIP) which was launched on 1 September 2018 As at 30 April 2026, contributions were made by each in the reporting year of £1,050 This would convert to 86 Cohort plc ordinary shares as at 30 April 2026 based on the closing share price of 1,220 0 pence per share On 15 October 2025, contributions of £1 800 each were converted to 189 ordinary shares each at 950 0 pence per share In addition, the SIP partnership shares are matched on a 1 1 basis for all participants

The terms of the Cohort plc SIP are set out in note 20

The aggregate amount of gains made by the Directors as a result of exercising share options during the year was £8,465 (2025 £106,484)

Chief Executive remuneration as a multiple of the average remuneration of all employees

	2022	2023	2024	2025	2026
Salary	5 59	5 63	5 95	7 11	6 47
Total remuneration	7 89	8 38	7 23	15 20	11 23

Salary includes benefits in kind and retirement allowance Total remuneration includes all bonuses

Relative spend on pay

The following table shows actual expenditure of the Group on remuneration of all employees compared with distributions to shareholders and profit retained

	Number of permanent employees as at 30 April	Total remuneration expenditure £000	Other expenditure as a percentage of total remuneration: Dividends paid to shareholders £000	%	Profit retained £000	%
2026	1,719	116,053	7,703	7	24,826	21
2025	1,619	93,443	6 476	7	9,666	10
2024	1,309	78,138	5,598	7	11 158	14
2023	1,132	65,682	5,124	8	9,808	15
2022	1,050	59,764	4,684	8	5,308	9

The total shareholder return performance graph is shown in the Corporate governance report on page 59

Directors' report

Introduction

The Directors present their report and the audited Group financial statements of Cohort plc for the year ended 30 April 2026 Cohort plc is a company incorporated in and operating from England Its registered address is One Waterside Drive, Arlington Business Park, Theale Reading RG7 4SW

Certain information required for disclosure in this report is provided in other appropriate sections of the Annual Report and Accounts, accordingly, the following sections of the Annual Report and Accounts are incorporated into this Directors' report by reference

- Strategic report
- Corporate governance report
- Audit Committee report
- Remuneration Committee report
- The financial statements together with the notes to those financial statements

Principal activities

The principal activity of the Company is that of a holding company The principal activities of the Group are described in our Operating review The Company s subsidiary undertakings, including those located outside the UK, are listed in note 11 of the financial statements within their respective reporting segments

Dividends

The Directors recommend a final dividend of 12 10 pence (2025 11 05 pence) per 10 pence ordinary share which subject to shareholder approval, is due to be paid on 2 October 2026 to ordinary shareholders on the register on 21 August 2026 Together with the interim dividend of 5 80 pence paid on 17 February 2026, the full dividend for the year will be 17 90 pence (2025 16 30 pence) an increase of 10% over last year

Directors and their interests

Brief biographies of the current Directors are set out on pages 56 and 57 (Board of Directors) All current members of the Board were in office throughout the year and up to the date of signing these accounts Details of the Directors' interests in the equity of the Company and of the share awards that have been granted to the Executive Directors are disclosed in the Remuneration Committee report

The Group maintains appropriate insurance cover in respect of legal actions against the Directors, as well as against material loss or claims against the Group and reviews the adequacy of the cover regularly

The Company has made qualifying third-party indemnity provisions for the benefit of its Directors during the reporting period and these remain in force at the date of this report

The Company's rules about the appointment and replacement of Directors together with the powers of Directors are contained in the Articles of Association (the Articles) (available on the Company's website www cohortplc com) Changes to the Articles must be approved by special resolution of the shareholders A copy of the matters reserved for the Board is available on the Company's website (www cohortplc com)

Going concern

The Group s financial statements have been prepared on the going concern basis

As highlighted in note 15 to the financial statements, the Company meets its day-to-day working capital requirements through a new facility signed in April 2026 out to April 2031 As mentioned elsewhere the re-prioritisation of defence spending within Europe and further afield in the Group's export markets are driving increased demand for the Group's products and the Group is well positioned for future growth

The Company s forecasts and projections, taking account of reasonably possible changes in trading performance, and its order book extending out to the mid-2030s show that the Company should be able to operate within the level of its current facility

The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future Thus, they continue to adopt the going concern basis in preparing the annual financial statements

Information in respect of the Directors of the Company

Disclosure	Report	Relevant content
Directors who served throughout the year	Remuneration Committee report	Page 74
Directors' re-election	Nomination Committee report	Page 66
Directors biographies	Board of Directors	Page 56-57
Directors' interests	Remuneration Committee report	Page 76
Directors' share options	Remuneration Committee report	Page 75

Directors' report continued

Capital structure

Details of the issued share capital, together with details of the movements in the Company's issued share capital during the year are shown in note 19 The Company has one class of ordinary shares, each of which carries no right to fixed income Each share carries the right to one vote at general meetings of the Company

There are no specific restrictions on the size of a holding nor on the transfer of shares, which are both governed by the general provisions of the Articles and prevailing legislation The Directors are not aware of any agreements between holders of the Company s shares that may result in restrictions on the transfer of securities or on voting rights

Subject to the provisions of the Company s Articles and the Companies Act 2006 at a general meeting of the Company, the Directors may request authority to allot shares and the power to disapply pre-emption rights and the authority for the Company to purchase its own ordinary shares in the market The Board requests such authority at each AGM Details of the authorities to be sought at the AGM on 24 September 2026 are set out in the Notice of Annual General Meeting

Details of employee share schemes are set out in note 20 The Trustee of the Cohort Employee Benefit Trust (EBT) (see note 21) abstains from voting on the Company's shares held on trust and these shares do not receive any dividend

At 30 April 2026, the EBT held 1 025 697 Cohort plc ordinary shares, 2 18% of the issued share capital (2025 1,215 927 2 60%) The maximum number of shares held at any time in the year ended 30 April 2026 was 1,215,927 (2 60%) of the issued share capital at that time Shares in Cohort plc are acquired and disposed of by the EBT for the purposes of satisfying employee share options, Share Incentive Plan, Restricted Share Plan, Restricted Share Scheme and the Long Term Incentive Plan details of which are shown in note 20

No person has any special rights of control over the Company's share capital and all issued shares are fully paid

Under its Articles the Company has authority to issue up to half of its issued shares as new ordinary shares This approximates to 23 5 million shares at 30 April 2026

Change of control

There are a number of agreements entered into in the normal course of business by the Company or by its subsidiaries that may take effect, alter or terminate upon a change of control of the Company or the relevant subsidiary including commercial contracts, the Group's banking facility agreement, property lease arrangements, and employee share plans In addition, the National Security and Investment Act 2021 provides the UK Government with powers to scrutinise and potentially make void transactions in the defence and other sectors on the grounds of national security

Table 2 Significant shareholdings and voting rights

As at 30 June 2026 the following interests of shareholders in excess of 3% have been notified to the Company

	Percentage of voting rights and issued share capital %	Number of ordinary shares	Nature of holding
S Carter	19 19	9,025,884	Direct
Canaccord Genuity Wealth Management	5 43	2 555,551	Direct
Octopus Investments	5 39	2,535,920	Direct
Rathbone investment Management	5 15	2,423,142	Direct
Schroders Investment Management	3 28	1,543,000	Direct
N Prest	3 06	1,441,738	Direct
JP Morgan Asset Management	3 04	1,431,738	Direct

The following agreements are those individual agreements which the Company considers to be significant to the Group as a whole that contain provisions giving the other party a specific right to terminate them if the Company is subject to a change of control

- SEA s contract with the UK s Ministry of Defence to provide Electronic Warfare Countermeasures Increment 1a (EWCM 1a) to the Royal Navy entered into in March 2024 Termination of this contract would also have an impact on Chess, which is supplying technology and hardware,
- ELAC SONAR's contracts to provide the sonar system for a new build submarine programme for the Italian Navy entered into in July 2021 with a follow-on contract awarded in December 2023, and
- EM Solution's contracts for SATCOM systems with the Royal Australian Navy and its NATO customers

In addition there are contracts across the Group entered into with the same customer(s) that are not considered to be significant to the Group on their own, however if upon a change of control, such a customer decided to terminate all of its agreements with Group companies, the aggregate impact could be material

The Directors are not aware of any agreements between the Company and its Directors or employees that provide for compensation for loss of office or employment that occurs because of a takeover bid other than those disclosed in the Remuneration Committee report and the Company Secretary

Directors' report continued

Donations

During the year ended 30 April 2026, the Group made charitable donations of £30 000 (2025 £38,000), mainly in respect of military and local charities The Group made no political donations during the year (2025 £nil)

Environment

The Company is required to disclose its UK energy use and associated greenhouse gas emissions (GHG) under the Streamlined Energy and Carbon Reporting (SECR) Regulations Details of our report and any measures taken to increase energy efficiency are set out in our Sustainability report This is the fifth year that the Company has undertaken a GHG emissions assessment to comply with SECR Cohort is building on the disclosures previously made on Climate-related Financial Disclosures by making a disclosure in accordance with the Companies (Strategic Report) (Climate-related Financial Disclosures) Regulations 2022 (CFD) This is included in our Strategic report

Provision of information to the auditor

The Directors who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditor is unaware Each of the Directors has confirmed that they have taken all the steps they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor

Approved by the Board of Directors on 14 July 2026 and signed by order of the Board

Raquel McGrath
Company Secretary

Raquel McGrath

14/07/26

Statement of Directors' responsibilities

The Directors are responsible for preparing the Strategic report, the Directors' report and the financial statements in accordance with applicable law and regulations

Company law requires the Directors to prepare Group and Company financial statements for each financial year The Directors have elected under company law and the AIM Rules of the London Stock Exchange to prepare Group financial statements in accordance with UK adopted International Accounting Standards (IFRS) and have elected under company law to prepare the Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) including FRS 101 Reduced Disclosure Framework'

The Group financial statements are required by law and accounting standards in conformity with the requirements of the Companies Act 2006 to present fairly the financial position and performance of the Group The Companies Act 2006 provides in relation to such financial statements that references in the relevant part of the Act to financial statements giving a true and fair view are references to their achieving a fair presentation

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the Company and of the profit or loss of the Group for that period In preparing each of the Group and Company financial statements, the Directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- for the Group financial statements, state whether they have been prepared in accordance with UK adopted International Accounting Standards (IFRS)
- for the Company financial statements state whether applicable UK accounting standards have been followed subject to any material departures disclosed and explained in the Company financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and the Company will continue in business

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's and the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and the Company and enable them to ensure that the financial statements comply with the requirements of the Companies Act 2006

They are also responsible for safeguarding the assets of the Group and the Company, and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Cohort plc website

Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions

The Strategic report and the Statement of Directors' responsibilities are approved on behalf of the Board on 14 July 2026

Andrew Thomis
Chief Executive

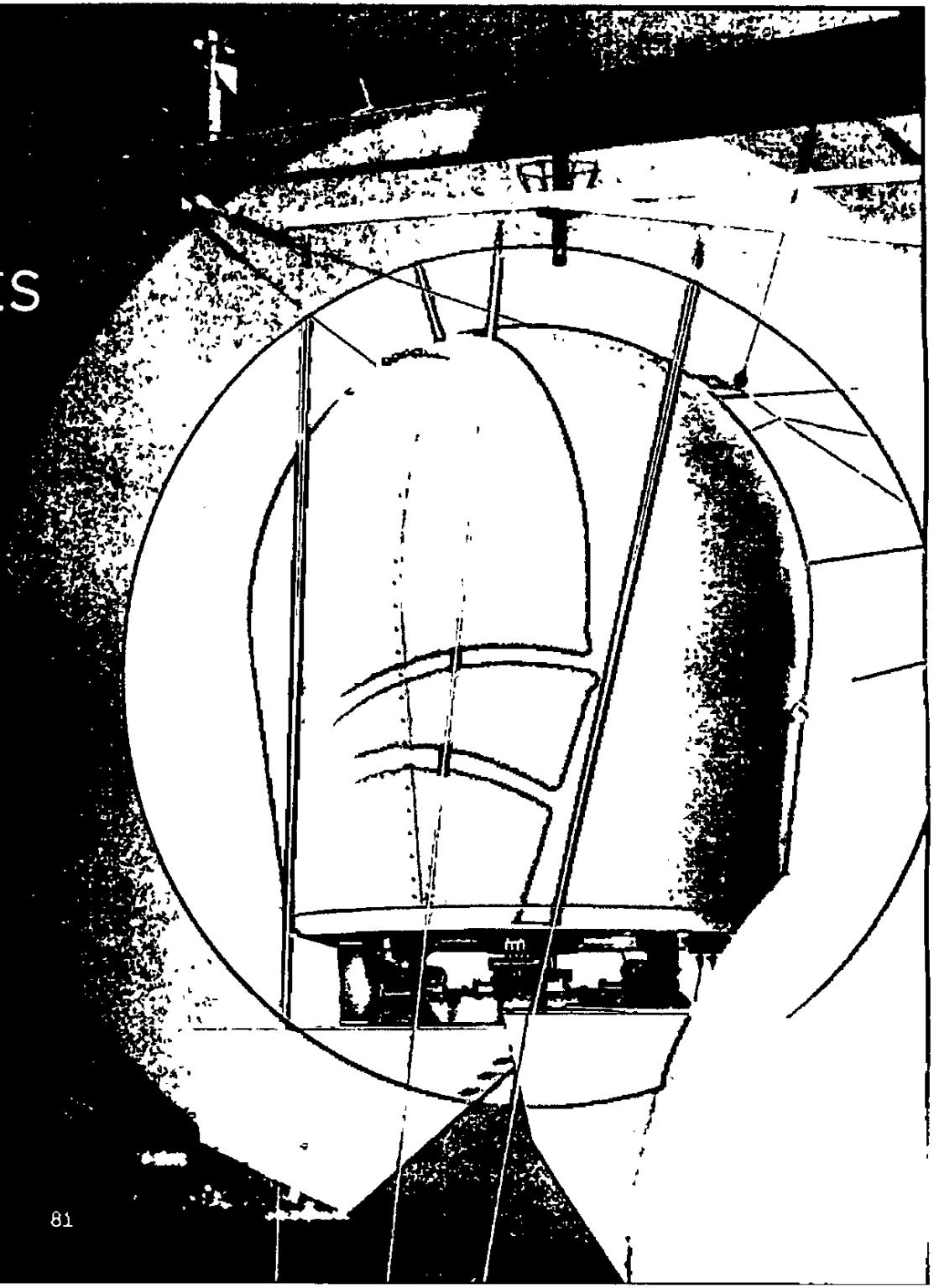
14/07/26

Simon Walther
Finance Director

14/07/26

Financial Statements

82 Independent auditor's report
88 Consolidated income statement
89 Consolidated statement of comprehensive income
90 Consolidated statement of changes in equity
91 Company statement of changes in equity
92 Consolidated and Company statement of financial position
93 Consolidated cash flow statement
94 Notes to the financial statements
126 Accounting policies
135 Notes to the accounting policies
136 Five-year record
137 Glossary of terms
138 Shareholder information, financial calendar and advisers



Independent auditor's report
to the members of Cohort plc

Opinion

We have audited the financial statements of Cohort plc (the 'parent company') and its subsidiaries (the 'group') for the year ended 30 April 2026 which comprise the Consolidated income statement Consolidated statement of comprehensive income Consolidated statement of changes in equity Company statement of changes in equity, Consolidated and Company statement of financial position, Consolidated cash flow statement and notes to the financial statements, including significant accounting policies The financial reporting framework that has been applied in the preparation of the group financial statements is applicable law and UK-adopted International Accounting Standards The financial reporting framework that has been applied in the preparation of the parent company financial statements is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 Reduced Disclosure Framework' (United Kingdom Generally Accepted Accounting Practice)

In our opinion

- 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 30 April 2026 and of the group s profit for the year then ended,
- the group financial statements have been properly prepared in accordance with UK-adopted International Accounting Standards
- the parent company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law Our responsibilities under those standards are further described in the Auditor s responsibilities for the audit of the financial statements section of our report We are independent of the group and the parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC s Ethical Standard as applied to listed entities and we have fulfilled our other ethical responsibilities in accordance with these requirements We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion

Summary of our audit approach

Key audit matters	Group Revenue and margin recognition on long term contracts Goodwill impairment Parent Company Impairment of investments in subsidiaries
Materiality	Group Overall materiality £1,750,000 (2025 £1,370,000) Performance materiality £1 310 000 (2025 £1,020,000) Parent Company Overall materiality £600 000 (2025 £500,000) Performance materiality £450,000 (2025 £375 000)
Scope	Our audit procedures covered 99% of revenue, 100% of total assets and 95% of adjusted operating profit

Key audit matters

Key audit matters are those matters that, in our professional judgement were of most significance in our audit of the group and parent company financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, 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 were addressed in the context of our audit of the group and parent company financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters

Independent auditor's report continued
to the members of Cohort plc

Revenue and margin recognition on long term contracts

Key audit matter description

Revenue is recognised in the financial statements as the group satisfies its performance obligations by transferring goods and services to customers

The Group's revenue and profit recognition accounting policy is disclosed on pages 131-133 in the notes to the financial statements with related critical accounting judgements and key sources of estimation uncertainty disclosed on pages 134-135

The Group applies judgement when assessing contractual obligations as point in time (type 1) over time service (type 2) and over time (type 3)

Revenue and margin recognition has been identified as a key audit matter for ongoing type 3 contacts due to the higher level of judgement and estimation uncertainty required in recognising revenue over time as performance obligations are satisfied based on input costs and estimated costs to complete, which are used to ascertain the profit margin to be recognised

How the matter was addressed in the audit

Our work included

Attendance at year end project contract status review meetings for relevant components to understand the reporting process and the levels of challenge applied by management

Selecting a risk-based sample of ongoing type 3 contracts Our sample selection focused on the larger revenue contracts in the year together with those contracts with large contract asset or contract liability balances at the year end

For our sample of ongoing type 3 contracts we performed the following procedures

- Understanding and challenging the model of accounting and checking the mathematical accuracy of the model
- Corroborating inputs such as contract details and a sample of costs to date to supporting documentation
- Checking the appropriate classification and calculation of the year end contract asset or liability balance
- Assessing whether the contract is correctly allocated as a type 3 contract and that relevant aspects of the contract are accurately allocated to type 1 and/or type 2
- Discussing and challenging the status of projects including estimates of costs to complete and cost contingencies at meetings with project managers and/or other management within the group
- Reviewing post year end management information to assess reasonableness of year end assumptions
- Considering whether there were any indicators of management override of controls or bias in arriving at their reported position including a stand back assessment of the contract position

For a sample of type 3 contracts completed during the year performing a retrospective review to assess the accuracy of prior year management estimates

Using data analytics procedures to understand the group's sales cycle for all contract types and investigating and corroborating any outliers from our expectations

Selecting a sample of balances within contract assets and contract liabilities and performing tests of details on balances corroborating where appropriate

Reviewing and auditing the disclosures in the financial statements, including checking accuracy and considering completeness

Goodwill impairment (group) and impairment of investments in subsidiaries (parent company)

Key audit matter description

The Group has a goodwill balance of £80 9m (2025 £81 5m) which is subject to annual impairment review as described in note 9 to the financial statements with the key sources of estimation uncertainty disclosed on page 135

Management assesses goodwill for impairment using discounted cash flow ("DCF") models to estimate the value in use of the Group's cash generating units ("CGUs") and compare this to the carrying values of the CGU

The Parent Company holds investments in subsidiaries at £127 9m (2025 £129 5m) as set out in note 11 to the financial statements

The DCF models are also used to assess whether there has been any impairment in value of the investments in subsidiaries

As explained in note 9 to the financial statements, the value-in-use calculations require a number of estimates Due to the significance of these estimates and the quantum of the goodwill and investments in subsidiaries, this has been determined to be a key audit matter

Independent auditor's report continued
to the members of Cohort plc

Goodwill impairment (group) and impairment of investments in subsidiaries (parent company) continued

How the matter was addressed in the audit	Our work included Obtaining the management impairment review paper and the supporting accounting model (including sensitivity analysis) together with details of estimates and assumptions Understanding and challenging the key assumptions used by management in their impairment review Checking the mathematical accuracy of the model and corroborating inputs, where possible, to supporting documentation and checking the consistency of the model (and assumptions) with information obtained elsewhere during the audit Reviewing current year actual financial performance and comparing it to the prior year's budget to identify potential indicators of impairment and to assess the reliability of management's forecasting process Using internal valuation experts to assess the reasonableness of the discount rate applied by management in the model Challenging management's sensitivity analysis and assessing whether it is appropriate in the current economic environment Reviewing and auditing the disclosures in the financial statements, including checking accuracy and considering completeness

Our application of materiality

When establishing our overall audit strategy, we set certain thresholds which help us to determine the nature, timing and extent of our audit procedures. When evaluating whether the effects of misstatements, both individually and on the financial statements as a whole, could reasonably influence the economic decisions of the users we take into account the qualitative nature and the size of the misstatements. Based on our professional judgement, we determined materiality as follows:

	Group	Parent company
Overall materiality	£1,750,000 (2025: £1,370,000)	£600,000 (2025: £500,000)
Basis for determining overall materiality	5% (2025: 5%) of adjusted operating profit	9% of operating expenses (2025: 8% of operating expenses)
Rationale for benchmark applied	Adjusted operating profit is the key benchmark against which the business is assessed by management and investors	Operating expenses is a constituent of group adjusted operating profit so it is the key benchmark for management and investors
Performance materiality	£1,310,000 (2025: £1,020,000)	£450,000 (2025: £375,000)
Basis for determining performance materiality	75% of overall materiality	75% of overall materiality
Reporting of misstatements to the Audit Committee	Misstatements in excess of £87,500 and misstatements below that threshold that, in our view, warranted reporting on qualitative grounds	Misstatements in excess of £30,000 and misstatements below that threshold that, in our view, warranted reporting on qualitative grounds

Independent auditor's report continued
to the members of Cohort plc

An overview of the scope of our audit

The group consists of 11 components 7 of which are based in the UK 1 in Canada 1 in Portugal 1 in Germany and 1 in Australia

The coverage achieved by our audit procedures was

	Number of components	Revenue	Total assets	Adjusted operating profit
Full scope audit	8	98%	97%	95%
Specific audit procedures	2	1%	3%	-
Total	10	99%	100%	95%

Of the above, full scope audits for 3 components were undertaken by component auditors

Conclusions relating to going concern

In auditing the financial statements we have concluded that the directors use of the going concern basis of accounting in the preparation of the financial statements is appropriate Our evaluation of the directors assessment of the group's and parent company s ability to continue to adopt the going concern basis of accounting included

- obtaining an understanding of the going concern model prepared by management including the inputs and assumptions, and the review and approval process by the Board
- testing the mathematical accuracy of the model and agreement of relevant inputs to Board approved budgets and forecasts
- reviewing the Board approved budgets and forecasts for the period to 30 April 2029 and challenging key assumptions including
  - comparing forecast revenue with the Group s order book and historical performance
  - evaluating the historical accuracy of forecasts,
  - assessing the sensitivity of the available headroom on bank facilities and related covenants and the group's cash
- reviewing and challenging the going concern disclosures in the financial statements

Based on the work we have performed we have not identified any material uncertainties relating to events or conditions that individually or collectively may cast significant doubt on the group's or 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

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon The directors are responsible for the other information contained within the annual report Our opinion on the financial statements does not cover the other information and except to the extent otherwise explicitly stated in our report we do not express any form of assurance conclusion thereon

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact

We have nothing to report in this regard

Opinions on other matters prescribed by the Companies Act 2006

In our opinion based on the work undertaken in the course of the audit

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements, and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors Report

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion

- 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
- the parent company financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made or
- we have not received all the information and explanations we require for our audit

Independent auditor's report continued
to the members of Cohort plc

Responsibilities of Directors

As explained more fully in the directors responsibilities statement set out on page 80, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error

In preparing the financial statements the directors are responsible for assessing the group s and the 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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement whether due to fraud or error and to issue an auditor's report that includes our opinion Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit

In relation to fraud the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit

However it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the group audit engagement team and component auditors

- obtained an understanding of the nature of the industry and sector including the legal and regulatory frameworks that the group and parent company operates in and how the group and parent company are complying with the legal and regulatory frameworks,
- inquired of management, and those charged with governance about their own identification and assessment of the risks of irregularities, including any known actual suspected or alleged instances of fraud
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud

All relevant laws and regulations identified at a Group level and areas susceptible to fraud that could have a material effect on the financial statements were communicated to component auditors Any instances of non-compliance with laws and regulations identified and communicated by a component auditor were considered in our audit approach

The most significant laws and regulations were determined as follows

Legislation/Regulation	Additional audit procedures performed by the Group audit engagement team and component auditors included:
UK-adopted International Accounting Standards, the Companies Act 2006, Financial Reporting Standard 101 and the AIM rules	Reviewing the financial statement disclosures and testing to supporting documentation Completion of disclosure checklists to identify areas of non-compliance
Tax compliance regulations	Reviewing tax computations and related advice received from external tax advisors
Anti-bribery and corruption legislation and cyber risk and data security regulations	Discussions held with those charged with governance and enquiries of management as to whether there may have been any non-compliance with laws and regulations that may materially impact the Group

Independent auditor's report continued
to the members of Cohort plc

In addition to the key audit matters set out on the previous page, the other areas that we identified as being susceptible to material misstatement due to fraud were

Risk	Audit procedures performed by the group audit engagement team and component auditors included
Management override of controls	Testing the appropriateness of a sample of journal entries recorded in the general ledger and other adjustments made in the preparation of the financial statements Reviewing and challenging key accounting estimates and judgements and assessing whether the judgements made are indicative of a potential bias Evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business
Revenue recognition – point in time (type 1) and over time service (type 2)	Using data analytics procedures to understand the group's sales cycle for all contract types and investigating and corroborating any outliers from our expectations For a sample of transactions, in the identified cut-off period, verifying that revenue had been recognised in the correct reporting period
Acquisition of EM Solutions – measurement period adjustments	Reviewing and challenging a management prepared paper explaining the requirement and rationale for fair value measurement adjustments in connection with the EMS acquisition Checking, challenging and, where appropriate, corroborating the supporting workings and related assumptions used by management to calculate the fair value measurement adjustments Checking the related disclosures in the financial statements

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities This description forms part of our auditor's report

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed

Richard Coates

Richard Coates (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP Statutory Auditor
Chartered Accountants
25 Farringdon Street
London
EC4A 4AB

14 July 2026

Consolidated income statement

for the year ended 30 April 2026

	Note	2026 £ 000	2025 £ 000
Revenue	1	306,387	270,043
Cost of sales		(202,044)	(179 618)
Gross profit		104,343	90 425
Administrative expenses		(69,697)	(64,323)
Operating profit	1	34,646	26,102
Comprising			
Adjusted operating profit	1	36,291	27,475
Amortisation of other intangible assets (included in administrative expenses)	9	(5,868)	(3 032)
Research and development expenditure credits (RDEC) (included in cost of sales)		3,636	3,255
Credit on forword exchange contracts (included in cost of sales)	18	42	138
Exceptional items (included in administrative expenses)			
- Cost of acquisition of EM Solutions		-	(1,635)
- Cost of acquisition of ITS		-	(99)
- Gain on sale of SEA Transport	30	545	-
		34,646	26 102
Finance income	4	455	1,125
Finance costs	5	(2,507)	(1 599)
Profit before tax		32,594	25,628
Income tax charge	6	(8,313)	(6 008)
Profit for the year	3	24 281	19,620
Attributable to			
Equity shareholders of the parent		23,903	19,249
Non-controlling interests		378	371
		24,281	19620

Earnings per share		Pence	Pence
Basic	8	52 23	45 07
Diluted	8	51 29	44 25

The accompanying notes form part of the financial statements

Consolidated statement of comprehensive income
for the year ended 30 April 2026

	2026 £'000	2025 £'000
Profit for the year	24,281	19,620
Items which may be subsequently reclassified to profit or loss		
Foreign currency translation differences on net assets of overseas subsidiaries	7,384	(5 502)
Items that will not be subsequently reclassified to profit and loss		
Changes in retirement benefit obligations	716	1,827
Other comprehensive expense for the period net of tax	8 100	(3,675)
Total comprehensive income for the year	32,381	15,945
Attributable to		
Equity shareholders of the parent	32,049	15,625
Non-controlling interests	332	320
	32 381	15,945

Consolidated statement of changes in equity
for the year ended 30 April 2026

	Attributable to the equity shareholders of the parent							
Group	Share capital £ 000	Share premium account £ 000	Own shares £ 000	Share option reserve £ 000	Retained earnings £ 000	Total £ 000	Non-controlling interests £ 000	Total equity £ 000
At 1 May 2024	4 161	32 157	(4,569)	2,859	74 066	108 674	1 166	109,840
Profit for the year	-	-	-	-	19,249	19 249	371	19 620
Other comprehensive expense for the year	-	-	-	-	(3 624)	(3 624)	(51)	(3,675)
Total comprehensive income for the year	-	-	-	-	15,625	15 625	320	15,945
Transactions with owners of Group and non-controlling interests, recognised directly in equity								
Issue of new shares	507	40 797	-	-	-	41 304	-	41,304
Equity dividends	-	-	-	-	(6 476)	(6 476)	-	(6,476)
Vesting of Restricted Shares	-	-	-	-	133	133	-	133
Own shares purchased	-	-	(3 998)	-	-	(3,998)	-	(3 998)
Own shares settled	-	-	889	-	-	889	-	889
Net loss on settling own shares	-	-	267	-	(267)	-	-	-
Share-based payments	-	-	-	1,375	-	1,375	-	1 375
Deferred tax adjustment in respect of share-based payments	-	-	-	1,080	-	1,080	-	1 080
Transfer of share option reserve on vesting of options	-	-	-	(651)	651	-	-	-
At 30 April 2025	4 668	72 954	(7 411)	4 663	83 732	158 606	1 486	160,092
Profit for the year	-	-	-	-	23 903	23,903	378	24 281
Other comprehensive expense for the year	-	-	-	-	8,146	8,146	(46)	8,100
Total comprehensive income for the year	-	-	-	-	32,049	32,049	332	32,381
Transactions with owners of Group and non-controlling interests, recognised directly in equity								
Issue of new shares	34	1 820	-	-	-	1,854	-	1,854
Equity dividends	-	-	-	-	(7,703)	(7,703)	-	(7,703)
Vesting of Restricted Shares	-	-	-	-	73	73	-	73
Own shares settled	-	-	1,066	-	-	1,066	-	1,066
Net loss on settling own shares	-	-	93	-	(93)	-	-	-
Share-based payments	-	-	-	897	-	897	-	897
Deferred tax adjustment in respect of share-based payments	-	-	-	(425)	-	(425)	-	(425)
Transfer of share option reserve on vesting of options	-	-	-	(659)	659	-	-	-
At 30 April 2026	4,702	74,774	(6,252)	4,476	108,717	186,417	1,818	188,235

Company statement of changes in equity
for the year ended 30 April 2026

Company	Share capital £000	Share premium account £000	Own shares £'000	Share option reserve £000	Retained earnings £000	Total £000
At 1 May 2024	4 161	32,157	(4,569)	2,859	39943	74,551
Profit for the year	-	-	-	-	20 185	20,185
Transactions with owners of the Company, recognised directly in equity						
Issue of new shares	507	40,797	-	-	-	41,304
Equity dividends	-	-	-	-	(6 476)	(6,476)
Vesting of Restricted Shares	-	-	-	-	133	133
Own shares purchased	-	-	(3 998)	-	-	(3 998)
Own shares settled	-	-	889	-	-	889
Net loss on settling own shares	-	-	267	-	(267)	-
Share-based payments	-	-	-	1 375	-	1 375
Deferred tax adjustment in respect of share-based payments	-	-	-	186	-	186
Transfer of share option reserve on vesting of options	-	-	-	(651)	651	-
At 30 April 2025	4 668	72 954	(7,411)	3 769	54 169	128,149
Profit for the year	-	-	-	-	11,964	11,964
Transactions with owners of the Company, recognised directly in equity						
Issue of new shares	34	1 820	-	-	-	1 854
Equity dividends	-	-	-	-	(7,703)	(7,703)
Vesting of Restricted Shares	-	-	-	-	73	73
Own shares settled	-	-	1,066	-	-	1,066
Net loss on settling own shares	-	-	93	-	(93)	-
Share-based payments	-	-	-	897	-	897
Deferred tax adjustment in respect of share-based payments	-	-	-	(518)	132	(386)
Transfer of share option reserve on vesting of options	-	-	-	(659)	659	-
At 30 April 2026	**4,702**	**74,774**	**(6 252)**	**3 489**	**59 201**	**135,914**

The reserves of the Group and the Company are described in note 22

Consolidated and Company statement of financial position

as at 30 April 2026

	Note	Group 2026 £000	Group 2025 Restated £000	Company 2026 £000	Company 2025 £000
Assets					
Non-current assets					
Goodwill	9	80,940	81,424	-	-
Other intangible assets	9	47,854	49 087	-	-
Right of use assets	10a	9,027	9,688	924	284
Investment property	10b	1 254	-	-	-
Property, plant and equipment	10b	42,332	31,009	402	43
Investment in subsidiaries	11	-	-	127,882	129,466
Amounts due from subsidiaries	28	-	-	83 710	64 529
Deferred tax assets	17	5 218	5 153	783	907
Restricted cash		316	3 198	-	-
		186,941	179 559	213,701	195,229
Current assets					
Inventories	12	47,990	52 081	-	-
Trade and other receivables	13	129 854	89 110	1,249	1 460
Current tax assets		6 664	6 495	-	-
Derivative financial instruments	18	15	45	-	-
Cash and cash equivalents	15	49,581	74,646	-	-
		234,104	222 377	1 249	1 460
Total assets		421,045	401,936	214 950	196 689
Liabilities					
Current liabilities					
Trade and other payables	14	(138,820)	(126 579)	(3,530)	(5 116)
Current tax liabilities		(6,746)	(3 708)	(1,414)	-
Derivative financial instruments	18	(224)	(190)	-	-
Lease liability	10a	(2,142)	(2,313)	(157)	(118)
Bank borrowings	15	-	(36,986)	(25,761)	(30,714)
Provisions	16	(15,946)	(18 549)	-	-
		(163,878)	(188,325)	(30,862)	(35,948)

	Note	Group 2026 £000	Group 2025 Restated £000	Company 2026 £000	Company 2025 £000
Non-current liabilities					
Deferred tax liabilities	17	(4,055)	(2,309)	-	-
Lease liability	10a	(6,806)	(7166)	(810)	(182)
Bank borrowings	15	(47,364)	(32 410)	(47,364)	(32,410)
Provisions	16	(7,884)	(8 445)	-	-
Retirement benefit obligations	26	(2,823)	(3 189)	-	-
		(68,932)	(53,519)	(48,174)	(32 592)
Total liabilities		(232,810)	(241,844)	(79,036)	(68,540)
Net assets		188,235	160,092	135,914	128 149
Equity					
Share capital	19	4,702	4,668	4,702	4,668
Share premium account		74,774	72,954	74,774	72,954
Own shares	21	(6,252)	(7,411)	(6,252)	(7,411)
Share option reserve		4,476	4,663	3,489	3 769
Retained earnings		108,717	83 732	59,201	54,169
Total equity attributable to the equity shareholders of the parent		186 417	158 606	135,914	128,149
Non-controlling interests		1 818	1,486	-	-
Total equity		188,235	160,092	135,914	128,149

The accompanying notes form part of the financial statements

As permitted by Section 408 of the Companies Act 2006, the parent company's profit and loss account has not been included in these financial statements The parent company's profit after tax was £11 964,000 (2025 £20,185,000)

The financial statements on pages 88 to 136 were approved by the Board of Directors and authorised for issue on 14 July 2026 and are signed on its behalf by

Andrew Thomis Chief Executive

Simon Walther Finance Director

Company number 05684823

Consolidated cash flow statement

for the year ended 30 April 2026

	Note	Group 2026 £ 000	Group 2025 £ 000
Net cash inflow from operating activities	23	11,290	51,184
Cash flows from investing activities			
Interest received		455	1 125
Purchases of property plant and equipment	10b	(17,624)	(13,182)
Receipt for disposal divisions, net of cash disposed	30	5,892	-
Payment for acquisition of subsidiaries, net of cash acquired		-	(81 589)
Net cash used in investing activities		(11,277)	(93,646)
Cash flows from financing activities			
Issue of new shares	19	1,854	2,058
Share placement net of associated transaction costs		-	39,246
Dividends paid	7	(7,703)	(6,476)
Purchase of own shares	21	-	(3,998)
Settlement of own shares	21	1,066	889
Drawdown of borrowings	15	14,608	16 780
Payment of lease liabilities	10a	(2,517)	(2,317)
Net cash from financing activities		7,308	46,182
Net increase in cash and cash equivalents		7,321	3 720
Represented by			
Cash and cash equivalents brought forward		38,511	39,667
Net increase in cash and cash equivalents		7,321	3 720
Foreign exchange gain/(loss)		3,749	(4,876)
Cash and cash equivalents carried forward		49,581	38,511

	At 1 May 2025 £ 000	Effect of foreign exchange rate changes £ 000	Cash flow £ 000	At 30 April 2026 £ 000
Net funds reconciliation				
Group				
Cash and bank	74,646	3,749	(28 814)	49,581
Bank overdrafts	(36,135)	-	36,135	-
Cash and cash equivalents	38 511	3 749	7 321	49,581
Loan	(33,261)	505	(14,608)	(47,364)
Net funds	5 250	4,254	(7 287)	2,217

Cash and cash equivalents comprise cash held by the Group, short-term bank deposits and bank overdrafts with a maturity at commencement of three months or less The carrying amounts of these assets approximate to their fair value

Net funds exclude IFRS 16 lease liabilities (note 10a)

Notes to the financial statements

for the year ended 30 April 2026

1 Segmental analysis

For management and reporting purposes the Group during the year ended 30 April 2026 operated through its two trading divisions Communications and Intelligence and Sensors and Effectors These divisions are the basis on which the Company reports its primary business segment information in accordance with IFRS 8 Whilst each division internally reports by reference to the sectors it sells to these are considered by the Board to have similar economic characteristics in terms of the nature of the services and their customer base and therefore, disaggregated information is not regularly reported to the Board On this basis, the Board, which is deemed to be the chief operating decision maker considers each trading division a separate reporting segment

The principal activities of the trading subsidiaries are described in the Strategic report

All are UK operations with the exception of EID which is based in Portugal ELAC SONAR, which is based in Germany and EM Solutions which is based in Australia All operations are continuing Inter-segment sales are charged at arm's length rates

Unallocated corporate expenses are the costs of the Cohort plc head office including the remuneration of the Cohort plc Board

Business segment information about these divisions is presented below

2026	Communications and Intelligence £ 000	Sensors and Effectors £ 000	Eliminations and Central £ 000	Group £ 000
Revenue				
External revenue	158,927	147,460	-	306,387
Inter-segment revenue	75	1	(76)	-
	159,002	147,461	(76)	306,387
Adjusted operating profit	32,401	10,543	(6,653)	36 291
(Charge)/credit on forward exchange contracts (included in cost of sales)	(127)	80	89	42
Sale of SEA Transport	-	545	-	545
Amortisation of other intangible assets	(5,097)	(771)	-	(5,868)
Research and development expenditure credits (RDEC)	664	3,132	(160)	3,636
Operating profit	27 841	13,529	(6,724)	34 646
Finance cost (net of income)	(2,274)	(1,624)	1,846	(2,052)
Profit before tax	25,567	11,905	(4,878)	32,594
Income tax charge				(8 313)
Profit after tax				24,281

2026 Other Information	Communications and Intelligence £ 000	Sensors and Effectors £ 000	Central £ 000	Group £'000
Capital additions	1,462	15,737	424	17,623
Depreciation of property, plant and equipment	1,608	2,972	54	4,634
Depreciation of right of use assets	1,115	1,641	117	2,873

Notes to the financial statements continued
for the year ended 30 April 2026

1 Segmental analysis continued

2026 Balance sheet	Australia £ 000	Portugal £ 000	Germany £ 000	UK £ 000	Group £ 000	Communications and Intelligence £ 000	Sensors and Effectors £ 000	Eliminations £ 000	Group £ 000
Assets									
Segment assets	44 134	23 279	63 146	100,229	230,788	90 488	153,335	(13,035)	230 788
Goodwill and other intangible assets	79,325	2,292	8,380	38,797	128,794	98,830	29,964	-	128,794
Current tax asset									6 664
Deferred tax asset									5 218
Cash									49,581
Consolidated total assets	123,459	25 571	71,526	139,026	359,582	189,318	183,299		421,045
Liabilities									
Segment liabilities	(16,572)	(26,362)	(46,297)	(85 414)	(174,645)	(70,068)	(117843)	13,266	(174,645)
Current tax liability									(6,746)
Deferred tax liability									(4,055)
Bank borrowings									(47,364)
Consolidated total liabilities	(16,572)	(26,362)	(46,297)	(85,414)	(174,645)	(70 068)	(117,843)		(232 810)

The Portuguese figures above include 100% of EID The non-controlling interest of 20 00% is reported separately in the income statement and Group reserves

2025	Communications and Intelligence £ 000	Sensors and Effectors £ 000	Eliminations and Central £ 000	Group £ 000
Revenue				
External revenue	124,891	145,152	-	270,043
Inter-segment revenue	75	238	(313)	-
	124 966	145 390	(313)	270,043
Adjusted operating profit	21,095	12,654	(6,274)	27,475
(Charge)/credit on forward exchange contracts (included in cost of sales)	(124)	189	73	138
Costs of acquisition of EM Solutions	(1,635)	-	-	(1 635)
Costs of acquisition of ITS	(99)	-	-	(99)
Amortisation of other intangible assets	(1 893)	(1,139)	-	(3 032)
Research and development expenditure credits (RDEC)	564	2 691	-	3,255
Operating profit	17,908	14 395	(6 201)	26 102
Finance cost (net of income)	(380)	(1,061)	967	(474)
Profit before tax	17528	13 334	(5 234)	25,628
Income tax charge				(6 008)
Profit after tax				19 620

Notes to the financial statements continued
for the year ended 30 April 2026

1 Segmental analysis continued

2025 Other information	Communications and Intelligence £ 000	Sensors and Effectors £ 000	Central £ 000	Group £ 000
Capital additions	1 517	11 652	13	13,182
Depreciation of property plant and equipment	1 045	2 126	28	3 199
Depreciation of right of use assets	629	1 529	114	2,272

2025 Balance sheet	Australia £ 000	Portugal £ 000	Germany £ 000	UK £ 000	Group £ 000	Communications and Intelligence £ 000	Sensors and Effectors £ 000	Eliminations £ 000	Group £ 000
Assets									
Segment assets	29,567	26,370	42,122	86,963	185,022	82,079	118,089	(15,146)	185,022
Goodwill and other intangible assets	76 276	2,254	8 788	43 193	130 511	96 068	34 443	-	130,511
Current tax asset									6,495
Deferred tax asset									5 262
Cash									74,646
Consolidated total assets	105,843	28,624	50,910	130,156	315,533	178,147	152,532		401,936
Liabilities									
Segment liabilities	(13 281)	(21 202)	(30 700)	(84 748)	(149931)	(56 680)	(108 728)	15 477	(149931)
Current tax liability									(3,708)
Deferred tax liability									(18 809)
Bank borrowings									(69 396)
Consolidated total liabilities	(13,281)	(21 202)	(30,700)	(84,748)	(149,931)	(56 680)	(108 728)		(241 844)

The Portuguese figures above include 100% of EID The non-controlling interest of 20 00% is reported separately in the income statement and Group reserves

For the purposes of monitoring segment performance and allocating resource between segments, the Group's Chief Executive monitors the tangible, intangible and financial assets attributable to each segment

All assets and liabilities are allocated to reportable segments with the exception of central cash and bank borrowings current tax and deferred tax assets and liabilities

Goodwill and other intangible assets are allocated to reportable segments as analysed in note 9

Notes to the financial statements continued
for the year ended 30 April 2026

1 Segmental analysis continued

Geographical segments

For an analysis of the Group's revenue by geographical location of the customer, please refer to the "Revenue by market and geography" table in the Financial review (page 24)

All Group assets, tangible and intangible are located in the UK with the exceptions of EID, which is located in Portugal, ELAC SONAR, which is based in Germany and EM Solutions, which is based in Australia

Market segments

The Group s revenue by market sector is as follows

	2026 %	2025 %
Maritime	65%	53%
Land	19%	28%
Cyber and Information	3%	2%
Air and Space	7%	6%
Joint and Strategic	5%	5%
Other	1%	6%
	100%	100%

For an analysis of the Group s total revenue broken down by type of deliverable, please refer to the "Revenue by type of deliverable" table in the Financial review (page 25)

Product includes bespoke product customised systems and sub-systems and is hardware and/or software Services include operational support and training

Further information on revenue by market segment and capability can be found in the Strategic report

Revenue by IFRS 15 classification

	Year ended 30 April 2026		Year ended 30 April 2025	
	£m	%	£m	%
Point in time	136 6	45%	141 6	52%
Over time	169 8	55%	128 4	48%
Total revenue	306 4	100%	270 0	100%

Notes to the financial statements continued
for the year ended 30 April 2026

1 Segmental analysis continued

Major customers

Revenue from major customers included in the Group's business segments for the year ended 30 April 2026 is as follows

	2026					2025				
	UK MOD £'000	BAE Systems £'000	Australian DoD $ 000	Portuguese MOD $ 000	Leonardo $ 000	UK MOD £ 000	Portuguese MOD $ 000	BAE Systems £ 000	Leonardo $ 000	New Zealand MOD $ 000
Communications and Intelligence	52,867	9,087	27,183	16,504	-	77524	17593	1 895	-	-
Sensors and Effectors	29,980	20,243	-	-	15,210	17765	-	20,029	16,778	11,306
	82,847	29 330	27,183	16,504	15,210	95 289	17593	21 924	16 778	11,306

2 Employee benefit expense (including Directors)

	2026 £ 000	2025 $ 000
Wages and salaries	94,469	75,509
Social security costs	12,884	9,943
Retirement benefit obligations (see note 26)		
Defined contribution schemes	6,053	4,753
Defined benefit scheme	179	241
Long term incentive payments	2,468	2,997
	116,053	93 443

Average number of employees (including Directors)

	2026 Number	2025 Number
Engineering and production	1,126	1 022
Managed services	119	113
Total operational	1,245	1,135
Administration and support	451	434
	1,696	1,569

The above disclosures include Directors Directors' emoluments and share option details are disclosed separately in the Remuneration Committee report, where the relevant disclosures have been highlighted as audited (page 74)

3 Profit for the year

The profit for the year has been arrived at after charging/(crediting)

	Note	2026 £ 000	2025 $ 000
Net foreign exchange gains	18	(42)	(138)
Research and development costs		31 105	20,066
Depreciation of property, plant and equipment	10b	4,634	3 199
Depreciation of right of use assets	10a	2,873	2 272
Amortisation of other intangible assets	9	5,868	3 032
Cost of inventories recognised as expenses		109,757	96 025
Staff costs (excluding long term incentive payments)	2	113,585	90 446
Long term incentive payments	2	2,468	2,997

The fees payable to the auditor for audit and non-audit services are disclosed in the Audit Committee report where the relevant disclosures have been highlighted as audited (page 65)

4 Finance income

	2026 £ 000	2025 $ 000
Interest on bank deposits	455	1,125

All finance income is in respect of continuing operations

Notes to the financial statements continued
for the year ended 30 April 2026

5 Finance costs

	2026 £000	2025 £000
Loans	1,891	1 103
Interest paid on lease liabilities (see note 10a)	500	334
Retirement benefit obligations (see note 26)	116	162
	2,507	1 599

All finance costs are in respect of continuing operations

6 Income tax charge

	2026 £000	2025 £000
Current tax charge/(credit)		
UK corporation tax in respect of this year	5 045	6 239
UK corporation tax in respect of prior years	(669)	(377)
Australian corporation tax in respect of this year	2,602	448
Australian corporation tax in respect of prior years	(116)	-
German corporation tax in respect of this year	(389)	351
German corporation tax in respect of prior years	98	-
Portuguese corporation tax in respect of this year	(500)	(298)
Portuguese corporation tax in respect of prior years	-	(10)
Other foreign corporation tax in respect of this year	465	(4)
	6 536	6 349
Deferred tax charge/(credit)		
In respect of this year	576	618
In respect of prior years	1,201	(959)
	1,777	(341)
	8,313	6,008

The corporation tax is calculated at 25 0% (2025 25 0%) of the estimated taxable profit for the year as disclosed to the right

The deferred tax includes a credit of £849 000 in respect of amortisation of other intangible assets (2025 £648,000), and a credit of £12,000 (2025 £16,000 charge) in respect of marking forward exchange contracts to market at the year end The deferred tax is further explained in note 17

The tax charge for the year is reconciled to profit per the Consolidated income statement for the year ended 30 April 2026 as follows

	2026 £000	2025 £000
Profit before tax on continuing operations	32,594	25 628
Tax at the UK corporation tax rate of 25 0% (2025 25 0%)	8,149	6 407
Tax effect of expenses/credits that are not deductible/are deductible in determining taxable profit	1,517	(204)
Tax effect of R&D tax credits in Portugal	(675)	(695)
Tax effect of exceptional items that are not recognised in determining taxable profit	150	353
Tax effect of other items	(438)	1,300
Tax effect of net impact of statutory deduction for share options	(1,013)	43
Tax effect of foreign tax rates	523	224
Tax effect of deferred tax movement on share options to be exercised	(414)	(74)
Tax effect of other prior year adjustments	514	(1,346)
Tax charge for the year	8 313	6 008

The UK corporation tax for the year ended 30 April 2026 is 25 0% (2025 25 0%) The Portuguese corporation tax rate calculated for the year ended 30 April 2026 is 31 0% (2025 31 0%) and the German corporation tax rate calculated for the year ended 30 April 2026 is 31 6% (2025 31 6%) The Australian corporation tax rate for the year ended 30 April 2026 is 30 0% (2025 30 0%)

In addition a deferred tax charge of £425,000 (2025 credit of £1,080,000) was recognised directly in equity in respect of share options

Notes to the financial statements continued

for the year ended 30 April 2026

7 Dividends

	2026 £ 000	2025 £ 000
Amounts recognised as distributions to equity holders in the period		
Final dividend in respect of the year ended 30 April 2025 at 11 05 pence per ordinary share (2024 10 10 pence)	5,039	4,095
Interim dividend in respect of the year ended 30 April 2026 at 5 80 pence per ordinary share (2025 5 25 pence)	2 664	2 381
	7,703	6 476
Proposed final dividend for the year ended 30 April 2026 at 12 10 pence per ordinary share (2025 11 05 pence per ordinary share)	5,565	5,024

The cost of the proposed final dividend which is an estimate is subject to approval by shareholders at the AGM to be held on 24 September 2026 and has not been included as a liability in these financial statements If approved, this dividend will be paid on 2 October 2026 to shareholders on the register as at 21 August 2026

The Cohort Employee Benefit Trust, which holds ordinary shares in Cohort plc representing 2 18% (2025 2 60%) of the Company's called up share capital has agreed to waive all dividends due to it in accordance with an arrangement dated 20 November 2009

8 Earnings per share

The earnings per share are calculated as follows

	2026			2025		
	Weighted average number of shares Number	Earnings £ 000	Earnings per share Pence	Weighted average number of shares Number	Earnings £ 000	Earnings per share Pence
Basic earnings (net profit attributable to equity holders of Cohort plc)	45,767,387	23,903	52 23	42,712,549	19,249	45 07
Share options	836,128			784,652		
Diluted earnings	46,603,515	23,903	51,29	43,497,201	19,249	44 25

The basic earnings per share are calculated by dividing the profit attributable to equity holders of the parent company (Cohort plc) by the weighted average number of ordinary shares in issue during the year The diluted earnings per share are calculated by dividing the profit attributable to equity holders of the parent company by the weighted average number of shares in issue during the year as adjusted for the effects of potentially dilutive share options

The weighted average number of shares for the years ended 30 April 2026 and 30 April 2025 is after deducting the own shares, which are held by the Cohort Employee Benefit Trust

Notes to the financial statements continued
for the year ended 30 April 2026

8 Earnings per share continued

In addition, the adjusted earnings per share of the Group are calculated in a similar manner to the basic earnings per share with the adjustments to the basic earnings as shown below

	Note	2026 Weighted average number of shares Number	2026 Earnings £000	2026 Earnings per share Pence	2025 Weighted average number of shares Number	2025 Earnings £000	2025 Earnings per share Pence
Basic earnings		45,767,387	23,903	52 23	42,712 549	19 249	45 07
Charge on forward exchange contracts at the year end (net of tax credit of £1.2 000 (2025 £34,000))	18	-	(31)	-	-	(103)	-
Cost of acquisition of EM Solutions		-	-	-	-	1,635	-
Cost of acquisition of ITS		-	-	-	-	99	-
Gain on sale of SEA Transport		-	(545)	-	-	-	-
Amortisation of other intangible assets (see below)		-	5,019	-	-	2,374	-
Adjusted earnings		45,767,387	28,346	61 93	42,712,549	23,254	54 44
Share options		836 128	-	-	784 652	-	-
Diluted adjusted earnings		46,603,515	28,346	60 82	43 497,201	23 254	53 46

The following table shows the adjustment to earnings in respect of amortisation of other intangible assets for calculating the adjusted earnings per share

	2026 Amortisation of other intangible assets (note 9) £000	2026 Deferred tax credit thereon £000	2026 Net £000	2026 Non-controlling interest £000	2026 Attributable to equity shareholders of the Group £000	2025 Amortisation of other intangible assets (note 9) £000	2025 Deferred tax credit thereon £000	2025 Net £000	2025 Non-controlling interest £000	2025 Attributable to equity shareholders of the Group £000
EID	-	-	-	-	-	70	(16)	54	(11)	43
EM Solutions	4,772	(494)	4,278	-	4,278	1,011	(297)	714	-	714
MCL	325	(81)	244	-	244	812	(203)	609	-	609
ELAC SONAR	562	(211)	351	-	351	893	(280)	613	-	613
JSK (SEA)	209	(63)	146	-	146	246	149	395	-	395
	5,868	(849)	5 019	-	5 019	3 032	(647)	2 385	(11)	2 374

Notes to the financial statements continued
for the year ended 30 April 2026

9 Goodwill and other intangible assets

Goodwill	Communications and Intelligence £'000	Sensors and Effectors £'000	Group £'000
Cost			
At 1 May 2024	17,093	33 052	50,145
Recognised on acquisition of a subsidiary	32,851	-	32 851
Foreign currency revaluation	(1,414)	(158)	(1 572)
At 1 May 2025 (restated)	48 530	32 894	81,424
Derecognised on disposal of business	-	(3 862)	(3,862)
Foreign currency revaluation	3,250	128	3,378
At 30 April 2026	**51,780**	**29,160**	**80,940**

Goodwill arises on the acquisition of subsidiaries These subsidiaries are the cash-generating units to which goodwill has been allocated The goodwill relating to the individual subsidiaries has been included in the division against which each subsidiary reports

During the year the Group recognised measurement period adjustments relating to the prior year acquisition of EM Solutions These adjustments reflect refinements to the provisional fair values of assets and liabilities identified at the acquisition date and have been recorded as an adjustment to goodwill in accordance with IFRS 3 The measurement period adjustments have been recognised retrospectively and comparative amounts have been updated where required A detailed breakdown of the adjustment can be found in note 29

Other intangible assets	Communications and Intelligence £'000	Sensors and Effectors £'000	Group £ 000
Cost			
At 1 May 2024	30,265	45,264	75,529
Recognised on acquisition of a subsidiary	51,551	-	51,551
Foreign currency revaluation	(2,543)	619	(1 924)
At 1 May 2025	79,273	45,883	125 156
Foreign currency revaluation	4,797	2	4,799
At 30 April 2026	**84 070**	**45,885**	**129,955**
Amortisation			
At 1 May 2024	30 195	42 486	72,681
Charge for the year ended 30 April 2025	1 892	1 140	3 032
Foreign currency revaluation	(352)	708	356
At 1 May 2025	31,735	44,334	76,069
Charge for the year ended 30 April 2026	5,097	771	5,868
Foreign currency revaluation	188	(24)	164
At 30 April 2026	**37,020**	**45,081**	**82,101**
Net book value			
At 30 April 2026	**47,050**	**804**	**47,854**
At 30 April 2025	47 538	1 549	49,087

The amortisation charge is disclosed as 'Amortisation of other intangible assets' in the Income statement

The Group tests goodwill biannually for impairment, or more frequently if there are indications that goodwill might be impaired

The recoverable amounts of the subsidiaries (cash-generating units) are determined from value-in-use calculations

Notes to the financial statements continued
for the year ended 30 April 2026

9 Goodwill and other intangible assets continued

The value-in-use calculations take the cash flows of each cash-generating unit and apply the Group s weighted average cost of capital (WACC) to this to determine if there is any impairment of the cash-generating units goodwill

In assessing any impairment of goodwill, each value-in-use calculation makes a number of estimates which use the same basis as used in previous years, as follows

	Basis of estimate
Cash flow	As in previous years, the cash flows for the years ending 30 April 2027 2028 and 2029 are based upon the cash-generating units' budgets and forecasts for those years These cash flows are based upon the revenue margin and overhead cost forecasts for each business taking account of the run-off of order book, renewal of existing business and winning of new business Historically these cash flow forecasts have been a reasonable forecast of actual performance over the period of measurement Costs reflect inflation rates currently assumed at 5% (2025 5%) With regard to the revenue margin and overhead cost forecasts, the key assumptions underlying these inputs are that current projects contracted will continue as per agreement that government defence spending will remain largely consistent in the future and that each cash-generating unit will continue to be as successful in competing for new contracts as it has been historically At 30 April 2026, c £264m (83% of latest consensus forecasts) of revenue for 2027 was already under contract and as such the main assumptions related to revenue volumes are in periods for 2028 and after where there is greater uncertainty and risk
Growth rate	The cash flows for each UK-based cash-generating unit from years four to twenty inclusive are based upon the forecast cash flow for the year ending 30 April 2029, to which a growth rate of 1 5% is applied each year (2025 1 5%) This rate reflects a prudent view of recent UK growth rates and is below the historically higher UK growth rate of 2 32% and announced growth for UK defence The growth rate is similar for all of the UK-based cash-generating units as a significant proportion of their business is with the same customer, the UK MOD In the case of EID, its main customer is the Portuguese MOD As such the growth rate assumed for EID's future cash flows is 1 0% (2025 1 0%), reflecting the expected growth rate for Portuguese Government expenditure In the case of ELAC SONAR, its domestic customer, the German Bundeswehr does not form a significant proportion of its revenue with much of its business from export customers A growth rate of 1 5% has been assumed for ELAC SONAR in 2026 (2025 1 5%) EM Solutions has used a similar growth rate of 1 5% reflecting prudent growth rates for its prime customers the Australian MOD and European Navy s The longevity of the cash flows used reflects the length of our order books and the long duration of the customer platforms and applications we supply and support Our order book currently includes deliveries out to the mid-2030s

WACC comprises a number of elements as follows

	Basis of estimate
Value of equity	Calculated as the issued share capital of the Group (Cohort plc) multiplied by the closing share price at 30 April 2026 of £12 20 (2025 £13 70)
Risk-free interest rate	Based upon ten-year UK Government gilt rate of 5 03% (2025 4 33%) The ten-year gilt rate has been used given current uncertainty over longer-term projections
Beta factor	Derived from analyst estimates provided by the Group's NOMAD (Investec) and reflects a range of outcomes from 0 40 to 0 80 (2025 0 10 to 0 50)
Equity risk premium	The equity risk premium of the Group of 8 78% (2025 9 59%) reflecting UK equity risk premium to which is added a further range of risk premium of 4% to reflect customer market risk and the low liquidity and risk of AIM stocks
Cost of debt	The Group is in a net funds position The Group loans at 30 April 2026 have an average interest cost of 4 33% per annum as at that date (2025 5 45% per annum)

The Group's pre-tax WACC applied to each cash-generating unit's cash flows was in a range from 16 9% to 20 7% (2025 14 3% to 15 3%) The Group WACC has been deemed appropriate to use for each cash-generating unit as all funding is cross-guaranteed and therefore, the same cost of funding is incurred by each cash-generating unit The increase in the Group s pre-tax WACC is due to higher interest rates and volatility (Beta factor) in respect of Cohort plc shares

Notes to the financial statements continued
for the year ended 30 April 2026

9 Goodwill and other intangible assets continued

On the basis of these tests no impairment of goodwill has arisen in the year ended 30 April 2026 within either of the divisions Sensitivity was applied to the impairment tests to deliver a material impairment of goodwill If the post-tax WACC is increased to 15 4% (pre-tax WACC of 26 8%), goodwill within Communications and Intelligence relating to EM Solutions (£33 9m) equals recoverable value A similar impairment would occur should the growth rate drop by 4 61%, however, this is considered unlikely as this falls significantly behind the historical growth rate and current expectations of growth in the defence sector This goodwill is the most sensitive to impairment due to a current high level of divisional current assets

The other intangible assets arose on the acquisition of subsidiaries and are mainly in respect of contracts and prospects acquired The Communications and Intelligence other intangible asset will be fully amortised by 30 April 2035 The Sensors and Effectors other intangible asset will be fully amortised by 30 April 2029

The split of the net book value of other intangibles, where it comprises both contracts/ opportunities to be secured and contracts acquired is as follows

	2026		2025	
	Communications and Intelligence £ 000	Sensors and Effectors £ 000	Communications and Intelligence £ 000	Sensors and Effectors £ 000
Contracts acquired	2,551	136	4,103	425
Customer relationships and technology assets	44,499	668	43 435	1 124
	47,050	804	47,538	1,549

10 Fixed assets

a) Right of use assets

	Group			Company
Cost	Property £ 000	Fixtures and equipment £ 000	Total £ 000	£ 000
At 1 May 2024	13,316	2 199	15 515	839
Additions	1 265	888	2 153	23
Disposals	-	(192)	(192)	-
Acquired on acquisition	3,175	-	3,175	-
Foreign exchange movements	(1 110)	(3)	(1,113)	-
At 1 May 2025	16 646	2,892	19,538	862
Additions	950	1,369	2 319	986
Disposals	(956)	(221)	(1,177)	(821)
Foreign exchange movements	408	19	427	(2)
At 30 April 2026	17,048	4,059	21,107	1,025

	Group			Company
Depreciation	Property £ 000	Fixtures and equipment £ 000	Total £ 000	£ 000
At 1 May 2024	6,459	1 238	7697	465
Charge for the year	1 707	565	2,272	113
Disposals	-	(117)	(117)	-
Foreign exchange movement	(2)	-	(2)	-
At 1 May 2025	8 164	1,686	9850	578
Charge for the year	2,077	796	2,873	116
Disposals	(592)	(125)	(717)	(593)
Foreign exchange movement	61	13	74	-
At 30 April 2026	9,710	2,370	12,080	101
Net book value at 30 April 2026	7,338	1,689	9,027	924
Net book value at 30 April 2025	8 482	1 206	9688	284

Notes to the financial statements continued
for the year ended 30 April 2026

10 Fixed assets continued

a) Right of use assets continued

Lease liabilities	Group Property £ 000	Group Other £ 000	Group Total £ 000	Company £ 000
At 1 May 2024	7,480	1 009	8 489	384
New lease liabilities	623	802	1,425	24
Interest charge	287	47	334	24
Payments	(2,032)	(619)	(2,651)	(132)
Acquired on acquisition	2,007	-	2,007	-
Foreign exchange movement	(121)	(4)	(125)	-
At 1 May 2025	8,244	1,235	9,479	300
New lease liabilities	506	1 261	1,767	743
Interest charge	423	77	500	55
Payments	(2,152)	(865)	(3 017)	(130)
Foreign exchange movement	212	7	219	(1)
At 30 April 2026	**7,233**	**1,715**	**8,948**	**967**
Current	1,550	592	2,142	157
Non-current	5,683	1 123	6,806	810
At 30 April 2026	**7,233**	**1,715**	**8,948**	**967**
Current	1,827	486	2,313	118
Non-current	6,417	749	7,166	182
At 30 April 2025	8,244	1 235	9,479	300

Amounts recognised in Consolidated income statement	2026 £ 000	2025 £ 000
Interest expense on lease liabilities (note 5)	500	334
Depreciation expense	2,873	2,272
	3,373	2 606

The Company's right of use asset is in respect of its property lease at Theale (net book value £809,000 2025 £243 000) and vehicles (net book value £115,000, 2025 £41,000)

b) Property, plant and equipment and investment property

Group	Land and buildings £ 000	Fixtures and equipment £ 000	Total £ 000	Investment property £ 000
Cost				
At 1 May 2024	15 307	19920	35 227	-
Additions	7,662	5,520	13,182	-
Disposals	-	(216)	(216)	-
Acquired on acquisition	-	1,693	1 693	-
Foreign exchange movement	43	65	108	-
At 1 May 2025	23 012	26 982	49994	-
Additions	9,640	7,984	17,624	-
Disposals	(578)	(2,174)	(2,752)	-
Reclassification	(1,288)	-	(1,288)	1 254
Foreign exchange movement	180	316	496	-
At 30 April 2026	**30,966**	**33,108**	**64,074**	**1,254**
Depreciation				
At 1 May 2024	3,785	12,072	15,857	-
Charge in the year	144	3,055	3,199	-
Eliminated on disposal	-	(209)	(209)	-
Foreign exchange movement	-	138	138	-
At 1 May 2025	3929	15 056	18 985	-
Charge in the year	752	3,882	4,634	-
Eliminated on disposal	-	(1 939)	(1 939)	-
Reclassification	(33)	-	(33)	-
Foreign exchange movement	(2)	98	96	-
At 30 April 2026	**4,645**	**17,098**	**21,743**	**-**
Net book value				
At 30 April 2026	**26,322**	**16,010**	**42,332**	**1,254**
At 30 April 2025	19 083	11,926	31 009	-

Notes to the financial statements continued
for the year ended 30 April 2026

10 Fixed assets continued

b) Property, plant and equipment and investment property continued

The net book value of the Company s property, plant and equipment was £402,000 at 30 April 2026 (2025 £43,000) This was after additions of £424,000, net disposals of £10,000 and a depreciation charge of £55,000 for the year ended 30 April 2026

The depreciation charge is disclosed within either 'Administrative expenses' or 'Cost of sales' in the Consolidated income statement

The Group s land and buildings as disclosed are the cost of purchase plus refurbishment and the fair value on acquisition As such the Group has no revaluation reserve at this time The fair value of investment property held approximates its carrying amount

11 Investment in subsidiaries

	Company	
	2026 £ 000	2025 £ 000
Investment in subsidiaries	127,882	129,466

A list of all the investments in subsidiaries is as follows

Name of company	Registered office	Country of registration	Type of shares	Proportion of shareholding and voting rights held	Nature of business
Directly owned					
Systems Consultants Services Limited	c/o Clarke Bell, 3rd Floor, The Pinnacle, 73 King Street Manchester M2 4NG	England	Ordinary	100%	Formerly a provider of technical consultancy Dissolved June 2025
MASS Limited	One Waterside Drive, Arlington Business Park Theale, Reading RG7 4SW	England	Ordinary	100%	Holding company of MASS Consultants Limited
SEA (Group) Ltd	Beckington Castle, 17 Castle Corner, Beckington Frome BA11 6TA	England	Ordinary	100%	Holding company of Systems Engineering & Assessment Ltd, Systems Engineering & Assessment International Ltd and Beckington Castle Ltd
Marlborough Communications (Holdings) Limited	1 Perrywood Business Park, Honeycrock Lane Redhill, Surrey RH1 5DZ	England	Ordinary	100%	Holding company of Marlborough Communications Limited
Thunderwaves, S A	6 Rua do Alecrim 26E 1200-018, Lisbon, Portugal	Portugal	Ordinary	100%	Holding company of EID
Cohort Deutschland GmbH	Groß Hasselrad 6 24159 Kiel, Germany	Germany	Ordinary	100%	Holding company of ELAC SONAR GmbH
Chess Technologies Limited	One Waterside Drive, Arlington Business Park Theale, Reading RG7 4SW	England	Ordinary	100%	Holding company of Chess Dynamics Limited, Chess Dynamics Inc and Vision4ce Limited
CHRT Australia Pty Ltd	C/o Deloitte Tax Services Pty Ltd 477 Collins Street Melbourne VIC 3000 Australia	Australia	Ordinary	100%	Holding company of CHRT Holdings Pty Ltd

Notes to the financial statements continued
for the year ended 30 April 2026

11 Investment in subsidiaries continued

Name of company	Registered office	Country of registration	Type of shares	Proportion of shareholding and voting rights held	Nature of business
Held through a subsidiary					
CHRT Holdings Pty Ltd	C/o Deloitte Tax Services Pty Ltd 477 Collins Street Melbourne VIC 3000, Australia	Australia	Ordinary	100%	Holding company of EM Solutions Pty Ltd
EM Solutions Pty Ltd	55 Curzon Street Tennyson QLD 415 Australia	Australia	Ordinary	100%	Designs and manufactures advanced satellite communication systems for the defence and security markets Holding company of EM Solutions (Europe) B V
EM Solutions (Europe) B V	Campagneweg 35 4761RM Zevenbergen, Netherlands	Netherlands	Ordinary	100%	Provides support services in Europe on behalf of EM Solutions Pty Ltd
MASS Consultants Limited	Enterprise House, Great North Road, Little Paxton, St Neots Cambridgeshire PE19 6BN	England	Ordinary	100%	Electronic warfare, managed services, secure communications and digital services
Systems Engineering & Assessment Ltd	Beckington Castle 17 Castle Corner, Beckington, Frome BA11 6TA	England	Ordinary	100%	Deliverer of systems engineering software and electronic engineering services and solutions to the defence and transport markets and is also the holding company of JS Residual Ltd
JS Residual Ltd	Riverside Road, Pottington Business Park, Barnstaple, Devon EX31 1LY	England	Ordinary	100%	Subsidiary of Systems Engineering & Assessment Ltd and holds investment in SEA s Canadian operations Dormant
Systems Engineering & Assessment International Ltd	Beckington Castle, 17 Castle Corner Beckington, Frome BA11 6TA	England	Ordinary	100%	Subsidiary of SEA (Group) Ltd Dormant
Marlborough Communications Limited	1 Perrywood Business Park, Honeycrock Lane, Redhill, Surrey RH1 5DZ	England	Ordinary	100%	Designs, sources and supports advanced electronic and surveillance technology
Interactive Technical Solutions Limited	1 Perrywood Business Park, Honeycrock Lane, Redhill, Surrey RH1 5DZ	England	Ordinary	100%	Designs, sources and supports advanced electronic and surveillance technology
Beckington Castle Ltd	Beckington Castle 17 Castle Corner Beckington, Frome BA11 6TA	England	Ordinary	100%	Property company holding freehold of Beckington Castle and SEA s Bristol office
Chess Dynamics Limited	Quadrant House, North Heath Business Park, North Heath Lane, Horsham, West Sussex RH12 5QE	England	Ordinary	100%	Design and production of detection and tracking systems including software, as well as counter-UAV solutions for the defence and security markets

Notes to the financial statements continued
for the year ended 30 April 2026

11 Investment in subsidiaries continued

Name of company	Registered office	Country of registration	Type of shares	Proportion of shareholding and voting rights held	Nature of business
Held through a subsidiary continued					
Empresa de Investigação e Desenvolvimento de Electrónica S A	Quinta dos Medronheiros-Lazarim, 2820-486 Charneca da Caparica, Lisbon Portugal	Portugal	Ordinary	80%	Designs and manufactures advanced communications systems for the defence and security markets
SEA CAN Ottawa Systems Inc	2500-1100 Rene-Levesque Blvd, Montreal (Quebec), Canada H3B 5C9	Canada	Ordinary	100%	The holding company of the Group's investment in SEA CAN Systems Inc
SEA CAN Systems Inc	193 Brunswick Blvd Pointe-Claire Quebec Canada H9R 5N2	Canada	Ordinary	100%	Delivers and supports SEA products and services into the Canadian Navy
Vision4ce Limited	Quadrant House North Heath Business Park, North Heath Lane, Horsham, West Sussex RH12 5QE	England	Ordinary	100%	Subsidiary of Chess Dynamics Limited Dormant
Chess Dynamics Inc	c/o Corporation Trust Center, 1209 Orange Street, Wilmington, Delaware DE 19801 USA	USA	Ordinary	100%	US representative of Chess s UK business
ELAC SONAR GmbH	Groß Hasselrod 6, 24159 Kiel, Germany	Germany	Ordinary	100%	Supplies advanced sonar systems and underwater communications to global customers in the naval market
ELAC SONAR Unterstutzungskasse GmbH	Groß Hasselrod 6 24159 Kiel Germany	Germany	Ordinary	100%	Social institution of ELAC SONAR GmbH which provides pension-related support benefits to ELAC SONAR GmbH employees
ELAC Sonar Italia S R L	Milan, Via Generale Gustavo Fara n.26 CAP 20124, Italy	Italy	-	100%	Subsidiary of ELAC SONAR GmbH

All shares held in subsidiaries are the same class and carry equal weighting to any shares held by other shareholders

Notes to the financial statements continued
for the year ended 30 April 2026

11 Investment in subsidiaries continued

Company

The Company's investments in subsidiaries are as follows

	Thunderwaves £'000	CHRT Australia £'000	MASS £'000	MCL £'000	Chess £'000	Cohort Deutschland £'000	SCS £'000	SEA £'000	Total £'000
At 1 May 2024	9003	-	15,138	13,810	20,384	604	1 584	27,140	87663
Additions	-	42,452	-	-	-	-	-	-	42 452
Transfers in year	-	-	(161)	(267)	(310)	(333)	-	(437)	(1,508)
Share-based payments	-	-	258	82	157	102	-	260	859
At 1 May 2025	9,003	42,452	15 235	13 625	20,231	373	1,584	26,963	129,466
Capital repayments on dissolution of subsidiary	-	-	-	-	-	-	(1,584)	-	(1 584)
At 30 April 2026	**9,003**	**42,452**	**15,235**	**13,625**	**20 231**	**373**	**-**	**26,963**	**127 882**

During the year, the Company dissolved a subsidiary. The carrying value of the investment in the subsidiary has been derecognised. At the date of disposal, intercompany balances between the Company and the subsidiary were settled. As these balances were equal, there is no impact on profit or loss.

12 Inventories

	2026 £'000	2025 £'000
Raw materials	24,296	25,586
Work in progress	20,911	21,807
Finished goods	2,783	4,688
Total	47,990	52 081

The inventory at 30 April 2026 is stated after stock provision of £6 240 000 (2025: £3 728 000). The cost of inventories recognised as an expense during the year is disclosed in note 3.

Notes to the financial statements continued
for the year ended 30 April 2026

13 Trade and other receivables

	Group		Company	
	2026 £000	2025 £000	2026 £000	2025 £000
Trade receivables (net of provision for doubtful debts)	46,522	36,668	-	-
Contract assets	71,947	42 517	-	-
Prepayments and accrued income	11,385	9,925	942	1,087
Amounts due from subsidiaries	-	-	307	373
	129 854	89 110	1 249	1,460

The average credit period taken on sales of goods is 29 days (2025 29 days) Of the trade receivables balance £14 8m was considered overdue at 30 April 2026 (30 April 2025 £7 4m) Overdue is defined as trade receivables still outstanding beyond invoice terms (typically 30 days) The allowance for doubtful debt is determined by management s best estimates, by reference to the particular trade and other receivables over which doubt may exist None of the other receivables were past due

The Directors consider that the carrying amount of trade and other receivables approximates to their fair values Customers who represent more than 5% of trade receivables include

	2026 £m	2025 £m
BAE Systems	3 8	4 5
UK MOD	4 2	4 6
Australian MOD	5 0	4 4
Hyundai Heavy Industries (2025 Portuguese MOD)	3 8	5 1
Netherlands MOD (2025 MBDA)	3 4	1 7
NDMA	4 4	1 6

Trade receivables include £5 0m (2025 £3 5m) denominated in foreign currency A 10% movement in exchange rates would impact this by £500k (2025 £350k) The predominant currency of the trade receivables is pounds sterling

The majority of the Group's customers are UK or overseas government organisations and larger prime contractors in the defence sector

The Group assesses all new customers for creditworthiness before extending credit In the case of overseas customers the Group utilises various payment protection mechanisms including, but not limited to, export credit guarantees, letters of credit and advance payments

Trade receivables disclosed include amounts which are past due at the reporting date but against which the Group has not recognised an allowance for doubtful debts because the credit quality of the customer is not considered to have changed and the amount due is considered fully recoverable The Group recognises provisions for doubtful debts on a credit loss basis taking into account the future anticipated losses based upon the creditworthiness of the end customer

Ageing of past due receivables	2026 £ 000	2025 £ 000
<30 days	4,829	2,011
30-60 days	6,292	3,131
60-90 days	974	281
>90 days	2 722	2 029
	14,817	7452

Of the amount in >90 days £1 615 000 trade and other receivables were overdue for greater than one year (2025 £392 000)

Movement in the allowance for doubtful debts (reported within trade receivables)	2026 £ 000	2025 £ 000
Balance at 1 May	1,092	680
Expected credit losses recognised	43	29
Acquired	-	933
Utilised on write off of debt	-	(150)
Released on recovery of debt previously provided	(28)	(400)
Foreign exchange movement	100	-
Balance at 30 April	1,207	1,092

Notes to the financial statements continued
for the year ended 30 April 2026

13 Trade and other receivables continued

Contract assets	2026 £ 000	2025 £ 000
Opening balance	42,517	31 892
Acquired	-	7,438
Contract asset recognised in revenue	106,942	71 007
Contract asset invoiced	(78,604)	(67 547)
Foreign exchange movement	1,092	(273)
Closing balance	71,947	42 517

The Group order book and its expected recognition as revenue in future periods are shown in the Financial review

14 Trade and other payables

	Group		Company	
	2026 £ 000	2025 £ 000	2026 £ 000	2025 £ 000
Contract liabilities	73,307	71,826	-	-
Trade payables	32,242	23,127	999	958
Social security and other taxes	5 879	4 640	652	446
Accruals and deferred income	27,392	26,986	1,744	2,128
Amounts due to subsidiary undertakings	-	-	135	1 584
	138,820	126 579	3,530	5,116

Trade payables and accruals principally comprise amounts outstanding for trade purchases and ongoing contract costs Contract liabilities reflect invoicing ahead of work done in accordance with contracted terms The average credit period taken for trade purchases is 29 days (2025 27 days), based upon each Group business's standard payment terms The Group has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms (see Risk management)

Trade payables and accruals other payables and taxes are all due for settlement within 12 months of the year end, the majority within three months

Social security and other taxes include employment taxes and VAT

The Directors consider that the carrying amount of trade payables approximates to their fair values

Total payable includes £13 2m (2025 £2 0m) denominated in foreign currency A 10% movement in exchange rates would impact this by £1,320k (2025 £200k)

Contract liabilities	2026 £ 000	2025 £ 000
Opening balance	71,826	38 216
New advances	122,547	128 685
Contract liability recognised in revenue	(121,783)	(101,209)
Acquired	-	6,715
Foreign exchange movement	717	(581)
Closing balance	73,307	71,826

15 Cash and bank borrowings

	Group		Company	
	2026 £ 000	2025 £ 000	2026 £ 000	2025 £ 000
Bank overdrafts	35,913	36,135	25,761	30 714
Bank loans	47 364	33 261	47,364	32 410
	83,277	69 396	73,125	63,124

These borrowings are repayable as follows

	Group		Company	
	2026 £ 000	2025 £ 000	2026 £ 000	2025 £ 000
On demand or within one year	35,913	36 986	25,761	30,714
In the third to fifth years inclusive	47 364	32 410	47,364	32,410
	83,277	69 396	73 125	63 124
Less amounts due for settlement within 12 months (shown under current liabilities)	(35 913)	(36 986)	(25,761)	(30 714)
Amount due for settlement after 12 months	47,364	32,410	47,364	32 410

Notes to the financial statements continued
for the year ended 30 April 2026

15 Cash and bank borrowings continued

The weighted average interest rates paid were as follows

	2026 %	2025 %
Bank loans (variable)	4.69%	4.44%

The variable rates are based upon the Bank of England or European Central Bank interest rates. The year end interest rate applying to the bank loans drawn in sterling was 5.67% (2025: 6.01%) and in euros was 3.83% (2025: 3.85%).

On 29 April 2026, the Group agreed a new facility. The facility is for five years to April 2031 with the option to extend to April 2033 via two one-year extensions. The facility comprises a revolving credit facility (RCF) of £125m with two term loans of c.£25m each denominated in AUD and EUR. The facility also includes an option (accordion) for a further £50m. The facility provides the Group with a flexible arrangement to draw down for acquisitions and overdraft. The Group's banking covenants were all passed for the year ended 30 April 2026. Looking forward, we expect this to continue out to 31 July 2027 and beyond.

The movement in the facility drawn in the year by currency was as follows:

	Sterling £'000	Euro £'000	Total £'000
At 1 May 2024	5,000	11,530	16,530
Borrowing drawn down	7,000	9,780	16,780
Foreign exchange movement	-	(49)	(49)
At 1 May 2025	12,000	21,261	33,261
Borrowing drawn down	2,500	12,108	14,608
Foreign exchange movement	-	(505)	(505)
At 30 April 2026	**14,500**	**32,864**	**47,364**

The first drawdown under the new banking facility was made on 5 May 2026.

At 30 April 2026, the Group had available £127.2m (2025: £16.7m) of undrawn banking facility. The Directors consider the carrying amount of bank borrowings approximates their fair values.

The Group has entered into separate bilateral arrangements governed by the Group facility, with each of its banks, for ancillary facilities including bonding, letters of credit and foreign exchange contracts.

Similar bilateral arrangements exist for EID with its bank in Portugal. EID has a facility of €2.5m with Santander which is renewable on a six-month rolling basis. €nil of this facility was drawn at 30 April 2026.

The Group's cash, net of bank overdrafts, at 30 April 2026 of £49.6m is held with the following banks:

	2026 £'000	2025 £'000	Moody's long term credit rating of bank as at 2026
National Westminster Bank plc	23,434	19,853	A1
Lloyds Bank plc	222	461	A1
Santander Bank	7,636	57	A1
Banco Comercial Português	6,178	552	A2
Caixa Geral de Depósitos Bank	70	751	A2
Commerzbank	2,692	5,316	A1
TD Bank	3,986	3,800	A2
St George	1,815	7,711	Aa2
Westpac	3,471	-	Aa2
Other banks and cash	77	10	
	49,581	38,511	

The Group's banking facility provides a legally enforceable right of offset between balances held by the parent and certain subsidiaries. Subsequent to the year end, the Group has transferred cash between subsidiaries evidencing its intention to settle on a net basis. Accordingly, these balances have been offset in the Group financial statements.

Notes to the financial statements continued
for the year ended 30 April 2026

16 Provisions

Group	Warranty £ 000	Contract-related provisions £ 000	Other provisions £ 000	Total £ 000
At 1 May 2024	3,469	7 358	1 291	12 118
On acquisition	35	3,043	916	3,994
Restated on review of provisional fair values (see note 29)	-	13 038	3,958	16,996
Charged to the income statement	296	(601)	851	546
Reclassified	-	(5,740)		(5,740)
Utilised	(59)	(50)	(165)	(274)
Foreign exchange movement	(9)	(507)	(130)	(646)
At 1 May 2025 (restated)	3 732	16,541	6 721	26 994
Charged to the income statement	1 249	509	1 693	3 451
Utilised	(48)	(7,704)	(788)	(8 540)
Foreign exchange movement	64	1 182	679	1 925
At 30 April 2026	**4,997**	**10,528**	**8,305**	**23,830**
Provisions due in less than one year	1,922	7,184	6,840	15,946
Provisions due in greater than one year	3,075	3,344	1,465	7,884
At 30 April 2026	**4,997**	**10,528**	**8,305**	**23,830**
Provisions due in less than one year	1,111	11,359	6,079	18,549
Provisions due in greater than one year	2,621	5,182	642	8 445
At 30 April 2025	3,732	16 541	6,721	26 994

The warranty provisions are management s best estimates of the Group s liability under warranties granted on software and other products supplied and are based upon past experiences The timing of such expenditure is uncertain although warranties generally have a time limit of no more than 12 months Warranty provisions are reviewed at the half year and year end in respect of actual spend and the remaining obligations to be fulfilled

Contract-related provisions are management's best estimate of the Group's exposure to contract-related costs and undertakings which are in addition to contract accruals and include contract loss provisions These arise where a service or product has been previously delivered to the customer and the Group receives a claim or an adverse indication in respect of the work done Where the amount required is uncertain or the Group disputes the amount of the claim provision is made for the best estimate of the amount that will be required to settle the issue

Contract-related provisions also include contract loss provisions in respect of contracts where the estimated cost at completion exceeds the total expected revenue of the contract A contract loss provision is recognised as a provision in full immediately as it arises The contract loss provisions are held in respect of contracts that are expected to complete in the next 12 months

Other provisions include property dilapidation provisions and other trade-related issues as well as other provisions raised on acquisition

The timing of these is uncertain and where uncertainty exists are accounted for as current apart from dilapidation provisions for the Group s leased properties, which are recognised as non-current if the lease is greater than one year

Notes to the financial statements continued
for the year ended 30 April 2026

17 Deferred tax

	Accelerated tax depreciation £'000	Other intangible assets £'000	Revaluation of building £'000	Other short-term timing differences £'000	Share options £'000	Group £'000
At 1 May 2024	(795)	(884)	(411)	3 298	448	1,656
(Charge)/credit to the income statement in respect of the current tax year	(189)	648	-	(1,028)	74	(495)
(Charge)/credit to the income statement in respect of prior tax years	(192)	-	-	1 151	-	959
Foreign exchange movement	-	192	-	(315)	-	(123)
Recognised in the income statement	(381)	840	-	(192)	74	341
Recognised in equity	-	-	-	-	1,080	1 080
Acquired on acquisition	(8)	(7468)	-	7243	-	(233)
At 1 May 2025	(1,184)	(7512)	(411)	10 349	1,602	2 844
(Charge)/credit to the income statement in respect of the current tax year	(72)	849	-	(1,822)	414	(631)
(Charge)/credit to the income statement in respect of prior tax years	(534)	-	-	(667)	-	(1,201)
Foreign exchange movement	-	(659)	-	714	-	55
Recognised in the income statement	(606)	190	-	(1,775)	414	(1,777)
Recognised in equity	-	-	-	-	96	96
At 30 April 2026	**(1,790)**	**(7,322)**	**(411)**	**8,574**	**2 112**	**1,163**

Certain deferred tax assets and liabilities have been offset where the Group has a legally enforceable right to do so The following is the analysis of the total deferred tax balances (after offset) for financial reporting purposes

	2026 £'000	2025 £'000
Deferred tax assets	5,218	5,153
Deferred tax liabilities	(4,055)	(2,309)
	1,163	2,844

A deferred tax liability in respect of the revaluation of a freehold building arose on the acquisition of SEA and is the potential tax liability payable on the revaluation gain in respect of the building with reference to its historical cost

Notes to the financial statements continued
for the year ended 30 April 2026

17 Deferred tax continued

The Company s deferred tax balance at 30 April 2026 was an asset of £783,000 (2025 £907,000), being £169,000 (2025 £609 000) in respect of other short-term timing differences, accelerated tax depreciation liability of £5,000 (2025 £18 000) and share options of £618 000 (2025 £280 000)

The corporation tax rate in the UK for the year ended 30 April 2026 was 25 0% (2025 25 0%) which has been applied by Cohort in calculating its income tax (see note 6)

For deferred tax balances in respect of EID (Portugal), the rate used was 22 45% (2025 22 45%) For ELAC SONAR (Germany) the rate used was 31 58% (2025 31 58%) For EM Solutions (Australia) the rate used was 30% (2025 30%)

The equity movement in deferred tax on share options is to reflect the future tax associated with the total future share options exercisable and is not capped at the share-based payment level

18 Derivative financial instruments

The Group has derivative financial instruments as follows

	2026 £000	2025 £000
Assets		
Foreign currency forward contracts	15	45
Liabilities		
Foreign currency forward contracts	(224)	(190)

The changes in marking the outstanding foreign currency forward contracts to fair value (which are based upon quoted market valuations) are credited or charged to the Consolidated income statement as "credit/(charge) on marking forward exchange contracts to market at the year end" They are in respect of trading contracts undertaken by the Group and in respect of Communications and Intelligence and Sensors and Effectors and are disclosed within their respective operating profits in the segmental analysis (see note 1) They are considered to be level 2 classification The gain to the Consolidated income statement for the year ended 30 April 2026 was as follows

	2026 £000	2025 £000
Foreign currency	42	138

Currency derivatives

The Group utilises forward currency contracts to hedge significant future transactions and cash flows The Group is party to a number of foreign currency forward contracts in the management of its foreign exchange rate exposure

The changes in total outstanding committed foreign currency forward contracts of the Group were as follows

2026	Buy £ 000	Sell € 000	Sell £ 000	Buy € 000	Buy £ 000	Sell US$ 000	Sell £ 000	Buy US$ 000
At forward exchange rates								
At 1 May 2025	851	946	(2 783)	(3 308)	6,042	8,162	(3,792)	(4 871)
Contracts matured in period	(851)	(946)	2 783	3,308	(2,094)	(2,835)	3,346	4,300
New contracts in period	-	-	(1)	(1)	65	87	(8,579)	(11,374)
At 30 April 2026	-	-	(1)	(1)	4,013	5,414	(9,025)	(11 945)
Fair value adjustment	-	-	-	-	(17)	-	226	-
At 30 April 2026 at spot rate	-	-	(1)	-	3,996	-	(8,799)	-

The total fair value adjustment is £209,000 (2025 £145,000) and the change in the forward exchange fair values for the year ended 30 April 2026 is £42,000 (30 April 2025 £138,000), which is included in the operating profit of the Group as a gain

2025	Buy £ 000	Sell € 000	Sell £ 000	Buy € 000	Buy £ 000	Sell US$ 000	Sell £ 000	Buy US$ 000
At forward exchange rates								
At 1 May 2024	2,063	2,263	(699)	(814)	6,029	8 146	(865)	(1,088)
Contracts matured in period	(1,305)	(1,429)	699	814	-	-	390	490
New contracts in period	93	112	(2 783)	(3 308)	13	16	(3 317)	(4,273)
At 30 April 2025	851	946	(2,783)	(3,308)	6,042	8,162	(3,792)	(4 871)
Fair value adjustment	(44)	-	(29)	-	77	-	141	-
At 30 April 2025 at spot rate	807	-	(2,812)	-	6,119	-	(3 651)	-

Notes to the financial statements continued
for the year ended 30 April 2026

18 Derivative financial instruments continued

Liquidity risk

The maturity of the outstanding contracts was as follows

At 30 April 2026	Buy £ 000	Sell € 000	Sell £ 000	Buy € 000	Buy £ 000	Sell US$ 000	Sell £ 000	Buy US$ 000
Within one year	-	-	(1)	(1)	2,206	2,976	(8,955)	(11,851)
Within two years	-	-	-	-	1,807	2,438	(70)	(94)
Greater than two years	-	-	-	-	-	-	-	-
At 30 April 2026 at forward rate	-	-	(1)	(1)	4 013	5 414	(9,025)	(11,945)

At 30 April 2025	Buy £ 000	Sell € 000	Sell £ 000	Buy € 000	Buy £ 000	Sell US$ 000	Sell £ 000	Buy US$ 000
Within one year	851	946	(2 783)	(3 308)	2 095	2 834	(3 346)	(4,300)
Within two years	-	-	-	-	2,140	2,889	(446)	(571)
Greater than two years	-	-	-	-	1,807	2 439	-	-
At 30 April 2025 at forward rate	851	946	(2,783)	(3,308)	6,042	8,162	(3,792)	(4,871)

The following significant exchange rates applied at 30 April

	2026		2025	
	US$	Euro	US$	Euro
Exchange rates at 30 April	0 7371	0 8640	0 7496	0 8511

Sensitivity analysis

A 10% strengthening of sterling against the above currencies at 30 April 2026 would increase the reported operating profit by £1,615,000 (2025 £1,441,000 increase) in respect of marking these forward contracts to market value

19 Share capital

	2026 Number	2025 Number
Allotted, called up and fully paid 10 pence ordinary shares	47,020,999	46 682 990

Movement in allotted called up and fully paid 10 pence ordinary shares

	Number
At 1 May 2024	41,606 486
Share options exercised	390 791
Share placement	4,685 713
At 1 May 2025	46 682 990
Share options exercised	338,009
At 30 April 2026	47 020 999

The Company has one class of ordinary shares, none of which carry a right to fixed income

During the year ended 30 April 2026, 338,009 ordinary shares (2025 390 791) in Cohort plc were issued to satisfy share options

New shares were issued as follows

Price per share ($)	Number of shares	Proceeds from new shares issued £
3 400	10,000	34 000
3 725	4 000	14 900
3 870	9,499	36,761
4 425	1,716	7 593
5 100	26,154	133,385
5 320	36,130	192,212
5 390	17,001	91,635
5 410	190,512	1,030,670
6 200	1,662	10,304
6 340	16,000	101,440
6 700	8,861	59 369
6 992	1,832	12,809
8 760	14,642	128,264
	338,009	1 853,343

£33,801 was added to the share capital with the balance £1,819,542 added to the share premium account

Notes to the financial statements continued
for the year ended 30 April 2026

20 Share options

The Group grants new share options under the Cohort plc 2016 share option scheme to senior management and key employees Previous options have been granted under the Cohort plc 2006 and 2016 share option schemes The Group also operates a Save As You Earn (SAYE) scheme and a Share Incentive Plan (SIP), both of which are available to all employees

The following options were outstanding at 30 April 2026

Scheme and grant date	Exercise price £	Vesting date	Expiry date	30 April 2026 Vested	30 April 2026 Not vested	30 April 2026 Total	30 April 2025 Vested	30 April 2025 Not vested	30 April 2025 Total
Cohort plc 2006 share option scheme									
20 Aug 2015	3 725	21 Aug 2018	20 Aug 2025	-	-	-	4 000	-	4,000
Cohort plc 2016 share option scheme									
15 Aug 2016	3 400	16 Aug 2019	15 Aug 2026	5 500	-	5,500	15 500	-	15 500
25 Aug 2017	3 760	26 Aug 2020	25 Aug 2027	57,000	-	57,000	57000	-	57,000
10 Aug 2018	3 900	11 Aug 2021	10 Aug 2028	69,404	-	69,404	69,404	-	69,404
28 Aug 2019	4 425	29 Aug 2022	28 Aug 2029	48,214	-	48,214	49930	-	49,930
18 Sep 2019	4 875	19 Sep 2022	18 Sep 2029	5,922	-	5,922	5,922	-	5,922
28 Aug 2020	6 200	29 Aug 2023	28 Aug 2030	45,492	-	45,492	47154	-	47154
28 Apr 2021	6 340	29 Apr 2024	28 Apr 2031	25,000	-	25,000	41,000	-	41 000
16 Aug 2021	5 390	16 Aug 2024	15 Aug 2031	82,719	-	82,719	99,720	-	99,720
18 Aug 2022	5 410	18 Aug 2025	18 Aug 2032	150,000	-	150 000	-	355 000	355 000
17 Aug 2023	5 100	17 Aug 2026	17 Aug 2033	-	348,560	348,560	-	428 500	428,500
30 Apr 2024	7560	30 Apr 2027	30 Apr 2034	-	3,969	3,969	-	3969	3969
15 Aug 2024	8 760	15 Aug 2027	15 Aug 2034	-	400 468	400 468	-	500 000	500,000
11 Aug 2025	13 480	11 Aug 2028	11 Aug 2035	-	417,897	417,897	-	-	-
				489,251	1,170,894	1,660,145	389 630	1 287 469	1,677,099
Save As You Earn (SAYE) scheme									
4 Sep 2020	6 700			-	-	-	-	8,995	8 995
3 Sep 2021	5 830			-	4,372	4,372	-	5,400	5,400
5 Sep 2022	5 320			-	6,762	6,762	-	44 217	44,217
28 Sep 2023	3 870			-	150 939	150 939	-	177,017	177,017
19 Sep 2024	6 992			-	133,498	133,498	-	152,276	152,276
19 Sep 2025	9 632			-	85,998	85,998	-	-	-
				-	381,569	381,569	-	387,905	387,905
				489,251	1,552,463	2,041,714	389,630	1,675,374	2,065,004

Notes to the financial statements continued
for the year ended 30 April 2026

20 Share options continued

The SAYE options have maturity periods of three or five years from the date of grant The Group plan provides for a grant price equal to the closing market price of the Group shares on the trading day prior to the date of grant In the case of the SAYE schemes the price is determined on the date before the invitation to participate, which was on 22 August 2025 for the 2025 scheme The vesting period is generally three years five years in the case of some SAYE options

If options under the Cohort plc 2006 or 2016 share option schemes remain unexercised after a period of ten years from the date of grant the options expire Furthermore options are forfeited if the employee leaves the Group before the options vest

The Group launched an all-employee Share Incentive Plan (SIP) on 1 September 2018 The scheme provides for participating employees to save up to £150 per month throughout each annual accumulation period At the end of each accumulation period (30 August each year), the amount saved will be used to purchase Cohort plc ordinary shares at the lower of the mid-market share price on the first and last day of the accumulation period

The shares to be issued under the Group's SIP scheme are provided by the Cohort Employee Benefit Trust (see note 21)

The movement in share options during the year is as follows

	2026		2025	
	Options	Weighted average exercise price £	Options	Weighted average exercise price £
Outstanding at 1 May	2,065,004	6 05	1 946 531	5 04
Granted during the year	532,951	12 83	655,191	8 34
Forfeited during the year	(218,232)	765	(108,198)	4 84
Exercised during the year	(338,009)	5 48	(428 520)	5 20
Expired during the year	-	-	-	-
Outstanding at 30 April	2,041,714	774	2,065,004	6 05
Exercisable at 30 April	489,251	5 00	389,630	4 86

The weighted average remaining contractual life is six years, ten months (2025 seven years, one month)

The exercised options in the year were satisfied by transferring shares from the Cohort Employee Benefit Trust (see note 21) and the issue of new shares (see note 19)

In the year ended 30 April 2026, options were granted as follows 90,051 on 19 September 2025 under the SAYE scheme, and 442,900 on 11 August 2025 under the Cohort plc 2016 share option scheme The option price for the SAYE scheme was £9 632 per share, which was the mid-market price on the day before the scheme invitation was made on 22 August 2025 The option price for the options issued under the Cohort plc 2016 share option scheme was £13 480 the mid-market price the day before the respective grant

Share options granted during the current and previous years were valued using the Black-Scholes model provided by the Quoted Companies Alliance The inputs to this model for the current and previous years were as follows

	2026	2025
Average share price	£12 99	£9 75
Weighted average grant price	£12 83	£8 34
Expected volatility	32%	33%
Risk free rate	3 74%-4 53%	4 17%-4 35%
Leaver rate (per annum)	10 0%	10 0%
Dividend yield	1 04%	1 08%

Expected volatility was determined by calculating the historical volatility of the Group s share price over the previous two years The leaver rate used in the model is based on management s best estimate The risk-free rate is determined using the spot curve for the date ranges of the options for the period of vesting

Additionally, the Group operates a Long Term Incentive Plan (LTIP) for senior management

Notes to the financial statements continued
for the year ended 30 April 2026

20 Share options continued

Scheme and grant date	Vesting date	30 April 2026 Vested	30 April 2026 Not vested	30 April 2026 Total	30 April 2025 Vested	30 April 2025 Not vested	30 April 2025 Total
Long Term Incentive Plan (LTIP) scheme							
August 2022	August 2025	-	-	-	-	190 432	190,432
August 2023	August 2026	-	152,078	152,078	-	210,787	210,787
August 2024	August 2027	-	106 714	106,714	-	143 049	143,049
August 2025	August 2028	-	80,539	80,539	-	-	-
		-	339,331	339,331	-	544 268	544,268

The LTIP scheme is subject to certain non-market performance conditions

The Group recognised a cost of £897,000 (2025 £1,375,000) relating to share-based payment transactions which are all equity settled, an equivalent amount being transferred to the share option reserve This excludes share-based payments which are cash settled

The cost of share-based payments is included in "Administrative expenses" within the Consolidated income statement

21 Own shares

	£ 000
Balance at 1 May 2024	4,569
Acquired in the year	3998
Sold in the year	(889)
Loss on shares sold in the year	(267)
Balance at 30 April 2025	7411
Acquired in the year	-
Sold in the year	(1 066)
Loss on shares sold in the year	(93)
Balance at 30 April 2026	6,252

The own shares reserve represents the cost of shares in Cohort plc purchased in the market and held by the Cohort Employee Benefit Trust to satisfy options under the Group's share options (see note 20), the Long Term Incentive Share Scheme (see the Remuneration Committee report) and the Group's SIP scheme

The number of ordinary shares in Cohort plc held by the Employee Benefit Trust at 30 April 2026 was 1,025,697 (2025 1,215,927)

13 547 (2025 24 527) ordinary shares in Cohort plc were transferred at nil value realising a loss on sale of shares of £82 565 for the purpose of satisfying shares awarded to the Executive Directors (see the Remuneration Committee report) and senior management under the Group's Restricted Share Scheme The total loss on satisfying share options and Restricted Shares by the Employee Benefit Trust was £93 234 (2025 £267,258) All of the shares sold at £9 500 per share were in respect of satisfying the Group's SIP

As at 30 April 2026, 7,798 (2025 21 805) of the shares held by the Employee Benefit Trust remain to be issued under the Restricted Share Scheme, on which an estimated loss of £47,526 (2025 £132,896) will be recognised as they are issued

As at 30 April 2026, an estimated 15 000 shares (2025 16,000) held by the Employee Benefit Trust expect to be issued under the SIP on which a loss of £93 000 (2025 loss of £43 000) would be recognised as they are issued

The market valuation of the ordinary shares in Cohort plc held by the Employee Benefit Trust at 30 April 2026 was £12 513 503 (2025 £16 658,200)

The cost of operating the Employee Benefit Trust during the year ended 30 April 2026 was £29,656 (2025 £31,980) and this cost is included within "Administrative expenses" in the Consolidated income statement

Notes to the financial statements continued
for the year ended 30 April 2026

22 Reserves and non-controlling interests

The Group (consolidated) and Company statements of changes in equity are disclosed as primary statements. Below is a description of the nature and purpose of the individual reserves:

- Share capital represents the nominal value of shares issued, including those issued to the Cohort Employee Benefit Trust (see note 19)
- Share premium includes the amounts over the nominal value in respect of share issues. Costs in respect of share issues are debited to this account
- Own shares held by the Group represent shares in Cohort plc. All the shares are held by the Cohort Employee Benefit Trust (see note 21)
- Share option reserve represents the cumulative share-based payment charged to reserves less the transfer to retained earnings on vesting of options
- Retained earnings include the realised gains and losses made by the Group and the Company

The non-controlling interests are analysed as follows:

Group	Communications and Intelligence £000
At 1 May 2024	1,166
Profit	371
Other comprehensive income	(51)
At 1 May 2025	1 486
Profit	378
Other comprehensive income	(46)
At 30 April 2026	**1 818**

Non-controlling interest within Communications and Intelligence comprises EID (20%)

23 Net cash from operating activities

	Group 2026 £000	Group 2025 £000
Profit for the year	24,281	19,620
Adjustments for		
Income tax charge	4,677	6 008
Depreciation of property plant and equipment	4,634	3,199
Depreciation of right of use assets	2,873	2 272
Amortisation of other intangible assets and goodwill	5,868	3 032
Net finance expense	2,052	474
Derivative financial instruments and other non-trading exchange movements	(42)	(138)
Share-based payment	1,198	698
Increase in provisions	3,386	3,857
Operating cash flows before movements in working capital	48,927	39 022
Decrease/(Increase) in inventories	6,677	(7,133)
Increase in receivables	(49,785)	(8,851)
Increase in payables	9,304	35 203
	(33,804)	19 219
Cash generated from operations	15 123	58,241
Income taxes paid	(1,326)	(5,459)
Interest paid	(2,507)	(1 598)
Net cash inflow from operating activities	11,290	51,184

Interest paid includes the interest element of lease liabilities under IFRS 16 (see note 10) of £500,000 (2025 £334,000)

Notes to the financial statements continued
for the year ended 30 April 2026

24 Leases

For operating leases where either the length of lease is less than 12 months in duration, and/or the value of the lease is low (below £5 000) at inception no asset or liability is recognised, and the cost of the lease is expensed over the lease term as part of operating profit in the income statement The cost of these operating leases is recognised in the Consolidated income statement and in the year ended 30 April 2026 was £223,000 (30 April 2025 £183,000)

25 Commitments

There was £1,409 000 of capital commitments at 30 April 2026 (2025 £8 559,000), largely relating to the new building at the Group s German operations

26 Retirement benefit obligations

The Group operates a variety of retirement benefit arrangements These are all defined contribution schemes with the exception in Germany of ELAC SONAR where a defined benefit scheme operates

i Defined contribution schemes

The Group makes contributions to defined contribution stakeholder pension schemes The contributions for the year of £6,053 000 (2025 £4 753 000) were charged to the Consolidated income statement Contributions outstanding at 30 April 2026 were £876 000 (2025 £854,000)

ii Defined benefit schemes

The Group operates a single defined benefit scheme in Germany on behalf of employees in ELAC SONAR The scheme has been closed to new members since 1 January 2019 The scheme provides annuities to the entitled participants and is funded by an external support fund At each balance sheet date, the obligations are calculated by an external actuary

Retirement benefit risks

Defined benefit schemes expose the Group to a number of risks the most significant of which are detailed below

Asset risk	As the scheme assets are in the form of purchased annuities held with an independent insurance provider this risk is low
Longevity risk	The plan s obligations are to provide benefits for the life of the member so increases in life expectancy will result in an increase in the plan s liabilities

Charges to the income statement in respect of the Group's defined benefit scheme are as follows

	2026 £ 000	2025 £ 000
Service cost	179	241
Net interest expense	116	162
	295	403

Amounts recognised in the income statement are set out below

	2026 £ 000	2025 £ 000
Net (gains)/losses from changes in assumptions	(530)	(1 590)
Gains from plan assets	(186)	(237)
	(716)	(1 827)

Amounts included in the Group s Consolidated balance sheet arising from the Group s defined benefit scheme obligations are

	2026 £ 000	2025 £ 000
Present value of defined benefit obligations	(10,093)	(10,225)
Fair value of scheme's assets	7,270	7,036
Net liability arising from defined benefit obligations	(2,823)	(3,189)

Notes to the financial statements continued
for the year ended 30 April 2026

26 Retirement benefit obligations continued

Retirement benefit risks continued

Fair value of the scheme's assets are as follows

	2026 £ 000	2025 £ 000
Opening scheme assets	7,036	6 864
Interest income	272	228
Amounts recognised in income in respect of defined benefit scheme	272	228
Return on plan assets excluding amounts included in interest income	186	237
Amounts recognised in the statement of comprehensive income	186	237
Contributions		
Employer	296	453
Payment from plan		
Benefits paid	(266)	(246)
Effect of movements in exchange rates	(254)	(500)
Closing scheme assets	7,270	7,036

The plan assets at acquisition and at 30 April 2026 comprised insurance annuities held with a third-party insurer

The present value of defined benefit obligations comprised

	2026 £ 000	2025 £'000
Opening defined benefit obligations	(10,225)	(12 490)
Current service cost	(179)	(241)
Interest expense	(388)	(390)
Amounts recognised in the income statement in respect of defined benefit scheme	(567)	(631)
Remeasurement gains/(losses) from		
Change in financial assumptions	443	1,383
Experience adjustments	87	207
Amounts recognised in the statement of other comprehensive income	530	1,590
Benefits paid	(87)	(207)
Benefit payments from employer	427	518
Payments from plan	340	311
Effects of movements in exchange rates	(171)	995
Closing defined benefit obligations	(10,093)	(10,225)

Actuarial assumptions

The assumptions used for the purpose of the actuarial valuations were as follows

	At year end 30 April 2026	At year end 30 April 2025
Discount rate	4 10%	3 80%
Salary increase rate	3 10%	3 00%
Pensions-in-payment increase rate	2 00%	2 00%
Mortality assumption	Richttafeln 2018 G	Richttafeln 2018 G

The assumptions regarding future mortality are based on actuarial advice in accordance with published statistics, which are country specific

Notes to the financial statements continued
for the year ended 30 April 2026

26 Retirement benefit obligations continued

Actuarial assumptions continued

The current and future beneficiaries of the scheme are as follows

	Number	Average age	Average annual pension £
Active	63	54	6,657
Deferred	74	55	1,279
Retired	168	76	2,040

The weighted average duration of the benefit obligation as at 30 April 2026 is 21 years (2025 20 years)

Using the mortality tables adopted the expected lifetime of average members at age 65 in 20 years time is as follows

	Male Years	Female Years
30 April 2025	88 8	91 6
30 April 2026	88 9	91 7

The expected contributions for the year ending 30 April 2026 are £295 500 for scheme assets and a further £76,000 benefit payments not from the plan assets

The expected total benefit payments for the next ten years are £4 8m ranging from around £382,000 per annum to £529,000 per annum

Sensitivity analysis

Several significant actuarial assumptions are made for the determination of the defined benefit obligation These are set out below along with the impact on the net liability of the scheme as at 30 April 2026 by the prescribed sensitivity change

	Change in assumption	Increase/ (decrease) in net liability of scheme £m
Mortality rate - increase in life expectancy	+1 year	0 3
Discount rate - increase in rate	+1%	(1 4)
Salary increase assumption - increase in rate	+1%	0 4
Pension payment increase assumption - increase in rate	+1%	1 1

These sensitivities are based on a change of assumption while holding all other assumptions constant In practice, this is unlikely to occur and changes in some of the assumptions may have some correlation When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the pension liability recognised within the balance sheet

27 Contingent liabilities

At 30 April 2026 the Group had in place bank guarantees of £59 166,000 (2025 £35 530 000) in respect of trading contracts The Group is not aware of any conditions which would realise these contingent liabilities The increase in the Group s contingent liabilities is in respect of higher levels of export orders including attached bank guarantee requirements

28 Related party transactions

Balances and transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation However, the key transactions with the Company are disclosed as follows

	Interest paid to subsidiaries £ 000	Interest received from subsidiaries £ 000	Management fees received from subsidiaries £ 000	Dividends received from subsidiaries £ 000	Group relief received from subsidiaries £ 000
2026	-	3,670	6,524	7,800	(33)
2025	-	1,358	5,050	23 800	675

Intercompany loans are repayable on demand and bear interest at rates ranging from 4 8% - 6 1% per annum The interest rates are based on relevant official published bank interest rates with additional margins ranging from 1% - 2%

Notes to the financial statements continued
for the year ended 30 April 2026

28 Related party transactions continued

During the year ended 30 April 2026 the Directors of Cohort plc received dividends from the Company as follows

	2026 £	2025 £
N Prest CBE	242,933	275 032
A Thomis	28,717	40,197
S Walther	23,169	36,328
P Lynas	2,527	2,303
	297 346	353 860

Further details of the remuneration of the Directors are set out in the Remuneration Committee report

The aggregate remuneration of the key management (2026 14, 2025 12) of the Group was as follows

	2026 £	2025 £
Salary (including any allowances, benefits and employer s NIC)	2,555,593	2,328,337
Long term incentive awards	1,138 149	1 296 861
Employer's pension contribution	212,184	47440
	3,905,926	3,672,638

The key management of the Group is the Board of Cohort plc plus each subsidiary's managing director

29 Acquisition of EM Solutions Pty Ltd

On 31 January 2025 Cohort plc acquired 100% of EM Solutions Pty Ltd (EM Solutions) EM Solutions is an Australian-based technology developer for innovative microwave and on-the-move radio and satellite products that help deliver high-speed telecommunications anywhere in the world No further payments are due

As part of the measurement period review additional information became available regarding conditions that existed at the acquisition date The principal adjustment related to the recognition of additional provisions of £16 9 million, partially offset by associated deferred tax adjustments The fair value of net identifiable assets acquired decreased by £5 1 million and goodwill increased by the same amount The measurement period adjustments had no impact on the total consideration transferred

The acquisition accounting is now complete and is as follows

	Provisional fair value £ 000	Adjustments £ 000	Final fair value £ 000
Recognised amounts of identifiable assets and liabilities assumed			
Contract asset	7052	132	7,184
Contract liability	(6 706)	-	(6,706)
Property, plant and equipment	1 662	-	1 662
Right of use assets	3 175	-	3 175
Other intangible assets	48 833	-	48,833
Deferred tax asset	3,865	3 755	7620
Inventory	10 207	(359)	9 848
Restricted cash	3 144	-	3,144
Trade and other receivables	4 075	-	4 075
Cash	1,690	-	1,690
Trade and other payables	(1,841)	-	(1,841)
Provisions	(3,994)	(16,933)	(20,927)
Lease liability	(2,301)	-	(2,301)
Deferred tax liability	(15 632)	8,349	(7,283)
	53,229	(5 056)	48,173
Goodwill	27,061	5,056	32 117
Total consideration (all satisfied by cash) transferred	80,290		80,290
Net cash outflow arising on acquisition			
Cash consideration paid	80,290	-	80 290
Cash acquired	(1,690)	-	(1,690)
	78 600	-	78 600

The fair value adjustments reflect adjustments arising out of Cohort s due diligence work on the acquisition These include additional provisions against trade and other receivables and for other contractual obligations, including product warranty and alignment with Group policies Deferred tax recognised on acquisition relates to the tax effects of the acquisition adjustments

Notes to the financial statements continued
for the year ended 30 April 2026

29 Acquisition of EM Solutions Pty Ltd continued

The intangible assets consist of

The goodwill of £32 1m arising from the acquisition represents customer contacts, supplier relationships and know-how to which no certain value can be ascribed None of the goodwill is expected to be deductible for tax purposes

The fair value adjustment is in respect of the other intangible assets and is analysed including their estimated useful lives as follows

	Book value £ 000	Final fair value £ 000	Estimated life Years
Contracts	-	4,789	6
Customer relationships and technology assets	-	44 044	10
Other intangible assets	-	48,833	

The other intangible assets acquired are based upon the following

Contracts	The estimated profit in the acquired order book of EM Solutions discounted at an appropriate WACC over the expected life of the order book This other intangible asset will be amortised over the estimated order book life at a rate to reflect the expected generation of profit from the order book
Customer relationships and technology assets	The estimated profit in identified future orders and prospects, discounted at an appropriate WACC over the expected life of the future order or prospect This other intangible asset will be amortised over the estimated useful life at a rate to reflect the expected generation of profit from those future orders and prospects

During the year, management completed a further review of contracts acquired on acquisition This review identified an adjustment would have increased the value attributed to an acquired contract Had the revised valuation been reflected in the prior year, revenue recognised for the year ended 30 April 2026 would have been £0 6 million lower Management assessed the impact on both the current and prior reporting periods and concluded that it was not material to either period Accordingly, no prior period restatement has been recorded

30 Disposal of SEA's Transport business

The sale of SEA's Transport business from within our Sensors and Effectors division, for an enterprise value cash consideration of £8m completed on 30 June 2025 The Transport business was not a strategic part of the Group's primary defence offering

A contingent consideration of £2 1m is payable should certain specified contracts be awarded to the buyers in future periods

SEA's Transport business contributed £1 3m of revenue before disposal on 30 June 2025

	Assets disposed £ 000
Property plant and equipment	44
Inventory	1,275
Contract asset	163
Other receivables	289
Contract liabilities	(2,263)
Other payables	(39)
Provisions	1,500
Disposal costs	515
Goodwill allocated	3 863
	5 347
Gain on sale of Transport business	545
	5,892
Working capital adjustment	2,108
Enterprise price	8,000
Contingent consideration (not recognised)	2 050
Headline price	10 050

Accounting policies

Basis of accounting

The Group financial statements have been prepared and approved by the Directors in accordance with UK adopted International Accounting Standards and applicable UK company law

The Company is a public company limited by shares incorporated in the United Kingdom under the Companies Act and is registered in England and Wales The address of the parent company s registered office is shown on page 138 The Company financial statements presented on pages 88 to 136 are prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 101 Reduced Disclosure Framework'

The financial statements are prepared on the historical cost basis except for derivative financial instruments that are stated at their fair value

The consolidated financial statements are presented in GBP which is the ultimate parent company s functional currency

On publishing the parent company financial statements here together with the Group financial statements the Company is taking advantage of the exemption in Section 408 of the Companies Act 2006 not to present its individual income statement and related notes that form part of these approved financial statements As permitted by FRS 101 the Company has taken advantage of the following disclosure exemptions from the requirements of IFRS

- presentation of a statement of cash flows and related notes,
- disclosure of the objectives policies and processes for managing capital
- disclosure of the categories of financial instruments and the nature and extent of risks arising on these financial instruments
- disclosure of the future impact of new UK adopted International Financial Reporting Standards in issue but not yet effective at the reporting date and
- related party disclosures for transactions with the parent or wholly owned members of the Group

Exemption from audit

For the year ended 30 April 2026 Cohort plc has provided a guarantee in respect of all liabilities due by its following subsidiaries MASS Limited (registration number 05863964), SEA (Group) Ltd (registration number 02430846), Systems Engineering & Assessment International Ltd (registration number 15719053), Marlborough Communications (Holdings) Limited (registration number 07739219) Interactive Technical Solutions Limited (registration number 05152472) and Chess Technologies Limited (registration number 06539922) This entitles them to exemption from audit under Section 479A of the Companies Act 2006 relating to subsidiary companies

Going concern

As highlighted in note 15 to the financial statements the Company meets its day-to-day working capital requirements through a facility, which was agreed on 29 April 2026 The rising geopolitical tension and escalating international security situation, particularly in Ukraine and the Middle East, has increased the focus of governments particularly in NATO on defence capability and driven increasing levels of demand for the Group s products Specifically in respect of UK defence spending (UK MOD represents 40% of the Group's 2025/26 revenue), the SDR published in 2025, does give the Group some improved visibility from this key customer

The Company's forecasts and projections, taking account of reasonably possible changes in trading performance show that the Company should be able to operate within the level of its current facility

The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future, which is at least 12 months from the date of signing this report Thus they continue to adopt the going concern basis in preparing the annual financial statements

Further information regarding the Company's business activities, together with the factors likely to affect its future development, performance and position, is set out in the Strategic report and included in the Risk management section The financial position of the Company its cash flows its liquidity position and its borrowing facilities are also described in the Strategic report

In addition the Strategic report includes the Company's objectives, policies and processes for managing its capital, its financial risk management objectives details of its financial instruments and hedging activities, and its exposures to credit risk and liquidity risk

Accounting policies continued

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiary undertakings made up to 30 April 2026 Subsidiaries acquired during the year are consolidated from the date of acquisition using the purchase method (see "Business combinations")

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by the Group

Subsidiaries are entities controlled by the Group The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity In assessing control, the Group takes into consideration potential voting rights The acquisition date is the date on which control is transferred to the acquirer The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance

Transactions eliminated on consolidation

Intra-group balances and transactions and any unrealised income and expenses arising from intra-group transactions are eliminated Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment

Adoption of new and revised standards

The Group has applied the following standards and amendments for the first time for the annual reporting period commencing 1 May 2025 none of which had a material impact on the entity

Amendments to IAS 21 'Lack of Exchangeability - The Effects of Changes in Foreign Exchange Rates' (effective for years commencing 1 January 2025)

Certain new accounting standards and interpretations have been published that are not mandatory for 30 April 2026 reporting periods and have not been early adopted by the Group These standards, outlined below, are not expected to have a material impact on the entity in the current or future reporting periods or on foreseeable future transactions

Amendments to IFRS 9 and IFRS 7 Amendments to the Classification and Measurement of Financial Instruments (effective for years commencing 1 January 2026)

Annual Improvements to IFRS Accounting Standards (effective for years commencing 1 January 2026)

IFRS 18 Presentation and Disclosure in Financial Statements (effective for years commencing 1 January 2027)

IFRS 19 'Subsidiaries without Public Accountability Disclosures (effective for years commencing 1 January 2027)

Bank borrowings

Interest-bearing bank loans and overdrafts are recorded at the proceeds received, net of direct issue costs Finance charges including premiums payable on settlement or redemption and direct issue costs are accounted for on an accruals basis in the income statement using the effective interest rate method and are disclosed within accruals to the extent they are not settled in the period, unless the loan terms provide for the interest to be added to the principal, in which case the interest is added to the carrying amount of the instrument to which it pertains

Borrowing costs

All borrowing costs are recognised in the income statement in the period in which they are incurred unless, where appropriate, interest costs are capitalised into assets fixed and current The costs of arranging the Group facility are expensed over the term of the facility except for those costs arising as a result of an acquisition or disposal of a business, which are then included as part of those transaction costs

Business combinations

The acquisition of subsidiaries is accounted for using the purchase method The cost of the acquisition is measured as the aggregate of the fair values, at the completion date, of assets acquired, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquired subsidiary The costs of acquisition are charged to the Consolidated income statement as an exceptional item in accordance with IFRS 3

Goodwill arising on acquisition is recognised as an asset and initially measured at cost being the excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable intangible assets, assets, liabilities and contingent liabilities recognised If after reassessment which is a point in time greater than 12 months after the completion date the Group's interest in the net fair value of the acquiree s identifiable assets liabilities and contingent liabilities exceeds or is below the cost of the business combination, the excess or shortfall is recognised immediately in the income statement as an exceptional item

Adjustments to the provisional value of assets and liabilities acquired in a business combination when the final values have become known within 12 months are adjusted for and reported as a movement in the current period

Accounting policies continued

Business combinations continued

Any contingent consideration payable is recognised at fair value at the acquisition date If the contingent consideration is classified as equity, it is not remeasured and settlement is accounted for within equity Otherwise, subsequent changes to the fair value of the contingent consideration are recognised in profit or loss as an exceptional item

The Group measures the non-controlling interests which have both present ownership interests and are entitled to a proportionate share of net assets of the acquired business in the event of liquidation, at its proportionate interest in the recognised amount of the identifiable net assets of the acquired business at the acquisition date

Where less than 100% of a subsidiary is acquired but the Group has effective control that subsidiary is accounted for as if 100% were acquired with the non-controlling interest recognised appropriately

Acquisitions and disposals of non-controlling interests that do not result in a change of control are accounted for as transactions with owners in their capacity as owners and therefore, no goodwill is recognised as a result of such transactions The adjustments to non-controlling interests are based on a proportionate amount of the net assets of the subsidiary Any difference between the price paid or received and the amount by which non-controlling interests are adjusted is recognised directly in equity and attributed to the owners of the parent

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and on-demand deposits and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value Deposits are included within cash and cash equivalents where the maturity from commencement of the deposit is three months or less Restricted cash representing cash-backed bank guarantees given as part of long term contracts are held separately on the balance sheet until the contracts to which they relate end

Derivative financial instruments

The Group s activities expose it to the financial risks of changes in foreign currency exchange rates and interest rates The Group uses foreign exchange forward contracts and interest rate swap contracts to hedge these exposures The Group does not use derivative financial instruments for speculative purposes

Changes in the fair value of derivative financial instruments are recognised in the income statement as they arise and are disclosed separately in deriving the Group's adjusted operating profit

Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received net of direct issue costs

Financial instruments

Financial assets and financial liabilities are recognised in the Group's balance sheet when the Group becomes party to the contractual provisions of the instrument

Financial liabilities and equity instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities

Foreign currencies

The individual financial statements of each Group company are presented in the currency of the primary economic environment in which it operates (its functional currency) which is generally sterling for the Group Cohort s direct subsidiaries Thunderwaves and Cohort Deutschland, and indirect subsidiaries, EID and ELAC SONAR, all have the euro as their functional currency, whilst EM Solutions and the Australian holding companies have the Australian dollar as their functional currency For the purpose of the consolidated financial statements, the results and financial position of each Group company are expressed in pounds sterling which is the functional currency of the Company and the presentational currency for the consolidated financial statements with any exchange difference included in the Consolidated statement of comprehensive income

In preparing the financial statements of the individual companies, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded at the rates of exchange prevailing on the dates of the transactions At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are re-translated at the rates prevailing on the balance sheet date

Exchange differences arising on the settlement of monetary items, and on the re-translation of monetary items, are included in the income statement for the year

In order to hedge its exposure to certain foreign exchange risks, the Group enters into forward contracts The Group s accounting policies in respect of such derivative financial instruments are described above The Group does not apply hedge accounting

These forward foreign exchange contracts are revalued to fair value at each balance sheet date with any movement included in the Consolidated income statement as part of the cost of sales and disclosed separately in deriving the Group s adjusted operating profit

Accounting policies continued

Goodwill

Goodwill arising on consolidation represents the excess of the cost of acquisition over the Group's interest in the fair value of the identifiable intangible assets, assets and liabilities of a subsidiary, associate or jointly controlled entity at the date of acquisition Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less any accumulated impairment losses Goodwill which is recognised as an asset is reviewed for impairment biannually Any impairment is recognised immediately in the income statement as an exceptional item and is not subsequently reversed

For the purpose of impairment testing goodwill is allocated to each of the Group s subsidiaries as appropriate Subsidiaries (cash-generating units) to which goodwill has been allocated are tested for impairment biannually, or more frequently when there is an indication that the unit may be impaired If the recoverable amount of the subsidiary is less than the carrying amount of the subsidiary, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the subsidiary and then to the other assets of the subsidiary pro rata on the basis of the carrying amount of each asset in the subsidiary An impairment loss recognised for goodwill is not reversed in a subsequent period The impairment of goodwill is a critical judgement and estimate and is discussed in detail below

On disposal of a subsidiary or part of a subsidiary, associate or jointly controlled entity, the attributable amount of goodwill is included in the determination of the profit or loss on disposal

Impairment of tangible and intangible assets excluding goodwill

At each balance sheet date the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss If any such indication exists the recoverable amount of the asset is estimated in order to determine the extent of the impairment (if any)

The recoverable amount is the higher of fair value less costs to sell and value in use In assessing value in use the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted

If the recoverable amount of an asset (or subsidiary) is estimated to be less than its carrying amount, the carrying amount of the asset (subsidiary) is reduced to its recoverable amount An impairment loss is recognised as an expense immediately unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease

Where an impairment loss subsequently reverses the carrying amount of the asset (subsidiary) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (subsidiary) in prior years A reversal of an impairment loss is recognised as income immediately

Intangible assets

Intangible assets are recognised in respect of contracts, intellectual property rights and other measurable intangibles, including customer relations, arising on business combinations The value of these intangible assets is determined by the estimated value to the Group going forward The intangible assets are written off over the estimated useful lives of those particular assets As discussed the valuation of intangible assets is an area of critical judgement and estimate for the Directors

Inventories

Inventories are stated at the lower of cost and net realisable value Cost of finished goods and work in progress includes overheads appropriate to the stage of manufacture Net realisable value is based upon estimated selling price less the further cost expected to be incurred to completion and disposal Provision is made for obsolete and slow-moving items at a minimum covering all stock older than six years that has not been kitted to an active project Stock is accounted for on a first-in, first-out basis

Leases

At the inception of a contract, the Group assesses whether a contract is, or contains, a lease A contract is or contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration

Accounting policies continued

Leases continued

As a lessee

At commencement or on modification of a contract that contains a lease component, along with one or more other lease or non-lease components, the Group accounts for each lease component separately from the non-lease components The Group allocates the consideration in the contract to each lease component on the basis of its relative standalone price and the aggregate standalone price of the non-lease components

The Group recognises a right of use asset and a lease liability at the lease commencement date The right of use asset is initially measured at cost which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received

The right of use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right of use asset reflects that the Group will exercise a purchase option In that case the right of use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment In addition the right of use asset is periodically reduced by impairment losses if any, and adjusted for certain remeasurements of the lease liability

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined the Group's incremental borrowing rate

Lease payments included in the measurement of the lease liability comprise the following

- fixed payments, including in-substance fixed payments,
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date,
- amounts expected to be payable under a residual value guarantee
- the exercise price under a purchase option that the Group is reasonably certain to exercise,
- lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option and
- penalties for early termination of a lease unless the Group is reasonably certain not to terminate early

The lease liability is measured at amortised cost using the effective interest method It is remeasured when there is a change in future lease payments arising from a change in an index or rate there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right of use asset, to the extent that the right of use asset is reduced to £nil, with any further adjustment required from the remeasurement being recorded in profit or loss

The Group has elected not to recognise right of use assets and lease liabilities for leases of low-value assets and of short-term (less than 12 months) leases The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term

Pension contributions

Payments are made to the Group's stakeholder pension schemes all of which are defined contribution schemes with the exception of a defined benefit scheme in Germany In respect of defined contribution schemes, amounts are charged to the income statement as incurred

In respect of the defined benefit scheme the schemes' assets and liabilities are valued annually by an external actuary The service cost and net interest movements are recognised in the Consolidated income statement Movements in valuation from changes in assumptions, including discount rate and mortality rate are recognised in the Consolidated statement of other comprehensive income The gross assets and obligations of the scheme, as independently valued are shown net as retirement benefit obligations in the Consolidated statement of financial position at each balance sheet date

Property, plant and equipment

Land and buildings held for use in the production or supply of goods or services or for administrative purposes, are stated in the balance sheet at their fair value at the date of acquisition plus any subsequent cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses

Fixtures and equipment are stated at cost less accumulated depreciation and any recognised impairment loss

Accounting policies continued

Property, plant and equipment continued

Depreciation is charged so as to write off the cost or valuation of assets other than land and properties under construction over their estimated useful lives, using the straight-line method, on the following bases

Buildings	2%-4%
Fixtures fittings and equipment	20%-50%

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, where shorter over the term of the relevant lease

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the income statement

Investment property

Buildings held for long term investment returns are accounted for on the cost basis and are depreciated at a rate of 2%-4% per annum

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) which arises as a result of a past event and it is probable that the Group will be required to settle that obligation Provisions are measured at the Directors' best estimate of the expenditure required to settle the obligation at the balance sheet date and are discounted to present value where the effect is material In respect of specific types of provisions the policy is as follows

Warranty

Provisions for the expected cost of warranty obligations under local sale of goods legislation and specifically contracted warranty undertakings are recognised at the date of sale of the relevant product or service The provision is the Directors best estimate of the expenditure required to settle the Group s obligation

Other contract-related provisions including contract loss provisions

The Group undertakes a number of contracts where contractual and/or third-party obligations arise as a result of delivering the contract This provision includes amounts for losses on contracts, which are recognised in full immediately when it is probable that total contract costs will exceed total contract revenue In some cases after a product has been delivered and revenue has been recognised the Group receives claims (including warranty issues) from customers in respect of work done Where the amount required to settle the claim is uncertain or the Group disputes the amount of the claim, provision is made for the best estimate of the amount that will be required to settle the claim

Contract loss provisions are reviewed on a regular basis to determine whether the provision is still adequate or excessive Contract loss provisions and subsequent adjustments to them are charged as cost of sales in the income statement

Where such an obligation relates to a discontinued operation then the charge will be disclosed as an exceptional item

Research and development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred

An internally generated intangible asset arising from the Group s own development activity is recognised only if all of the following conditions are met

- an asset is created that can be identified (such as software, product and new processes) and is technically and commercially feasible,
- it is probable that the asset created will generate future economic benefits and the Group has available to itself sufficient resources to complete the development and to subsequently sell and/or use the asset created and
- the development cost of the asset can be measured reliably

Internally generated intangible assets are amortised on a straight-line basis over their useful lives Where no internally generated intangible asset can be recognised, development expenditure is recognised as an expense in the period in which it is incurred

Revenue and profit recognition

The Group applies IFRS 15 'Revenue from Contracts with Customers'

Revenue represents income derived from contracts for the provision of goods and services, over time or at a point in time, by the Group to customers in exchange for consideration in the ordinary course of the Group's activities

Performance obligations

Upon approval by the parties to a contract the contract is assessed to identify each promise to transfer either a distinct good or service or a series of distinct goods or services that are substantially the same and have the same pattern of transfer to the customer Goods and services are distinct and accounted for as separate performance obligations in the contract if the customer can benefit from them either on their own or together with other resources that are readily available to the customer and they are separately identifiable in the contract

The Group provides warranties to its customers to give them assurance that its products and services will function in line with agreed-upon specifications Warranties are not provided separately and, therefore, do not represent separate performance obligations

Accounting policies continued

Transaction price

At the start of the contract the total transaction price is estimated as the amount of consideration to which the Group expects to be entitled in exchange for transferring the promised goods and services to the customer excluding sales taxes Variable consideration, such as price escalation is included based on the expected value or most likely amount only to the extent that it is highly probable that there will not be a reversal in the amount of cumulative revenue recognised The transaction price does not include estimates of consideration resulting from contract modifications, such as change orders, until they have been approved by the parties to the contract The total transaction price is allocated to the performance obligations identified in the contract in proportion to their relative standalone selling prices Given the bespoke nature of many of the Group's products and services which are designed and/or manufactured under contract to the customer's individual specifications, there are typically no observable standalone selling prices Instead, standalone selling prices are typically estimated based on expected costs plus contract margin

Whilst payment terms vary from contract to contract, on some of the Group s contracts, an element of the transaction price is received in advance of delivery The Group therefore has contract liabilities (note 14) The Group's contracts are not considered to include significant financing components on the basis that there is no difference between the consideration and the cash selling price UK Ministry of Defence contracting rules prohibit the inclusion of financing in the sales price

Own shares

Own shares represent the shares of Cohort plc that are held by the Employee Benefit Trust Own shares are measured at cost and deducted from equity in both the Group and the parent company financial statements

Revenue and profit recognition

Revenue is recognised as performance obligations are satisfied as control of the goods and services is transferred to the customer For each performance obligation within a contract the Group determines whether it is satisfied over time or at a point in time Performance obligations are satisfied over time if one of the following criteria is satisfied

- the customer simultaneously receives and consumes the benefits provided by the Group's performance as it performs
- the Group s performance creates or enhances an asset that the customer controls as the asset is created or enhanced or
- the Group's performance does not create an asset with an alternative use to the Group and it has an enforceable right to payment for performance completed to date

The Group has determined that most of its contracts satisfy the over time criteria either because the customer simultaneously receives and consumes the benefits provided by the Group s performance as it performs (typically services or support contracts) or the Group's performance does not create an asset with an alternative use to the Group and it has an enforceable right to payment for performance completed to date (typically development or production contracts)

For each performance obligation to be recognised over time the Group recognises revenue using an input method, based on costs incurred in the period Revenue and attributable margin are calculated by reference to estimates of transaction price and total expected costs to complete the contract after making suitable allowances for technical and other risks Revenue and associated margin are therefore recognised progressively as costs are incurred, and as risks have been mitigated or retired The Group has determined that this method appropriately depicts the Group's performance in transferring control of the goods and services to the customer

If the over time criteria for revenue recognition are not met revenue is recognised at the point in time that control is transferred to the customer, which is usually when legal title passes to the customer and the business has the right to payment, for example on delivery

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised immediately as an expense

Internally the Group categorises revenue recognition according to three types One or more of each type can apply to a single customer contract

Type	Point in time or over time	Reason for type applied
One	Point in time	Revenue is recognised when the product or service is delivered to the customer per the contract and the customer is obliged to pay at this point
Two	Over time service	Revenue is recognised for a service provision over time Typically these services are long term but the contract with the customer fixes the annual revenue where the costs incurred per annum are variable Revenue is recognised on either timesheets or a fixed receivable from the customer
Three	Over time	Revenue is recognised over the contract based on the input costs to deliver the contract to that stage, taking account of appropriate risk contingencies in the remaining costs to complete the contract Revenue is recognised (typically monthly) on input costs including internal labour (timesheets) and bought in goods and services (invoices or delivery notes)

Accounting policies continued

Revenue and profit recognition continued

The Group's businesses determine the revenue category/categories at the contract outset and apply this recognition method consistently until the contract is completed

Software licences

The Group sells software licences either separately or together with other goods and services, including computer hardware and implementation, hosting and support Revenue recognition in respect of software licences sold as part of a bundle of goods and services is considered separately when the licence is determined to be a separate performance obligation Software licences either represent a right to access the Group's intellectual property as it exists throughout the licence period or a right to use the Group's intellectual property as it exists at the point in time at which the licence is granted Revenue in respect of right to access licences is recognised over the licence term or, in relation to perpetual licences over the related customer relationship and revenue in respect of right to use licences is recognised upfront on delivery to the customer

A software licence is considered to be a right to access the Group s intellectual property as it exists throughout the licence period if all of the following criteria are satisfied

- the contract requires, or the customer reasonably expects, that the Group will undertake activities that significantly affect the intellectual property,
- the licence directly exposes the customer to the effects of those activities, and
- those activities do not result in the transfer of a good or service to the customer

Contract modifications

The Group s contracts are often amended for changes in customers' requirements and specifications A contract modification exists when the parties to the contract approve a modification that either changes existing or creates new enforceable rights and obligations The effect of a contract modification on the transaction price and the Group's measure of progress towards the satisfaction of the performance obligation to which it relates is recognised in one of the following ways

1 prospectively as an additional separate contract
2 prospectively, as a termination of the existing contract and creation of a new contract, or
3 as part of the original contract using a cumulative catch-up

The majority of the Group's contract modifications are treated under either 1 (for example, the requirement for additional distinct goods or services) or 3 (for example, a change in the specification of the distinct goods or services for a partially completed contract), although the facts and circumstances of any contract modification are considered individually as the types of modifications will vary contract by contract and may result in different accounting outcomes

Costs to obtain a contract

The Group expenses pre-contract bidding costs, which are incurred regardless of whether a contract is awarded The Group does not typically incur costs to obtain contracts that it would not have incurred had the contracts not been awarded, such as sales commission

Costs to fulfil a contract

Contract fulfilment costs in respect of over time contracts are expensed as incurred Contract fulfilment costs in respect of point in time contracts are accounted for under IAS 2 Inventories

Sales of goods are recognised when goods are delivered, and title has passed

Share-based payments

The Group issues equity-settled share-based payments to certain employees Equity-settled share-based payments are measured at fair value (excluding the effect of non-market-based vesting conditions) at the date of grant The fair value determined at the grant date of equity-settled share-based payments is expensed on a straight-line basis over the vesting period based on the Group s estimate of shares that will eventually vest and adjusted for the non-market-based vesting conditions

Fair value is measured by use of the Quoted Companies Alliance Black-Scholes model The expected life used in the models has been adjusted, based on management's best estimate, for the effects of non-transferability exercise restrictions and behavioural considerations

The cost of share-based payments is charged to the income statement with a corresponding credit applied to the share option reserve The appropriate element of the reserve is transferred to the retained profit of the Group when the share options to which the reserve relates vest

Taxation

The tax expense represents the sum of the tax currently payable and the deferred tax expense or credit

The tax currently payable is based on taxable profit for the year Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible The Group s liability for current tax is calculated using tax rates that have been enacted, or substantively enacted, by the balance sheet date

Accounting policies continued

Taxation continued

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available, against which deductible temporary differences can be utilised Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates and interest in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all, or part of, the asset to be recovered

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised Deferred tax is charged or credited to the income statement, except when it relates to items charged or credited directly to equity in which case the deferred tax is also dealt with in equity

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis

Trade and other receivables

Trade receivables are initially measured at fair value

With the exception of derivative financial instruments (see above) all other trade and other receivables are reported at amortised cost

The Group recognises provisions for doubtful debts on an expected credit loss basis taking into account the future anticipated credit losses based upon the creditworthiness of the end customer The allowance recognised is measured as the difference between the trade receivables and contract asset s carrying amount and the estimated recoverable amount

Where revenue recognised over time on a contract exceeds the value that has been invoiced, the excess is recognised as a contract asset and is included within trade and other receivables

Accrued income is recognised on revenue recognised at a point in time where a delivery or service has been made and revenue can be recognised, but no invoice has been raised

Trade and other payables

Trade and other payables are initially measured at fair value

With the exception of derivative financial instruments (see above) all other trade and other payables are reported at amortised cost

Subsequent measurement is based on changes in the fair value and any changes recognised in the Consolidated income statement To the extent that receipts from customers exceed relevant revenue, whether invoiced or a contract asset then this is included as an advance receipt within trade and other payables

Deferred income will arise on point in time contracts where customers have been invoiced, usually as a result of supplier costs incurred by the Group but where the service/delivery has not been made

Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group s accounting policies, which are described above, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources

The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant

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

The Directors have identified the following critical judgements and estimates in applying the Group s accounting policies that have the most significant impact on the amounts recognised in the financial statements

Notes to the accounting policies

1 Critical accounting judgements

Revenue recognition

Judgement is applied in whether to recognise revenue over time or at a point in time with respect to contracts and other sales agreements in place This will make reference to the contractual arrangements on each contract and which revenue recognition method is most appropriate for that contract or sales agreement

Recoverability of trade and other receivables

Judgement is applied in determining whether any of the Group s trade and other receivables require a bad debt our historical experience, and the commercial terms we have in place to protect the recoverability of our receivables

Provisions

The Group makes estimates of provisions for existing commitments arising from past events In estimating these provisions, the Group makes judgements as to the quantity and likelihood of the liability arising Certain provisions require more judgement than others In particular warranty provisions and contract loss provisions have to take account of future outcomes arising from past deliveries of products and services In estimating these provisions the Group makes use of management experience precedents and specific contract and customer issues

Research and development

The recognition of research and development expenditure as an internally generated intangible asset requires the Directors to make judgements especially with respect to whether the asset created will generate future economic benefit This is a key judgement in this respect as the time between development and any income can be considerable (over five years) and often the income-generating asset may have considerably evolved from the asset originally created As a result of this, the Group almost always expenses research and development in the period it is incurred

Acquisition of other intangible assets

Intangible assets other than goodwill that are obtained through acquisition are capitalised on the balance sheet These other intangible assets are valued on acquisition using a discounted cash flow methodology which depends on future assumptions about the revenue from contracts, prices and costs, and on the Group's cost of capital At the time of an acquisition, the Directors use the business's projected gross margin from contracts acquired or future prospects These gross margin figures will depend upon each contract s cost to complete estimate at that point in time and the Directors will apply judgement in whether those costs to complete are appropriate or not The Directors will also take into account the expected timing of the recognition of revenue (and gross margin) on each contract or future prospect

Taxation

In accordance with IFRIC 23 'Uncertainty over Income Tax Treatments' the Group currently takes a cautious approach to the recognition of R&D tax credits for periods that are still open As at 30 April 2026 a provision of £1,150,000 (2025 £1,900,000) was recognised against R&D tax credit claims made in the final and early build computations for 2024/25 and 2025/26 The Group considers this level of provision as not material

2 Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows

Revenue and profit recognition

The judgement applied in recognising revenue on a contract over time as performance obligations are completed is in respect of the input costs incurred and the attributable margin The latter is particularly a judgement in respect of estimating the cost to complete on a particular contract and the remaining risk and associated contingency The Directors make use of monthly project (contract) control processes in each business within the Group to monitor and review cost to complete estimates and the utilisation or release of risk contingencies within each contract This cost contingency takes account of the stage that the contract has reached and any judgement and uncertainty remaining to deliver the remainder of the contract It is usual for these cost contingencies to reduce as the contract progresses and risk and uncertainty reduces

Provisions

Judgement is applied on recognising contract provisions for uncertainties inherent in the type of projects undertaken throughout the Group Management takes a prudent approach to recognising provisions against risks in projects especially on initial acquisition of subsidiaries where less historical information is available to inform management s decisions (see note 16)

Impairment

Judgement is applied in determining the discount rate used to value goodwill Management takes a prudent approach to the selection of appropriate discount rates used, using rates provided by the Group's NOMAD (Investec) and providing additional risk premiums on top of this See note 9 for further discussion of sensitivity surrounding goodwill impairment testing

Other

Where a reasonably possible change in a key assumption could give rise to a change in the amount reported, this is disclosed within the relevant note to the accounts

Five-year record

	2026	2025	2024	2023	2022
Headline results (£'000)					
Revenue	**306,387**	270,043	202,533	182 713	137,765
- Communications and Intelligence	**158,927**	124 891	82,929	86 195	68,369
- Sensors and Effectors	**147,460**	145 152	119,604	96 518	69 396
Adjusted operating profit	**36,291**	27,475	21,141	19,064	15,525
- Communications and Intelligence	**32,401**	21 095	12,842	14 911	12,253
- Sensors and Effectors	**10,543**	12 654	12,787	9 320	7469
- Corporate	**(6,653)**	(6,274)	(4 488)	(5 167)	(4,197)
Operating profit	**34,646**	26,102	21,187	15,251	11,090
- Communications and Intelligence	**27 841**	17,908	13 507	14 815	12,310
- Sensors and Effectors	**13,529**	14,395	12,236	5,765	2,395
- Corporate	**(6,724)**	(6 201)	(4,556)	(5,329)	(3,615)
Adjusted earnings per share (pence)					
Basic	**61 93**	54 44	42 89	36 48	31 08
Diluted	**60 82**	53 46	42 72	36 40	30 91
Statutory earnings per share (pence)					
Basic	**52 23**	45 07	37 87	27 92	22 55
Diluted	**51 29**	44 25	37 72	27 86	22 42
Dividend per share (pence)	**17 90**	16 30	14 80	13 40	12 20
Net operating cash flow (£'000)	**11,290**	51,184	23,017	16,288	19,525
Net funds (£ 000)	**2 217**	5,250	23 137	15,608	10,997
Order intake (£m)	**314 2**	284 7	392 1	220 9	186 4
Order book (£m)[1]	**618 8**	616 4	518 7	329 1	291 0

1 The order book at 30 April 2025 is after including the acquired order book of ITS (£1 4m) on 31 May 2024 and EM Solutions (£81 6m) on 31 January 2025

Glossary of terms

ADS	Aerospace, Defence Security and Space
AI	Artificial intelligence
ALARP	As Low as Reasonably Possible
ANZAC	Australia & New Zealand Army Corps
C3	Command, Control and Communications
C4IS	Command, Control, Communications, Computers and Information Systems
C4ISTAR	Command Control Communications Computers Intelligence, Surveillance, Target Acquisition and Reconnaissance
CEMA	Cyber electromagnetic activity
CoSHH	Control of Substances Hazardous to Health
CPD	Continuing Professional Development
C-UAS	Counter-Uncrewed Aerial System
C-UAV	Counter-Uncrewed Air Vehicle
DARPA	Defence Advanced Research Projects Agency
DSEI	Defence and Security Equipment International
DSTL	Defence Science and Technology Laboratory
EAP	Employee Assistance Programme
EBT	Employee Benefit Trust
ECS	External Communications System
EPS	Earnings Per Share
ERS	Employer Recognition Scheme
ESG	Environment, Social and Governance
EW	Electronic Warfare
EWOS	Electronic Warfare Operational Support
GBAD	Ground-Based Air Defence
GHG	Greenhouse Gas
GPS	Global Positioning System
IEA	International Energy Agency
IET	Institution of Engineering and Technology
ILS	Integrated Logistics Support
IPCC	Intergovernmental Panel for Climate Change
ISO	International Standards Organisation
ISTAR	Intelligence, Surveillance, Target Acquisition and Reconnaissance
MEWP	Maritime Electronic Warfare Programme
MOD	Ministry of Defence
NATO	North Atlantic Treaty Organisation
NGFS	Network for Greening the Financial System
RCP	Representative Concentration Pathway
SAYE	Save As You Earn scheme
SECR	Streamlined Energy and Carbon Reporting
SIGINT	Signals Intelligence
SIP	Share Incentive Plan
SSAFA	Soldiers, Sailors, Airmen and Families Association
SSP	Shared Socioeconomic Pathway
STEM	Science, Technology, Engineering and Maths
s-UAV	Small Unmanned Air Vehicle
TLS	Torpedo Launcher System
UAV	Uncrewed Air Vehicle
UGS	Uncrewed Ground Systems
UGV	Uncrewed Ground Vehicle
UKNEST	United Kingdom Naval Engineering, Science & Technology
VAS	Vertical Aperture Sonar
WACC	Weighted Average Cost of Capital

Please visit our subsidiary websites for more information on the products and services mentioned in this report

Communications and Intelligence

EID – eid pt
EM Solutions – emsolutions com au
MASS – mass co uk
MCL – marlboroughcomms com

Sensors and Effectors

Chess – chess-dynamics com
ELAC SONAR – elac-sonar de
SEA – sea co uk

Shareholder information, financial calendar and advisers

Advisers

Nominated adviser and broker

Investec
30 Gresham Street
London EC2V 7QP

Auditor

RSM UK Audit LLP
25 Farringdon St,
London EC4A 4AB

Tax advisers

Deloitte LLP
Abbots House Abbey Street,
Reading RG1 3BD

Registrars

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Highdown House Yeoman Way,
Worthing BN99 6DA

Public and investor relations

MHP Communications
4th Floor, 60 Great Portland Street,
London W1W 7RT

Shareholders' enquiries

If you have an enquiry about the Company's business or about something affecting you as a shareholder (other than queries which are dealt with by the registrars) you should contact the Company Secretary by letter to the Company's registered office or by email to cosec@cohortplc.com

Share register

Equiniti maintains the register of members of the Company

If you have any questions about your personal holding of the Company's shares or notification of a change of name or address please visit shareview.co.uk Alternatively, please contact Equiniti using the details below

Equiniti

Highdown House Yeoman Way
Worthing BN99 6DA

Telephone 0371 384 2030 (Calls are charged at the standard geographic rate and will vary by provider) From outside the UK +44 371 384 2030 (calls are charged at the applicable international rate) Lines are open from 8.30am to 5.30pm Monday to Friday excluding public holidays in England and Wales Please quote your eleven-digit shareholder reference number when calling us, this can be found on your share certificate share statement recent dividend information or correspondence

For more information visit shareview.co.uk

Daily share price listings

The Financial Times - AIM Aerospace and Defence
The Times - Engineering
The Daily Telegraph - AIM section

Financial calendar

Annual General Meeting

24 September 2026

Final dividend payable

2 October 2026

Expected announcements of results for the year ending 30 April 2026

Preliminary half year announcement

December 2026

Preliminary full year announcement

July 2027

Registered office

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Registered company number of Cohort plc

05684823

Cohort plc is a company registered in England and Wales

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Some jobs will require carbon balanced logo as well.

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