

UNLOCKING OPPORTUNITIES THROUGH EVERY COMPONENT

Annual Report and Accounts 2025

Companies House number: 05444653

A service-led manufacturer with global footprint, balancing local customer service with operational scale

Our purpose:

To help customers build a sustainable future.

Our vision:

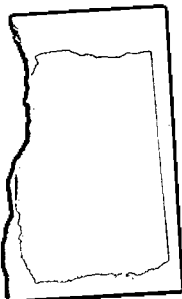
To be the world's leading responsible hassle-free supplier of essential industrial components.

Living our values:

- We care about our customers
- We care about each other
- We deliver
- We are an effective team

Linked to the UNSDGs:

Our ESG strategy is aligned with the UN Sustainable Development Goals (UNSDGs).



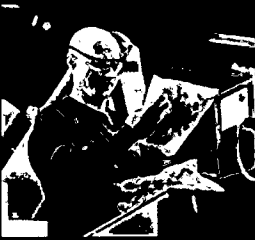
SCAN THE QR CODE TO VISIT
OUR CORPORATE WEBSITE
FOR MORE INFORMATION.

WHAT DIFFERENTIATES ESSENTRA



Components enabling the future

➤ READ MORE ON PAGES 10 TO 11



Strategically aligned with growth markets

➤ READ MORE ON PAGES 20 TO 21



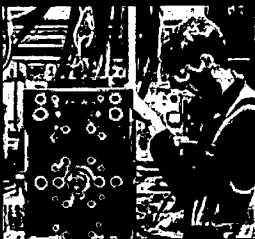
A sustainable and scalable business model

➤ READ MORE ON PAGES 08 TO 09



Positioned to take advantage of fragmented markets

➤ READ MORE ON PAGE 19



Helping our customers build a sustainable future

➤ READ MORE ON PAGES 36 TO 53



[essentraplc.com](https://www.essentraplc.com)

OUR HIGHLIGHTS

Components Powering Our Every Day 03

STRATEGIC REPORT

Essentra at a Glance	06
Essentra Business Model	08
Our Business Model in Action	10
Chair's Statement	12
Chief Executive's Statement	14
Our Investment Proposition	18
Market Review	20
Operational Review	22
Regional Performance Reviews	23
Key Performance Indicators	26
Financial Review	30
Alternative Performance Measures	33
Environmental, Social and Governance	35
Climate and Nature Related Financial Disclosures	54
Risk Management Report	62
S172 Stakeholder Engagement	68

DIRECTORS' REPORT

Governance at a Glance	74
Board of Directors	76
Group Executive Committee	79
Chair's Corporate Governance Statement	80
Corporate Governance Report	82
Board Oversight of Culture	87
Division of Responsibilities	90
ESG Committee Report	94
Nomination Committee Report	96
Audit and Risk Committee Report	100
Chair of the Remuneration Committee's Letter	108
Remuneration at a Glance	112
Annual Report on Remuneration	113
The Directors' Remuneration Policy Report	126
Other Statutory Information	131
Statement of Directors' Responsibilities in Respect of the Financial Statements	138

Independent Limited Assurance Report to Essentra plc 140

FINANCIAL STATEMENTS

Consolidated Income Statement	144
Consolidated Statement of Comprehensive Income	145
Consolidated Balance Sheet	146
Consolidated Statement of Changes in Equity	147
Consolidated Statement of Cash Flows	148
Accounting Policies and Notes to the Financial Statements	149
Company Balance Sheet	201
Company Statement of Changes in Equity	202
Notes to the Company Financial Statements	203
Independent Auditors' report to the Members of Essentra plc	211
Shareholder Information	218

Financial Highlights

Revenue

£302.0m

(2024: £302.4m)

Adjusted¹
operating profit
£32.0m

(2024: £40.1m)

Adjusted¹
operating margin
10.6%

(2024: 13.3%)

Reported
operating profit
£8.5m

(2024: £14.6m)

Adjusted¹ operating cash
conversion
137.5%

(2024: 90.8%)

Adjusted¹ basic earnings
per share
6.1p

(2024: 8.5p)

Reported basic earnings per share
of 0.7p (2024: 4.0p)

Dividend per share

2.0p

(2024: 2.8p)

Net debt²
£60.7m

(2024: £68.2m)

ROIC³
8.7%

(2024: 11.1%)

Non-financial highlights

Employee Engagement

81%

(2024: 85%)

Net Promoter Score

40

(2024: 43)

On Time in Full

68.2%

(2024: 81.7%)

Notes:

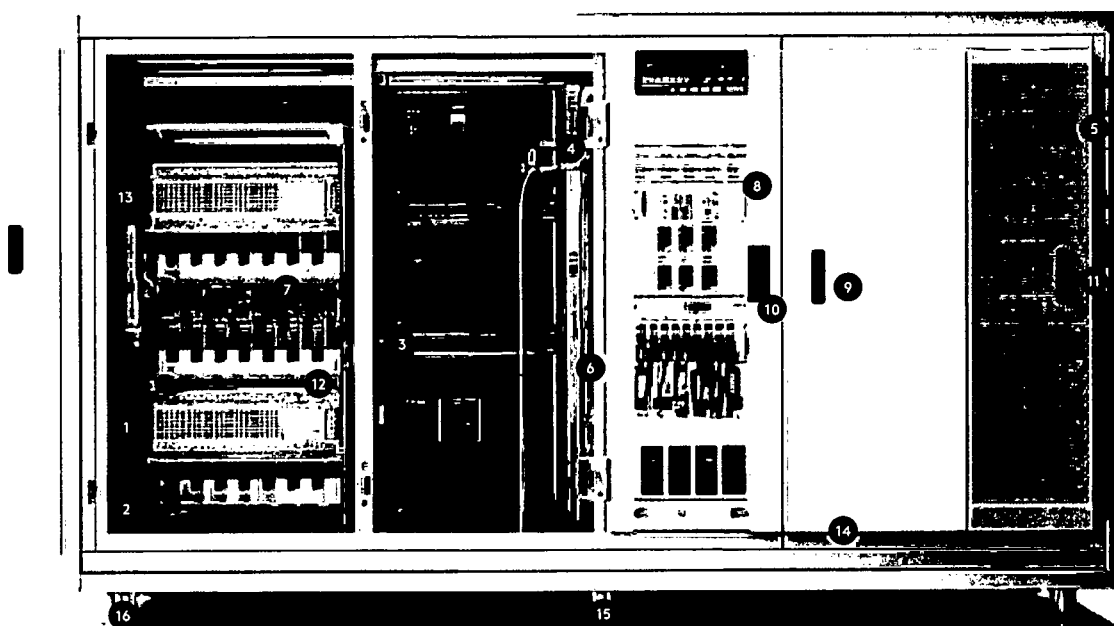
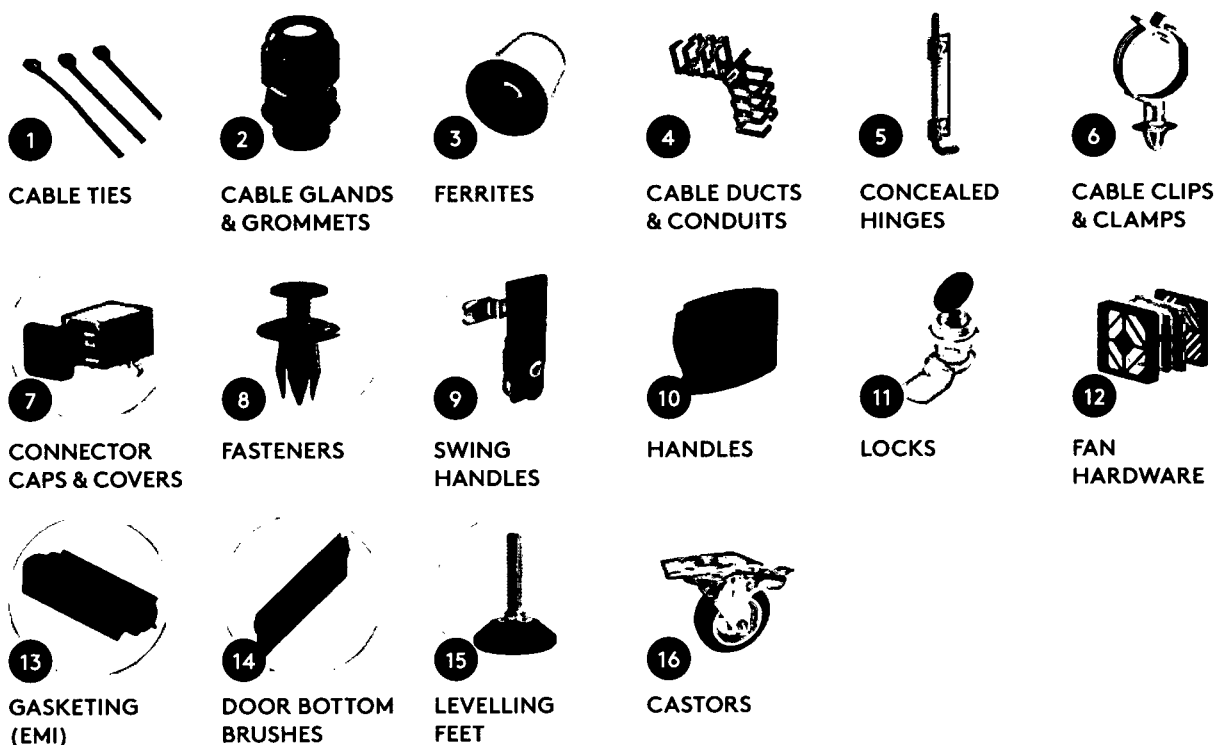
- Adjusted results exclude certain items because, if included, these items could distort the understanding of Essentra's performance for the year and the comparability between periods. In management's view, such alternative performance measures ("APMs") reflect the underlying performance of the business and provide a more meaningful comparison of how the business is managed and measured on a periodic basis. Our APMs and Key Performance Indicators ("KPIs") are aligned to our strategy and business segments, and are used to measure the performance of the Company and form the basis of the performance measures for remuneration. See pages 26 to 29 for our KPIs and pages 33 to 34 for our APMs.
- Excluding lease liabilities. £89.0m when including lease liabilities (2024: £97.1m).
- Return on Invested Capital has been adjusted for acquisitions in the first full year of ownership.

Cautionary forward-looking statement

This Annual Report contains forward-looking statements based on current expectations and assumptions. Various known and unknown risks, uncertainties and other factors may cause actual results to differ from any future results or developments expressed or implied by the forward-looking statement. Each forward-looking statement speaks only as of the date of this Annual Report. The Company accepts no obligation to revise or publicly update these forward-looking statements or adjust them to future events or developments, whether as a result of new information, future events or otherwise, except to the extent legally required.

Application Insight – Digital Infrastructure

Essentra's strong product expertise supports our service-led proposition across many growth segments. Investment into digital infrastructure such as electrical enclosures, data centres, IT cabinets and server racks continues to drive opportunities for Essentra. See how we support this growing segment:



STRATEGIC REPORT

In this section

Essentra at a Glance	06
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Chief Executive's Statement	14
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Market Review	20
Operational Review	22
Regional Performance Reviews	23
Key Performance Indicators	26
Financial Review	30
Alternative Performance Measures	33
Environmental, Social and Governance	35
Climate and Nature Related Financial	
Disclosures	54
Risk Management Report	62
S172 Stakeholder Engagement	68



I am very satisfied with the high-quality of your products, the relationship we have developed, and the proactivity and expertise of Essentra.

Customer: Patrick Berthiaud, Director, CONCEPTOLE

End Market: Metal Fabrication/Digital Infrastructure



From 3D CAD drawings to ordering free samples and technical advice, Essentra were able to support our project with a quality solution that met our needs, saving us time in procurement.

Customer: Frank Zhao, Purchasing Manager, PARKER

End Market: Motion Control/Aerospace

A service-led manufacturer with a global footprint, balancing local customer service with operational scale

Manufacturing

In-region capability with the capacity and expertise to manufacture a wide range of critical products

14

manufacturing sites

c.60m

parts produced per week

Distribution

Global scale and market knowledge to meet the needs of our customers across a breadth of end-markets and geographies

25

distribution sites

c.2bn

parts in stock

Expertise

Small but critical bill-of-material components with knowledge and depth of product offer enables multiple product expertise

35

sales and service locations

c.76k

customers

Breadth and depth of offer

Essentra manufactures low-cost, bill-of-material components for a wide range of end-customers and end-markets. Our global presence, combined with a breadth of product expertise and high service, means that we are well-positioned, with a unique business model in a highly fragmented market. Our products, whilst small, are critical and built into our customer's manufacturing process.

Hassle-free customer offer

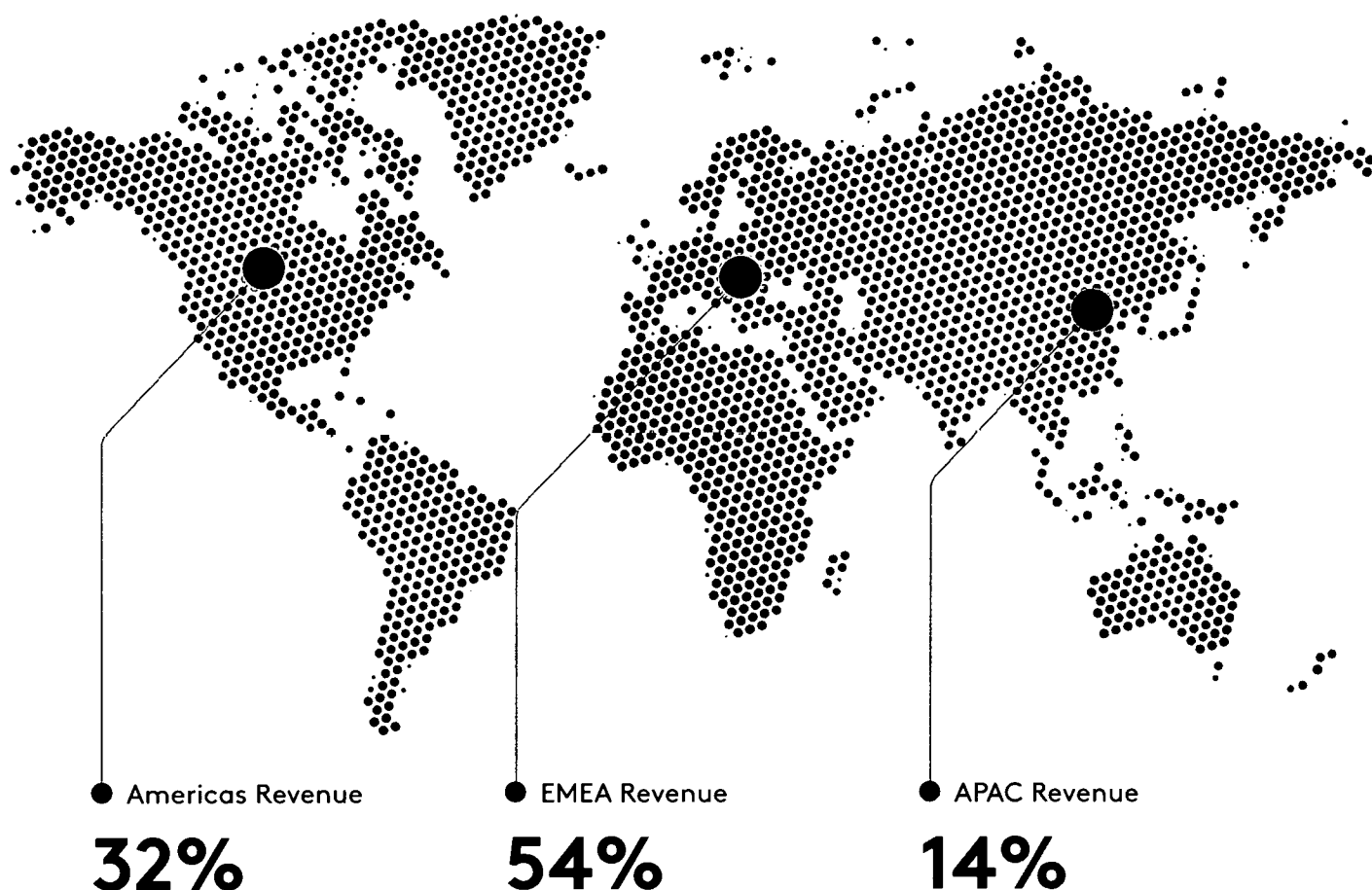
Our performance is underpinned by digitalisation and sustainability, which ensure our customers receive exceptional service and expert advice. Our enhanced service proposition, alongside our breadth and depth of product offer, supports our ability to cross-sell effectively to meet evolving customer needs. Our approach is underpinned and demonstrated by an ongoing industry-leading employee engagement score of 81% (2024: 85%), which drives our Net Promoter Score of 40 (2024: 43).

2025 highlights

- +2.5% year-on-year constant currency revenue growth for the Group
- All three regions returned to constant currency revenue growth
- Robust regional gross margins with capacity and optionality to respond to macroeconomic changes
- Strategically aligned and value enhancing acquisition of Device Technologies in December 2025, a US-based designer, manufacturer and distributor of specialty cable protection devices
- Excellent adjusted operating cashflow conversion, in excess of 100%
- Strong balance sheet with headroom enabling investment to support operational and strategic value-enhancing growth initiatives
- Industry-leading employee engagement scores of 81%
- Continued significant progress towards the Group's sustainability goals

Our global reach

A diverse footprint with well-positioned supply chains



- Predominately local-for-local manufacturing and service model
- Regional management structure

- Diverse footprint with well-positioned supply chains
- Capacity retained to take advantage of market recovery

Our focus customer sectors



Digital infrastructure



Defence and aerospace



Specialist vehicles



Machine and automation



Energy transformation

Our product expertise



Protection



Electronics hardware and cable management



Fastening solutions



Access hardware



Machine components

ESSENTRA BUSINESS MODEL

Sources of value

People

c.3,000 employees across manufacturing, engineering, logistics, customer service and support functions to deliver operational excellence, expert product knowledge and "hassle-free" delivery

Manufacturing excellence

Strategically-placed manufacturing with custom engineering capabilities to facilitate bespoke customer solutions and ensure speed to market

In-region infrastructure

14 manufacturing sites, 25 distribution sites and 35 sales and service locations across 28 countries, enabling localised supply chains and in-region responsiveness

Technology

Embedding enabling technology including a new ERP platform, connected planning, data analytics and digital sales platforms, driving efficiencies and enhancing our service proposition

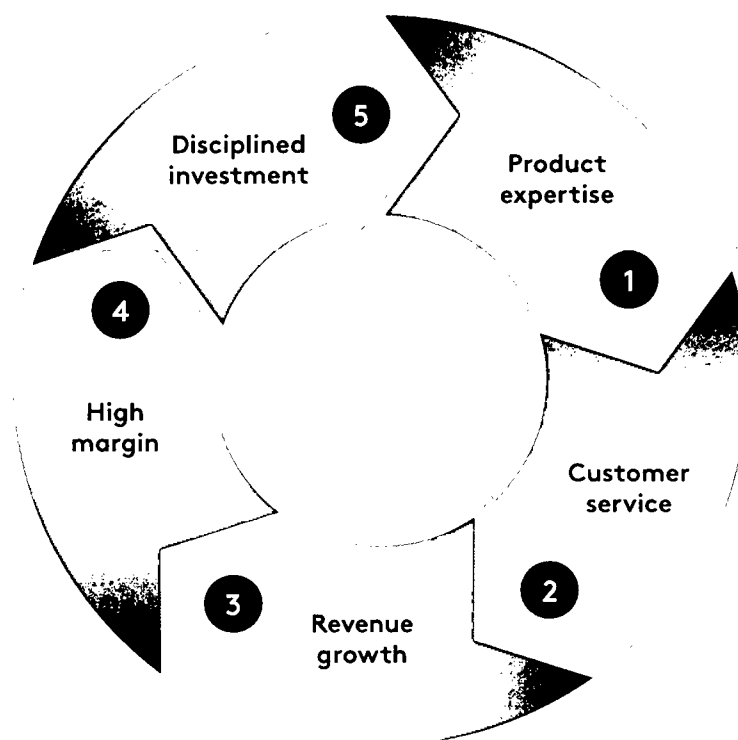
M&A

Strong bolt-on M&A track record with a strong balance sheet to support further inorganic growth to deepen product expertise and increase cross-sell potential

Reliability

Service-led, long-standing relationships with c.76,000 customers across a number of specialist sectors

Our activities



Underpinned by our values

Our purpose to help customers build a sustainable future is underpinned by our strong Essentra values-based culture:



We care about our customers



We are an effective team



We care about each other



We deliver

- 1** Breadth and depth of manufacturing expertise across:

- Protection
- Electronics hardware and cable management
- Fastening solutions
- Access hardware
- Machine components

- 2** Service-led customer proposition across five target sectors with strong growth fundamentals:

- Digital infrastructure
- Specialist vehicles
- Energy transformation
- Defence and aerospace
- Machine and automation

- 3** Our integrated platform and scale support revenue growth:

- Winning customers through deep product expertise in one category
- Growing customer loyalty through cross-selling across our product categories
- Keeping customers by being reliable and "hassle-free"

- 4** High margin and cash conversion delivered through:

- High number of transactions
- High mix of customers and products

- 5** A strong balance sheet enables disciplined investment in future growth:

- New product introductions
- Sustainable products
- Digital, sales and marketing
- New products and access to customers via acquisitions

Competitive advantage

We are a specialist components group...

quality customer service focused on attractive markets...

reliably supplying our customers with a high mix of essential components.

We target a specific customer type with specific volume requirements...

and use our strong cash generation to reinvest and create further opportunity.

Delivering more



Customer

We help customers meet their own ESG goals through sustainable components, efficient fulfilment and compliance with safety and material standards, powering reliable, future-ready systems



Employees

We create safe, inclusive and engaging workplaces, offering long-term opportunities across our global footprint



Communities

By producing in-region, reducing carbon miles and creating jobs in 28 countries, we support local economies and lower environmental impacts



Investors

Through disciplined capital deployment, ESG integration, and responsible governance, we drive resilient financial returns whilst managing long-term risks



Suppliers

We work with partners who align with our ethical sourcing, quality and sustainability standards, driving transparency and mutual value



Regulators & Industry

We operate with high levels of transparency, traceability and compliance, contributing to industry standards and global regulatory goals

> READ MORE ON PAGES 68 TO 71

OUR BUSINESS MODEL IN ACTION

Customer Case Study: Innovative, durable solutions

Albert Genau, is a global leader in the design and manufacture of durable, user-friendly window systems. With a focus on innovation and sustainability, the company continuously develops new technologies to ensure the highest levels of quality, safety and customer satisfaction. Their systems, recognised with international design awards, are exported to 82 countries.

This relentless pursuit of excellence is why Albert Genau has partnered with Essentra for their locking systems since 2015.

The challenge

Albert Genau needed to design a new espagnolette for their window systems, which are both mobile and heavy. The goal: create a locking system that was easy to operate, durable, and long-lasting. This new product had to meet high standards for both functionality and customer satisfaction.

With no previous precedent for this type of locking system, the design process was critical. The locking mechanism needed to be ergonomic, reliable and capable of operating smoothly over many years, preventing customer complaints and minimising the need for ongoing maintenance.

The solution

Essentra designed a Push-Button Swinghandle Lock System to meet Albert Genau's needs. The product was developed using 3D CAD drawings and prototypes, with the aim of providing a seamless integration into the new window systems. Essentra's support included full production capabilities, ensuring the solution met the company's quality and durability requirements without introducing significant procurement hurdles. There were no concerns during the procurement phase, allowing the design process to proceed smoothly.

This innovative solution enabled Albert Genau to deliver a lock system that achieved its criteria, ensuring that their customers could rely on the window system for many years without issue.



Results

The introduction of the Push Button Swinghandle Lock System resulted in a significant improvement in product design, meeting the high standards of Albert Genau's window systems.

Ergonomics and durability: The new lock system is ergonomic, durable and perfectly aligned with customer requirements. It provides ease of use for end users whilst ensuring long-term reliability.

Cost savings: Savings were achieved for Albert Genau by improving existing production methods without requiring additional investment in new moulds. This allowed for greater cost efficiency and resource optimisation.

Award-winning design: The lock system contributed to the success of Albert Genau's guillotine window system, which has won prestigious RedDot, IF Design and Good Design awards.

Albert Genau's customer focus and technical expertise, combined with Essentra's innovative solutions, have led to both design success and product quality.

Ongoing support

Essentra continues to work closely with Albert Genau, offering ongoing support and custom solutions. The long-standing relationship ensures that the window systems remain up to date with customer needs and expectations.

Customer

Albert Genau

Industry

Glazing Solutions
Manufacturer

Project

Swing Handle Lock for Sliding
& Folding Glass Systems

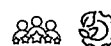
Solutions

Access Hardware

Link to strategy:



Link to sustainability:





Customer Case Study: Peace-of-mind partnership

Seratech Engineering and Prototyping, based in Valkenswaard, specialises in customised mechanical engineering. By integrating design and construction, they manage nearly all projects in-house.

Their focus on innovation and precision demands high-quality components to ensure efficient, reliable production. To maintain these standards, Seratech sought a dependable partner. Essentra delivered the breadth of supply, speed and consistency needed to support their growth and uphold the performance of their advanced machinery.

The result was a tailored, responsive partnership that addressed every challenge with efficiency and precision.

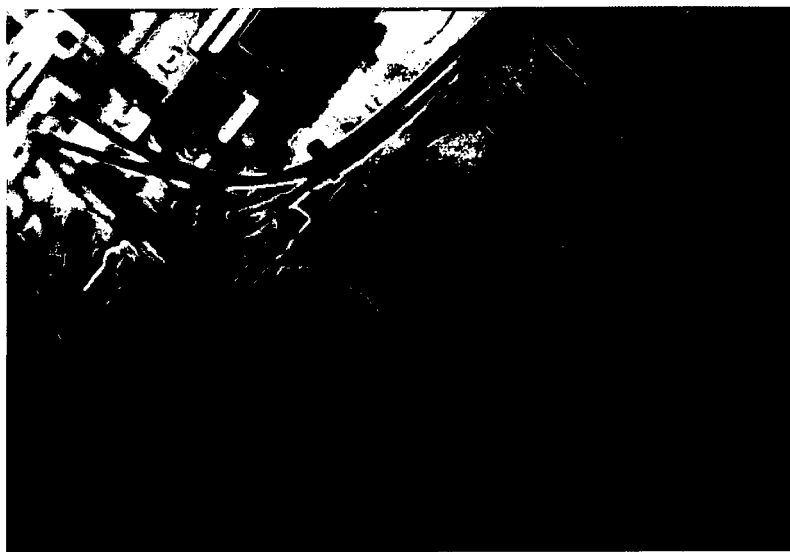
The challenge

Seratech develops and assembles machines that rely on a wide variety of specialised, high-quality components. Managing this complexity across multiple suppliers made it harder to maintain efficiency. They needed a reliable partner who could simplify the process, deliver consistent quality, and support both current and future needs.

The solution

With an existing local relationship, Seratech approached Essentra, a global manufacturer and distributor with more than 65 years of experience. This collaboration gave Seratech instant access to over 45,000 components, all available directly from stock, including essential items like caps and plugs, cable ducting, cable clips and rocker switches.

After a series of conversations to get a clear picture of what was needed, Essentra provided free samples to help Seratech test and refine their assembly process. Free CAD drawings made design integration straightforward, whilst the simple, flexible ordering system kept things moving without unnecessary admin.



Results

Working with Essentra gave Seratech a dependable partnership they could build on. Having a single supplier made day-to-day operations smoother and helped avoid unnecessary delays.

Efficiency: Relying on one source for components reduced downtime and made the production process more reliable.

Confidence: With practical support, such as free samples and a straightforward ordering process, Seratech felt supported from the start and throughout the build.

Warranty: The components delivered met all technical requirements, improving consistency and reinforcing the overall quality of each machine.

Innovation: With a dependable partner managing component supply, Seratech is free to focus on what they do best: pushing the boundaries of technology and engineering.

Ongoing support

Essentra continues to work hand-in-hand with Seratech, delivering customised solutions and long-term support. This trusted relationship ensures that Seratech's evolving needs are always met, today and in the future.

Customer

Seratech Engineering and Prototyping

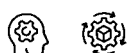
Industry

Mechanical engineering

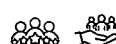
Solutions

Caps and plugs, cable ducting, cable clips and rocker switches

Link to strategy:



Link to sustainability:





The Board remains confident that the progress made over the past year to **strengthen foundations** provides the Company with the momentum and opportunity needed to grow the business and deliver its medium-term targets.

STEVE GOOD

Non-Executive Director and Chair



Introduction

Throughout 2025, end markets continued to be difficult as global industrial demand remained subdued with unprecedented macroeconomic developments during the first half of the year, bringing additional demand and cost challenges. Against this backdrop, the business focused on activities within its control to mitigate the impact of the external environment and selectively made investments to build the foundations required to deliver against our medium-term financial targets. I am pleased that, despite these challenges, the business has delivered results in line with expectations. Essentra remains a healthy, profitable business with significant value creation opportunities.

Strategic clarity

Essentra's vision is to be the world's leading hassle-free supplier of essential industrial components. We aim to deliver this through focused organic growth and a market share gain agenda. Our strategy is underpinned by digitalisation and sustainability, which ensure our customers receive exceptional service, expert advice, and a broad and relevant product offer. The initiatives to deliver this were reviewed in detail during the year. Our focus on a carefully targeted selection of customer sectors, product categories and geographies will intensify alongside plans to reduce the cost and complexity of the way we service segments of our extensive customer base.

Bolt-on acquisitions remain an important part of our strategy, and we were pleased to add US-based Device Technologies to the Essentra family at the end of 2025, our first US-based components acquisition since 2019.

Safety and People

Safety is of paramount importance at Essentra. During the year, to reinforce the critical nature of safety in our business, a new approach to safety assessments was launched, as well as a "Take Five" campaign, which encourages all staff to pause before they start new tasks to ensure they have the safety equipment and have planned for the task ahead. Regrettably, we saw an increase in lost time incidents ("LTIs") over the course of 2025. In response, we supplemented the ongoing planned work with global safety training sessions to raise and maintain safety culture and practice awareness targeted at our site managers.

On behalf of the Board, I would like to thank all of the Essentra team for their continued commitment and contribution to the business in what has been another challenging year. Our engagement measure was 81% (2024: 85%), a slight reduction, however, this is still above industry norms.

Board changes

This year, we welcomed Klaus Göltenbot as a Non-Executive Director. Klaus has extensive commercial experience within the components industry and has held senior leadership roles in other international manufacturing and distribution businesses.

During 2026, we will see further changes to the Board's composition. Dupsy Abiola will retire from the Board at the AGM on 20 May. I would like to thank Dupsy for her valuable contributions during her time with us. Mary Reilly will also step down from her role as Audit and Risk Committee Chair later this year after serving her full nine-year term. In advance of her departure, and on behalf of the Board, I would also like to thank Mary for her significant contribution to Essentra. We will keep shareholders updated on the date of this change as the current recruitment process progresses. I would also like to thank Emma Reid for her excellent services as Company Secretary. Emma stood down at the end of February.

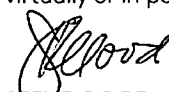
Dividend

For the year ended 31 December 2025, the Board is recommending a final dividend of 1.2p (2024: 1.55p) per share. When combined with the interim dividend of 0.8p (2024: 1.25p) per share, which was paid on 24 October 2025, this will make a total dividend for the year of 2.0p (2024: 2.8p) per share, maintaining an appropriate and consistent level of dividend cover in the order of three times adjusted earnings.

During the year, Essentra's ongoing Share Buyback programme purchased 2,478,759 shares for a cash consideration of £2.6m.

AGM

Our AGM this year will be held on 20 May 2026 at our Kidlington site, just outside Oxford in the UK. Please do take the time to join us, whether virtually or in person.



STEVE GOOD

Non-Executive Director and Chair

17 March 2026

Governance highlights and priorities for 2025/26

- **Overseeing strategic execution:** oversight of focused delivery against agreed milestones
- **Product innovation:** increased new product releases with sustainable products at the core
- **Customer segmentation:** deep customer relationships supporting strategic growth
- **Digital Transformation:** ongoing enhancement of e-commerce platform delivery enabled by integrated ERP systems
- **Inorganic growth:** reviewing pipeline opportunities for the best bolt-on acquisitions
- **People and talent:** assessment and alignment of our people and talent skills against our strategic priorities with clear development pathways
- **Change of Audit and Risk Committee Chair:** assessing consistent and solid material controls are in place and adhered to in order to be ready for Provision 29 of the UK Corporate Governance Code





Essentra is fundamentally well-positioned, with a **unique business model in a highly fragmented market**, combining breadth and depth of product manufacturing expertise with high service levels.

SCOTT FAWCETT
Chief Executive



Strategic progress in a challenging environment

2025 was a year of further strategic progress, delivered against a backdrop of subdued global industrial demand and geopolitical uncertainty.

Throughout the year, the Group continued to drive efficiencies and optimise its operational footprint, whilst maintaining leading customer and employee satisfaction scores, as our value-added, service-led manufacturing proposition continues to drive new business wins across a number of key market sectors. Essentra delivered results in line with expectations whilst demonstrating the importance of focusing on what it can control as the Group works towards its medium-term targets.

Essentra remains fundamentally well-positioned, with a unique business model in a highly fragmented market combining breadth and depth of product manufacturing expertise with high service levels. The business is diversified by geography, end-markets and products and is increasing its exposure to structurally faster-growing end-markets such as machine automation, defence and digital infrastructure.

The Group continues to generate high gross margins through the cycle, with the scope to expand through scale, operating leverage and through the ongoing implementation of operational efficiency measures.

Financial performance

Essentra returned to modest revenue growth across all regions, whilst experiencing near-term margin dilution as a consequence of geographic mix effects and reinvestment across the business.

The Group delivered revenues of £302.0m, representing growth of 2.5% on a constant currency basis. Foreign exchange impacted Group revenue by 2.6%, with reported Group revenue remaining flat compared to the prior year.

Market recovery throughout the year varied by region. EMEA revenue increased by 2.6% on a constant currency basis compared to the prior year, with the rate of recovery accelerating through the second half as comparatives to the prior year eased. Turkey's growth relative to the rest of the EMEA region was strong and continues to be driven by growth in faster-growing end-markets, such as digital infrastructure, and successful pricing initiatives, which have partially offset high levels of local inflation.

The Americas reported consistent levels of growth throughout the year, with the exception of Q2, which saw a temporary period of wider market uncertainty linked to the introduction of tariffs. The region reported growth of 2.0% on a constant currency basis as volumes across end-channels continued to show further signs of normalisation and stability alongside improved pricing performance.

APAC maintained its positive growth trajectory with 3.1% constant currency revenue growth, with

performance continuing to be driven by market dynamics in China.

As first referenced in the half year results announcement in July 2025, the variation in geographic sales mix, including Turkish inflation, alongside management prioritising near-term focus on a recovery in service levels following the ERP implementation in EMEA, led to a near-term reduction in gross margin. At a Group level, gross margins declined to 43.7% in 2025 (2024: 45.3%).

Pricing and operational efficiencies mitigated this impact as the year progressed, demonstrating the strength of Essentra's business model, and reinforcing the importance of Essentra's regional manufacturing footprint, cost discipline and customer service focus.

Delivering against medium-term strategic objectives

Essentra made progress in a number of strategic areas through 2025 to support the achievement

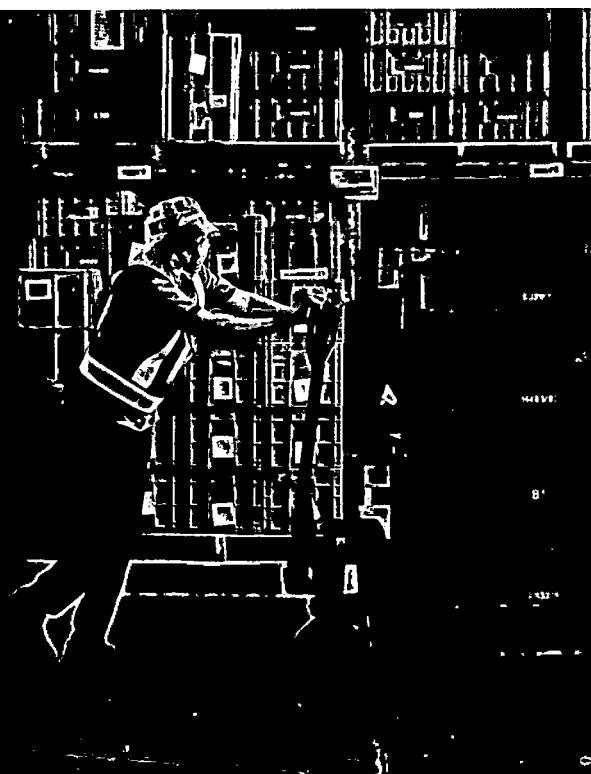
of its medium-term targets. The Group's medium-term ambitions are underpinned by a clear set of strategic priorities:

- driving market share gains, underpinned by leading market positions in a highly fragmented market
- expanding margins through scale, operational efficiencies and disciplined pricing initiatives
- sustaining a highly cash generative business model with continued focus on working capital management and a strong balance sheet
- deploying capital selectively with a clear framework to support growth and enhance shareholder returns.

A key medium-term target and focus for management remains the achievement of a c.18% adjusted operating margin in addition to a through-cycle organic and total revenue CAGR target, in aggregate, of c.10%.

Strategic and operational highlights and priorities for 2025/26

- **Organic growth:** accelerating growth in target customer sectors through a refined customer segmentation approach
- **Product leadership:** strengthening product expertise across our core product categories, with accelerated new product development
- **Digital transformation:** completing the ERP roll-out in Europe to realise initial benefits and deploying enhanced website capabilities
- **Value from acquisitions:** continued integration and value realisation from recent acquisitions, alongside identification of further value-enhancing opportunities
- **Business streamlining:** ongoing simplification of the business to improve operational efficiency and drive margin enhancement



Essentra continues to focus selectively on growth initiatives that are expected to drive market share gains, particularly across new product development in faster-growing end-markets, including energy transformation, digital infrastructure, machine and automation, defence, aerospace and specialist vehicles.

Future growth and efficiencies continue to be supported by embedding enabling technology as seen through the deployment of the new ERP platform in EMEA and a new connected planning platform enhancing the service proposition in each region.

The Group's disciplined approach to cost control and procurement activities to support margins remains strong. Targeted pricing initiatives, in response to inflation and tariff dynamics, were implemented successfully in 2025, with enhanced pricing tools launched across the business through the second half.

A number of footprint optimisation actions were also taken through 2025, including the transfer of manufacturing operations from Costa Rica into Mexico to improve scale and service across the region. This will further support operational leverage and margin accretion as volumes normalise. The Group retains the capacity to grow and ensures it remains well-positioned to take advantage of market recoveries when they occur.



Essentra continues to focus on growth initiatives that are expected to drive market share gains, particularly across faster-growing end-markets, including machine and automation, defence, aerospace and specialist vehicles.

Inorganic strategy in action

Bolt-on M&A remains a key component of Essentra's inorganic growth strategy. The pipeline is active and continues to be reviewed in line with the Group's disciplined acquisition criteria.

Focus remains on expanding Essentra's product offering and targeting new product capabilities. The acquisitions of BMP TAPPI in 2023 and Wixroyd in 2022 continue to enhance returns through revenue and cost synergies, predominantly through cross-selling.

In December 2025, the Group announced the acquisition of Device Technologies, a US designer and manufacturer of specialty cable protection devices. This is another example of value-enhancing M&A that is fully aligned to Essentra's inorganic strategy; it deepens manufactured product capability and broadens the product offer to customers. Initial stages of integration are underway and trading performance to date is in line with expectations.

Global trading and tariffs

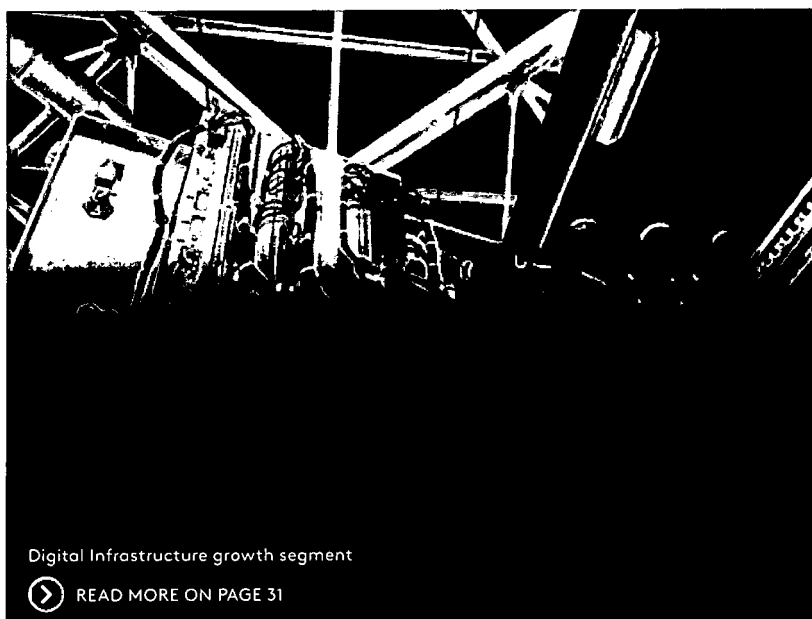
The Group is well-positioned to navigate the increased uncertainty within global trading conditions with its established supply chains and operational capacity. Essentra's service-led manufacturing global footprint spans 14 manufacturing sites worldwide. In all three regions, the significant majority of products that are made in region, are sold in region and, therefore, the direct impact of tariffs is limited.

Throughout the year, the Group worked closely with its customers and supply chain and successfully passed through the incremental costs associated with tariff changes. The Americas region continues to optimise its competitive position resulting from scale and ability to serve customers in-region and management continues to monitor the dynamic trading backdrop.

ERP deployment roll out remains on track

Throughout 2025 and early 2026, the Group progressed with the deployment of Microsoft Dynamics 365 across EMEA, with six additional locations launched. The programme remains on track to conclude in early 2027, with deployment costs reducing in line with expectations as efficiencies and standardisation benefits are realised.

As communicated at the half year, the West Europe deployment in December 2024 coincided with higher order intake and led to temporary service disruption during 2025. Management responded by adding additional temporary resources to stabilise operations and protect customer relationships. Importantly, execution improved materially with each subsequent deployment, and disruption reduced as the year progressed.



Digital Infrastructure growth segment



READ MORE ON PAGE 31

Following the UK deployment in early January 2026, manufacturing and commercial activities normalised by the end of February. Whilst the near-term focus has been on stabilisation and transition away from legacy systems, early benefits are now emerging, including improved visibility and more standardised data to support better operational and commercial decision making. Annual deployment costs have reduced by c.£1.5m over the past two years, and c.90% of EMEA is now operating on the new platform.

Sustainability as a source of competitive differentiation

Developing innovative products with strong sustainability properties continues to be a source of competitive advantage and differentiation for the Group.

During the year, the first range of components using post-consumer recycled materials was launched demonstrating the Company's continued focus on material innovation and supporting its customers with more sustainable and lower carbon options. In 2025, more than 1,600 products were introduced into the sustainable product ranges, including those with

lower carbon emissions, increased recycled content or biomaterials, and improved circularity. 68 bio-based alternative trials were completed in 2025 with materials approved for commercial use in Italy, Spain and Thailand. The Group also continues to make significant progress on its sustainability journey, including the decarbonisation of its global footprint, focus on renewable energy tariffs and energy saving initiatives across the manufacturing footprint.

In 2025, Essentra surpassed its 2030 SBTi target of 50% reduction in its scope 1 and 2 emissions, which is five years earlier than planned. In 2026, the Group will update its targets to ensure momentum is maintained, aligning its decarbonisation pathway with emerging regulatory expectations, whilst supporting delivery of the wider business strategy and values.

Talent, culture and leadership

At the start of 2026, a number of changes have been made to the Group Executive Committee to evolve the Group's leadership for the future and to bring renewed focus and alignment to the medium-term strategic priorities. Emma Reid, Group Company Secretary, and

Hugues Delcourt, Managing Director EMEA, will leave the Company at the end of March 2026, and the business recognises and appreciates their contributions to Essentra. On an interim basis the EMEA region will be led by a strong and capable regional management team with oversight from the CEO whilst a successor is identified.

Shaun Laubscher, was appointed as Chief People Officer in February 2026, bringing more than 15 years of HR leadership experience and a proven track record in the manufacturing sector. Shaun's analytical and people-focused capabilities will play a key role in building on Essentra's strong employee engagement as well as driving the delivery of its strategic initiatives.

Outlook

At this early stage in the year, results for 2026 are anticipated to be in line with the Board's expectations. Whilst management notes the emerging situation in the Middle East, the Group has no operating footprint in the region and continues to monitor potential broader impacts. Essentra remains well-positioned, with established supply chains and operational capacity, and has entered 2026 with strengthened foundations. The Group will continue to enhance its customer proposition in faster-growing end-markets, whilst driving further operational efficiencies. The balance sheet remains strong, providing the flexibility to invest selectively in value-enhancing growth initiatives and assess bolt-on growth opportunities that will support long-term value creation, positioning Essentra well to deliver further progress in 2026.

SCOTT FAWCETT
Chief Executive

17 March 2026

OUR INVESTMENT PROPOSITION

1 Global presence and scale

With 14 manufacturing sites, and sales and service teams across EMEA, Americas and APAC regions, we are able to effectively balance local service with operational scale and are available when, and where, our customers need us.

 [READ MORE ON PAGE 07](#)

2 Differentiated product offering

We specialise in “hassle-free” service and this is fundamentally enabled by our ability to offer customers a variety of mission critical products through one reliable partner. Our unique and vertically integrated manufacturing and service business model operates in a highly fragmented market, ensuring we offer a breadth and depth of product expertise across a diverse range of end-markets.

 [READ MORE ON PAGE 06](#)

3 Focused strategy for growth

Our organic growth strategy is focused on structural growth end-markets, product innovation and differentiation to maximise diversification and resilience. Alongside operational scale and efficiency, our growth strategy is strengthened by disciplined value-enhancing bolt-on acquisitions, supported by a strong balance sheet.

 [READ MORE ON PAGES 08 TO 09](#)

4 High margin business

Essentra has significant margin expansion opportunities driven through scale efficiencies, operational effectiveness and pricing. We continue to optimise our global footprint for growth, balancing our costs with our commitment to service.

 [READ MORE ON PAGES 08 TO 09](#)

5 Sustainable growth markets

Increasing digitalisation, electrification and security of supply drive demand for our industrial components. Essentra’s focus on sustainability is a source of competitive advantage; by focusing on the sustainability of our own operations and the components we manufacture, we can support our customers to achieve their own sustainability goals.

 [READ MORE ON PAGE 40 TO 41](#)

6 Robust financial profile with shareholder returns

Historically high gross margins, robust cash conversion and disciplined capital allocation alongside a track record of value-enhancing acquisitions. Essentra has a clear financial framework and strong balance sheet providing significant scope to pursue value-creating opportunities.

 [READ MORE ON PAGES 30 TO 32](#)

Essentra's strategy is built on five interconnected pillars that position the business in specialist markets for sustainable growth, customer relevance and operational resilience.

These fundamentals ensure that we are well-positioned to drive progress and are able to proactively support developing customer needs.



Strategic role on the bill-of-materials

We specialise in low-cost bill-of-materials components, which are essential but non-core, purchased frequently and require minimal capital investment.

This gives us pricing power, not because we're expensive, but because we're mission critical.

- Customers value our availability, reliability, and simplicity
- High-frequency, low-friction purchasing
- Broad appeal across diverse end-markets



Peace-of-mind supplier

At the core of Essentra's value proposition is reliability. We pride ourselves on our "hassle-free" end-to-end service. Providing solutions for our customers is at the heart of everything we do.

Our role is simple but critical: we work together to solve the challenges of our customers every day.

- Reliable delivery
- Providing technical expertise and customisation
- Supporting our customers with a high-quality, breadth of product offer, increasing our ability to cross-sell and offer solutions



Commercial resilience

Our pricing is relatively inelastic, where customers care more about peace-of-mind than cost.

Our components are low-cost, but high value in terms of operational importance. This gives us flexibility to manage margins and volatility without compromising service.

- Resilient model in volatile markets
- Pricing power through reliability and service
- Low-visibility, mission-critical parts



Breadth and depth of offer

Essentra has breadth and depth of product expertise.

Making products available for our customers is a core part of our offering. It's why we have a portfolio of over 45,000 standard products and keep over 1 billion parts in stock, all available for immediate dispatch and reliable delivery.

We don't just offer variety; we bring decades of experience across a breadth of industry sectors.

- Extensive product offering, developed organically and through acquisition
- Depth of expertise across product categories and a breadth of end-market applications
- Product variety supports cross-sell and a tailored service



Focus on broad industrial sectors

We have access to a broad customer base across several end-markets, and we optimise our margins by selling standard parts to mid-sized customers.

Understanding and responding to our geographical and customer end-markets is a fundamental part of our business. Over time we have reduced our exposure to consumer goods cycles, but we are still linked to the broad influence of manufacturing PMI and this is why we continue to expand our focus on structural growth industries such as digitalisation and energy transformation.

Understanding and evolving alongside our global end-markets is central to how we plan, compete and create value for our customers. Interpreting macro-economic conditions, sector-specific dynamics and regional market trajectories ensures that our strategic planning is grounded in real-time industry developments, allowing us to continue providing our customers with the products they need to build a sustainable future.

Essentra sells a broad range of products – including caps, plugs, cable management, fasteners, security seals and access hardware – across a wide range of customer end-markets. These include digital infrastructure, energy transformation, machine and automation, specialist vehicles, and defence and aerospace. We use a variety of sources to continually assess these diverse end-markets, as well as, importantly, working directly with our customers to understand their needs and proactively evolve the service we offer.

In 2025, global manufacturing continued to navigate a complex environment marked by shifting demand patterns, cost pressures, trade policy impacts and accelerating technology adoption. These forces shaped customer behaviour and investment decisions across the value chain and required proactive portfolio and supply-chain management from Essentra to maintain resilience and capture opportunities.



The depth of our product range and expertise positions Essentra to pursue growth where it is most robust, whilst balancing exposure to cyclical end-markets.

Looking ahead to 2026, the macro landscape is expected to exhibit both challenges and opportunities in the manufacturing sector. Geopolitical considerations, such as ongoing trade policy recalibration and the regulation of critical sectors are expected to influence global supply chains. Evidence of stabilisation in business hiring trends and steadying manufacturing Purchasing Managers' Index ("PMI") in key markets suggests mildly improving underlying demand conditions.

Against this backdrop, our geographic breadth, robust supply-chain framework and multi-product portfolio positions us well to serve a wide range of end markets, absorb localised volatility, and capture growth where it emerges.

Regional dynamics

In EMEA, the performance reflected trends in the wider manufacturing environment for much of the year. The automotive market, a historically significant driver of industrial demand, remained subdued throughout 2025. Despite this, late-cycle momentum in digital infrastructure investment during Q4 provided increased demand for data centres, digital equipment and supporting components. Additionally, a notable increase in customers serving the defence industry was observed, driven by heightened emphasis on strategic and sovereign capabilities across the region. This diversification softened cyclical pressure and aligned with our wide product range, service capabilities and previously stated intention to grow our presence in the faster-growing end-markets.

In the Americas, trade policy and tariff developments influenced industrial activity in 2025. Several sectors experienced cost escalation and supply-chain shifts as import duties and related policies impacted input prices and export competitiveness. Notwithstanding this, electrical manufacturing, electrical equipment, and capital goods sectors demonstrated robust growth in the US. The acquisition in December 2025 of Device Technologies LLC ("DTI") further strengthens our position to serve these markets, providing stability and deeper access to growth sectors across the Americas.

In APAC, China's domestic access hardware market slowed, reflecting softer consumer demand and broader sectoral adjustment. New opportunities identified across the region included business wins in telecoms, power storage, data centre expansion and energy transformation projects, where demand for specialised manufacturing capabilities accelerated. We continue to leverage our regional footprint and product depth to capture meaningful share, notably in India and Southeast Asia.

The broader geopolitical environment in 2026 is expected to reinforce the importance of resilient supply chains. Essentra's multi-regional presence across EMEA, the Americas and APAC, coupled with a flexible, service-oriented approach, provides the Group with the capacity to adjust to shifting trade dynamics and offer strong service levels, based on end-market demand. The depth of our product range and expertise positions Essentra to pursue growth where it is most robust, whilst balancing exposure to cyclical end-markets.

Going forward, growth emphasis is focused on digital infrastructure, energy transformation and adoption of advanced automation technologies, all areas where our sustained investments into expertise and a broad product offer will enable us to adapt to developing customer requirements.

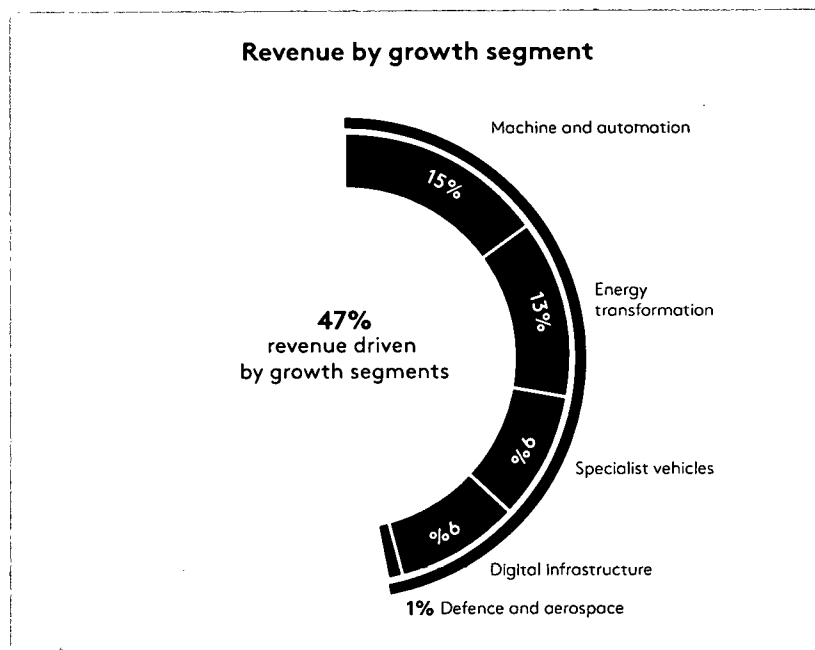
Our growth segments

Digital Infrastructure

Investment in digital infrastructure, including data centres, cloud systems, and connectivity, is navigating a structural build-out phase that Essentra is well placed to support. With industry forecasts projecting global data centre capacity doubling by 2030, this trend plays directly to our strengths: our broad range of scalable, high-performance access hardware, cable management, and fastening components, alongside global reach and industry expertise, enables us to serve customers designing digital infrastructure for resilience, speed and energy efficiency. Our targeted investment choices, such as the acquisition of DTI in late 2025, further cement our proposition within this expanding sector.

Energy Transformation

The global energy sector is undergoing a fundamental shift as governments, utilities suppliers, and a growing number of global organisations align around decarbonisation and grid modernisation. Research into the industry suggests a heightened demand for energy resilience and storage that will drive continued investment into supporting infrastructure, particularly from the electrification and transport industries. Our growing range of cable management, PEEK (Polyetheretherketone), and machine and automation hardware components all support this developing market sector.



Specialist Vehicles

Specialist vehicles, including construction, agriculture, off-highway equipment, and commercial fleets, are essential to sectors ranging from logistics and utilities to construction and public services. Whilst broader automotive markets are transitioning and faced headwinds in 2025, demand for purpose-built, high-performance vehicles remains strong. Specialist OEMs are seeking partners who can deliver reliable, high-quality products, in varying quantities. Essentra's trusted Protection, access hardware and fastening components strengthens our ability to win in this sector.

Machine and Automation

Automation technologies remain among the fastest-growing investment areas as manufacturers digitalise operations, improve productivity and elevate quality standards. Many manufacturers plan to increase spend on smart manufacturing technologies including automation hardware, sensors, AI analytics and connected systems, reinforced by a broader

push toward Industry 4.0 and 5.0 capabilities. Our extensive product range, including motion control, handles, grips, knobs and workholding components supports manufacturers modernising for the future.

Defence and Aerospace

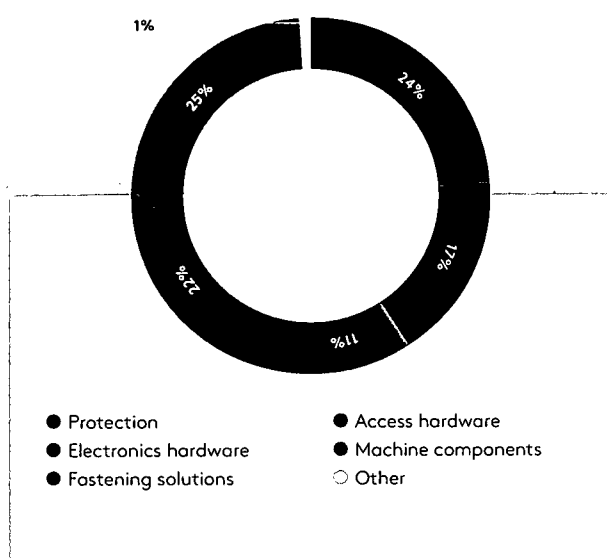
These industries continue to benefit from elevated government spending, strategic autonomy initiatives and long-term fleet modernisation programmes. Europe alone saw aerospace and defence turnover grow more than 10% in 2024, with strong demand for defence systems, advanced aerostructures and R&D investment in next-generation capabilities. Research suggests that aftermarket services and MRO segments will demonstrate resilient growth as investment continues and requires continued support. Our global footprint and quality credentials position us to grow alongside this sector, underpinning sustainable opportunity into 2026 and beyond.

OPERATIONAL REVIEW

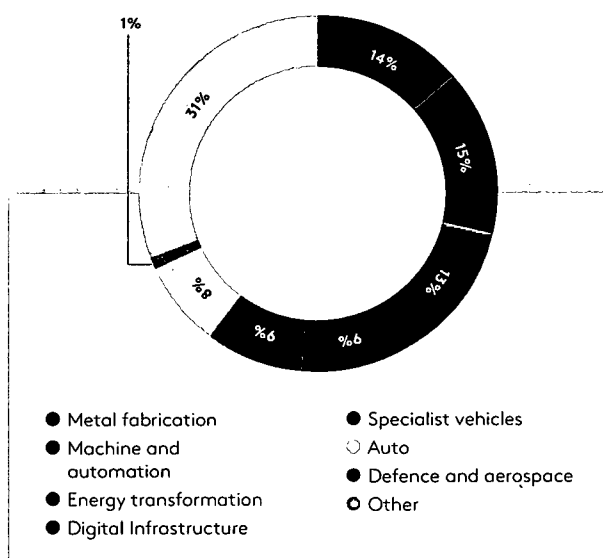
Essentra is a leading global provider and manufacturer of essential components and solutions, operating in a highly fragmented market combining breadth and depth of product manufacturing expertise with high service levels, across a diverse range of industrial applications and end-markets.

Markets and revenue

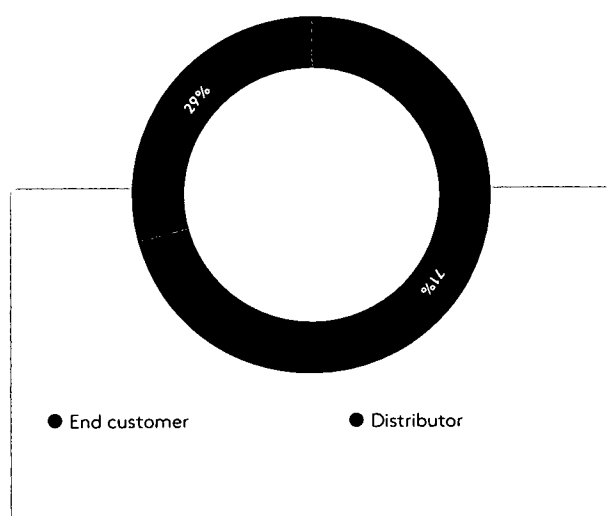
Revenue by product expertise



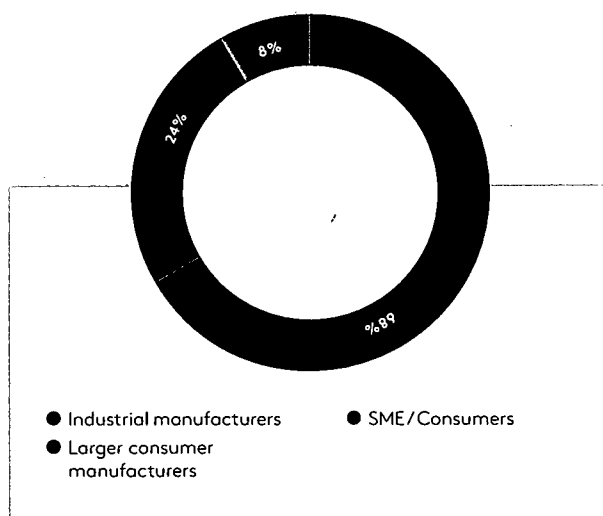
Revenue by end-market



Revenue by end-channel



Revenue by customer segment



SEE NOTE 1 OF THE CONSOLIDATED FINANCIAL STATEMENTS ON PAGES 161 TO 163 FOR FURTHER DETAIL ON SEGMENTAL REPORTING

Financial Performance

Revenue

£163.8m

(2024: £163.3m)

Gross profit

£79.2m

(2024: £84.0m)

Gross margin

48.4%

(2024: 51.4%)

Operational Performance

Lost-time incidents

9

(2024: 4)

On-time-in-full

65.1%

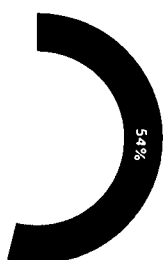
(2024: 80.5%)

Net Promoter Score

35

(2024: 43)

% group revenue



Revenue for the year was £163.8m (2024: £163.3m), reflecting growth of 2.6% on a constant currency basis despite a challenging demand environment.

Performance improved materially through the year, with H1 2025 down 4.5% on a constant currency basis, accelerating to growth of 10.8% in H2 as comparatives eased and service levels stabilised.

Structurally less-cyclical sectors such as energy transformation and specialist vehicles delivered low single-digit revenue growth, partially offsetting continued softness in more traditional cyclical sectors such as automotive. Exposure to defence remains modest, however, the number of customers serving defence-related applications increased during the year, supporting longer-term opportunities for growth.

Turkey (c.15% of EMEA revenue) outperformed the wider region with strong levels of growth, reflecting its exposure to faster growing end-markets such as energy transformation and digital infrastructure.

Revenue synergies from BMP TAPPI and Wixroyd continued to accelerate, with successful cross-selling into the wider regional customer base, demonstrating Essentra's breadth and depth of product expertise. The number of products sold from acquisition-based ranges increased by c.20% year-on-year strengthening Essentra's protection and fastening product proposition. This performance demonstrates the scalability of Essentra's platform and the strategic value of targeted bolt-on acquisitions.

The launch of post-consumer and post-industrial recycled ranges within BMP TAPPI was well received, supporting customers' sustainability objectives whilst reinforcing Essentra's differentiated product offering as these ranges increasingly form part of customer selection criteria.

Service performance in EMEA was temporarily impacted during 2025 following the December 2024 ERP deployment in West Europe, that coincided with higher order intake and resulted in an elevated orderbook backlog through 2025. Additional labour and freight costs were incurred, primarily in the first half, to restore operational performance and protect customer service levels.

As these actions took effect, disruption and levels of backlog reduced through the year. Together with lower volumes in historically high-margin West Europe markets and the relative mix shift towards lower-margin Turkey, resulted in short-term gross margin dilution to 48.4%.

Despite these temporary challenges, management remained focused on margin improvement actions including procurement and manufacturing efficiencies. As service levels continue to normalise and temporary cost increases unwind, the region is well-positioned to improve customer cost to serve efficiencies in 2026, with an increasing focus on margin accretion through pricing and operational leverage.

The EMEA region saw a customer NPS score of 35 reflecting continued customer appreciation of Essentra's breadth of range and service proposition. Whilst OTIF declined to 65% following ERP-related disruption described above, performance improved steadily through the year, with a Q4 exit rate of 75% (FY 2024: 81%) and consistently strong performance in the UK and Turkey.

PERFORMANCE REVIEW AMERICAS

Financial Performance

Revenue

£97.6m

(2024: £98.8m)

Gross profit

£37.5m

(2024: £38.0m)

Gross margin

38.4%

(2024: 38.5%)

Operational Performance

Lost-time incidents

4

(2024: 3)

On-time-in-full

69.2%

(2024: 80.3%)

Net Promoter Score

55

(2024: 49)

% group revenue



Revenue for the year was £97.6m (2024: £98.8m), reflecting growth of 2.0% on a constant currency basis despite macroeconomic uncertainty. H1 2025 delivered constant currency growth of 0.7%, improving to 3.3% in H2 as comparatives eased and pricing actions gained momentum.

The Americas demonstrated its resilience in the year in relation to macroeconomic disruption and uncertainty related to tariffs as customers reviewed their own supply chains. The year reinforced the importance of pricing agility, regional manufacturing flexibility and customer engagement. The region successfully mitigated cost increases through disciplined pricing actions and remained proactive in a dynamic and evolving trade environment.

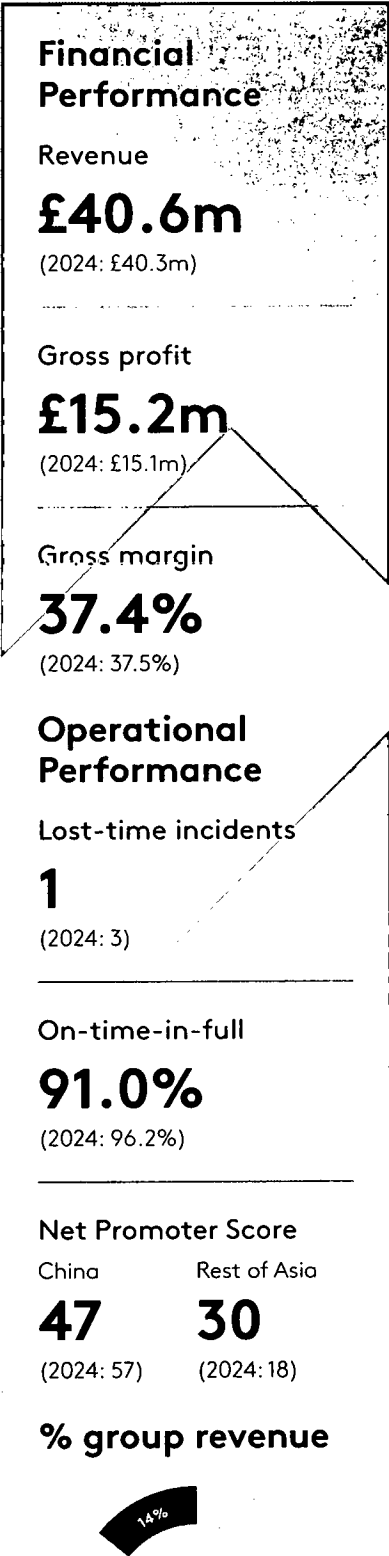
Revenue growth was supported by pricing and increasing stability in the distribution end-customer channels. While traditional cyclical sectors such as metal fabrication and automotive remained suppressed, resulting in low single-digit revenue declines, digital infrastructure and electrification linked sectors delivered high single-digit growth, reflecting the region's increasing exposure to structurally attractive, faster-growth end markets.

As part of the Group's medium-term strategy to optimise its commercial and operational footprint, the region closed its manufacturing site in Costa Rica in H2 following a comprehensive review of the regional operating cost base and customer service requirements. Operations were transferred to the Mexico manufacturing hub, opened in 2023, which is well-positioned to support current and future demand whilst strengthening Essentra's presence in Mexico and Latin America. This transition supports improved scalability, resilience and operational leverage over the medium-term.

Gross margins remained stable at 38.4% (2024: 38.5%) as strong pricing execution offset cost inflation alongside actions to improve the profitability mix of the product and customer base. As end-customer channel volumes continue to recover, the region is well-positioned to benefit from its enhanced footprint and further improve operating leverage through 2026.

Encouragingly, the NPS customer survey score improved in the year from 49 to 55 showing that customers continue to value Essentra's breadth of range and service proposition despite short-term operational disruption. Whilst the OTIF metric for the Americas reduced year-on-year to 69% (2024: 80%), performance in the first half remained strong before reducing through H2 2025 as manufacturing transferred to Mexico. Performance is expected to recover through 2026 as backlogs return to normalised levels following the transfer of operations.

The integration of Device Technologies, acquired in December 2025, has progressed well in the first quarter of 2026 and trading-to-date is in line with expectations. The acquisition deepens Essentra's product expertise, expands exposure to high-growth end-markets while also supporting the development of regional manufacturing capability.



Revenue for the year was £40.6m (2024: £40.3m), reflecting growth of 3.1% on a constant currency basis in a year characterised by uneven demand across APAC markets. H1 2025 delivered strong constant currency growth of 9.5%, whilst H2 declined by 2.6%, as expected, following a number of larger projects in late 2024 that did not repeat.

Performance continues to be influenced by China (c.70% of APAC revenue), where demand remained mixed across domestic and export markets. Growth was led by larger export-focused customers, whilst smaller, domestically oriented customers continued to experience softer demand, reinforcing the importance of customer and end-market diversification across the region.

Double digit revenue growth was achieved in digital infrastructure and machine building in China, whilst South East Asia saw strength in energy transformation. Specialist vehicles and automotive declined across APAC, although these markets remain relatively small within the Group's overall exposure reflecting the region's increasing focus on better alignment with structurally attractive end-markets.

As part of the Group's medium-term strategy to enhance its commercial and operational footprint, targeted investments were made in South East Asia, including the launch of a new Vietnamese website and an enhanced local service proposition in Thailand. Following a review of the go-to-market approach in Japan, direct operations were exited in Q2 and transitioned to a select distributor model, delivering cost efficiencies in the second half.

Following improvements in customer mix and selective pricing actions, gross margins recovered in the second half, with full year margins stable at 37.4% and an improved exit rate, compared to 35.3% in H1 2025. The cost base remains well controlled, with labour efficiencies and resourcing investment aligned to volume growth.

OTIF remained above 90% following continued investment in product availability and limited supply chain disruption. NPS scores improved across the rest of Asia, whilst China declined to 47 (from 57 in 2024) amid increased pricing tension. Overall customer feedback continues to reflect high levels of satisfaction with service levels across the region.

KEY PERFORMANCE INDICATORS

The delivery of Essentra's strategic priorities is underpinned by a focus on Key Performance Indicators ("KPIs"), which measure Essentra's progress in the delivery of value.

Financial KPIs

Management uses a number of measures of financial performance, financial position and cash flows, which are not defined or specified in accordance with relevant financial reporting standards. In management's view, these Alternative Performance Measures reflect the underlying performance of the Company and provide a more meaningful comparison of how the business is managed and measured on a periodic basis.

➔ FOR MORE INFORMATION ON ALTERNATIVE PERFORMANCE MEASURES PLEASE SEE PAGES 33 TO 34

Like-for-like revenue growth (%)

2.5%

2025	2.5	Link to strategy:
2024	-2.7	
2023	-8.2	
2022	6.5	

How we measure it

Revenue at constant exchange rates excluding acquisitions and disposals.

Why this is important

Measures the ability of the Company to grow sales by operating in selected geographies and categories, offering differentiated cost-competitive product and services.

Adjusted operating profit¹ (£m)

£32.0m

2025	32.0	Link to strategy:
2024	40.1	
2023	43.2	
2022	25.1	Link to remuneration: Yes

How we measure it

Operating profit excluding the impact of acquired intangible assets and adjusting items.

Why this is important

Measures the profitability of the Company.

Adjusted basic earnings per share^{1,3} (p)

6.1p

2025	6.1	Link to strategy:
2024	8.5	
2023	10.6	
2022	1.9	Link to remuneration: Yes

How we measure it

Earnings per share, excluding the impact of amortisation of acquired intangible assets and adjusting items.

Why this is important

Measures the benefits generated for shareholders from the Company's overall performance.

Dividend per share (p)

2.0p

2025	2.0	Link to strategy:
2024	2.8	
2023	3.6	
2022	3.3	

How we measure it

Total dividends paid divided by the number of relevant shares in issue.

Why this is important

Measures the amount of cash per share, which the Company returns to shareholders.

KEY:  Strategic role on the bill-of-materials  Peace-of-mind supplier  Commercial resilience  Breadth and depth of offer  Focus on broad industrial sectors

Notes:

- ¹ Excluding impact of amortisation of acquired Intangible assets and adjusting items.
- ² As defined in the Financial review on pages 30 to 32.
- ³ As defined in the Alternative Performance Measures on pages 33 to 34.

 MORE INFORMATION CAN BE FOUND IN THE CEO STATEMENT ON PAGES 14 TO 17

Total shareholder return (%)**-25.6%**

2025	-25.6
2024	-19.9
2023	-15.6
2022	-29.8

Link to strategy:



Link to remuneration:

Yes

How we measure it

Total annual change in value. Based on the movement in share price and the dividend paid to shareholders.

Why this is important

Measures the Company's ability to generate long-term value.

Net working capital² ratio (%)**26.3%**

2025	26.3
2024	23.0
2023	18.4
2022	15.9

Link to strategy:

**How we measure it**

Average net working capital² per month, as a % of revenue.

Why this is important

Measures the ability of the Company to finance expansion and release cash from working capital.

Adjusted operating cash flow^{1,3} (£m)**£44.0m**

2025	44.0
2024	36.4
2023	48.2
2022	20.2

Link to strategy:



Link to remuneration:

Yes

How we measure it

Adjusted operating profit¹ less non-cash items, net working capital and net capital expenditure.

Why this is important

Measures the cash generation capability of the Company.

Adjusted operating cash flow conversion^{1,3} (%)**138%**

2025	138
2024	91
2023	112
2022	80

Link to strategy:

**How we measure it**

Adjusted operating cash flow² as a percentage of adjusted operating profit¹.

Why this is important

Measures how the Company converts its profit into cash and quality of the Company's earnings.

KEY PERFORMANCE INDICATORS CONTINUED

Financial KPIs CONTINUED

Return on Invested Capital^{3,4,5} (%)**8.7%**

2025	8.7
2024	11.1
2023	12.4
2022	13.3

Link to strategy:

**How we measure it**

Adjusted operating profit¹ after tax divided by capital employed plus intangible assets.

Why this is important

Measures the Company's ability to effectively deploy capital.

Return on Capital Employed^{3,4,5} (%)**18.6%**

2025	18.6
2024	23.4
2023	28.3
2022	29.5

Link to strategy:

**How we measure it**

Adjusted operating profit¹ after tax divided by tangible fixed assets and net working capital².

Why this is important

Measures how effectively the Company uses its operational assets.

Sustainability KPIs

Carbon emissions (CO₂e)**8,364**

2025	8,364
2024	11,253
2023	13,765
2022	16,190

Link to strategy:



Link to remuneration:

Yes

Why this is important

We have targets to reduce our absolute carbon emissions as part of our net-zero transition plan. This performance measure also forms part of our long-term incentive plan. This year, we reduced our direct carbon footprint by 62% compared to our 2019 baseline.

Target

50% reduction by 2030

Sustainable materials (%)

21%

2025	21.1
2024	18.4
2023	20.7
2022	10.8

Link to strategy:

**Why this is important**

Moving to more sustainable materials in our polymer ranges is a key aim to ensure our ranges meet changing customer preferences for more circular, lower carbon products. This year, we increased the amount of sustainable polymers used by 2.7%.

Target

50% by 2030

KEY:  Strategic role on the bill-of-materials  Peace-of-mind supplier  Commercial resilience  Breadth and depth of offer  Focus on broad industrial sectors

Notes:

- 1 Excluding impact of amortisation of acquired Intangible assets and adjusting items.
- 2 As defined in the Financial review on pages 30 to 32.
- 3 As defined in the Alternative Performance Measures on pages 33 to 34.
- 4 Includes an allocation of central service costs to the division in 2022.
- 5 Adjusted for acquisitions in the year.

 **MORE INFORMATION CAN BE FOUND IN THE CEO STATEMENT ON PAGES 14 TO 17**

Strategic KPIs

Employee engagement (%)

81%

2025	81
2024	85
2023	82
2022	83

Link to strategy:



Why this is important

The happiness and fulfilment of our people is a key priority. Having more engaged employees reduces staff turnover, improves productivity and helps us service and retain customers.

Net Promoter Score

40

2025	40
2024	43
2023	40
2022	34

Link to strategy:



Why this is important

Reflects our customers' overall satisfaction with our product and service, as well as loyalty to our brand.

On Time in Full %

68.2%

2025	68.2
2024	81.7
2023	82.2
2022	78.2

Link to strategy:



Why this is important

Our ability to deliver quality products on time and in full demonstrates our ability to meet our customers' delivery demands.

Active customer⁵ (k)

76k

2025	76
2024	80
2023	85

Link to strategy:



How we measure it

Count of customers that have purchased from Essentra over the past 12 months including new customers from acquisitions.

Why this is important

This reflects marketing effectiveness and measures the potential population for further growth opportunities. Customer numbers fluctuate yearly, due to strategic focus on mid-size accounts and digital marketing strategy.



The Group retains headroom into 2026 to support operational and strategic value-enhancing growth initiatives.

ROWAN BAKER
Chief Financial Officer



2.5%

Constant current
revenue growth

£32.0m

Adjusted OP

1.4x

Net debt leverage

Group revenue

Group sales of £302.0m were 2.5% higher than last year at constant currency and 0.1% lower on a reported basis (2024: £302.4m).

Gross margin and adjusted operating profit

Whilst regional gross margins remained robust, Group gross margin reduced to 43.7% in 2025 (2024: 45.3%), primarily reflecting regional mix effects, with comparatively stronger growth in the lower margin Americas and APAC regions. EMEA margins were also impacted by mix, as typically higher margin West Europe grew more slowly than Turkey, which continued to experience elevated inflation through the year. In addition, EMEA gross margin was temporarily diluted by incremental labour and freight costs incurred to stabilise service following higher backlog levels associated with the new ERP deployment across the region. This modest level of investment was time bound and necessary to restore operational performance and protect customer service through H2, contributing to the reduction in Group operating profit in the year.

The Group maintains a disciplined approach to overhead cost control whilst partially reinstating employee-related variable compensation costs, which were removed in 2024, as previously guided. Initiatives including targeted pricing actions and footprint optimisation taken through H2 2025, are expected to deliver annualised benefits in 2026, supporting gross margin progression and improvement in operational gearing as volumes normalise.

Central corporate costs of £11.8m in 2025 (2024: £10.9m) were well managed despite inflationary pressures and stay below the initial £13.0m run-rate guidance. Adjusted operating profit reduced to £32.0m in 2025 (2024: £40.1m), with an adjusted operating margin of 10.6%.

Acquisitions

In December 2025, Essentra announced the strategically aligned, bolt-on acquisition of Device Technologies for an initial cash consideration of \$6.7m, representing an acquisition multiple of 6.6x EBITDA for the last-twelve-months to June 2025, within the targeted range of 6-8x. Given the relative size and trading for a limited number of days in 2025, no adjustment has been made to like-for-like performance in 2025.

Adjusting items

In 2025, amortisation of acquired intangible assets was £11.0m (2024: £11.5m) and there was a pre-tax charge for adjusting items of £12.5m (2024: £14.0m). In line with previous guidance, current year adjusting items include £9.3m major software-as-a-service ("SaaS") development expenditure (2024: £9.6m) and £1.7m relating to legacy pension scheme costs.

Further details on adjusting items are shown in Note 2 to the Consolidated Financial Statements. After adjusting items and amortisation of acquired intangible assets, the Group reported operating profit was £8.5m (2024: £14.6m).

Finance costs

Net finance expense reduced to £8.0m (2024: £8.9m) with the year-on-year movement largely a result of FX movement on the interest payable on bank borrowing and leases.

Taxation

The effective tax rate on underlying profit before tax (before adjusting items and amortisation of acquired intangible assets) was 15.8% (2024: 11.5%). The effective tax rate in both 2024 and 2025 was below the guided forecast range as a result of accounting for the recognition of additional deferred tax assets. The medium-term guidance of 26-29% remains closely aligned to the tax rates applied in the majority of jurisdictions in which the Group operates.

Shareholder returns and ordinary dividends

The Company's share buyback programme remains in progress. The pace of deployment is dependent on the Group's capital allocation opportunities and priorities, and in particular the timing and access to earnings accretive acquisitions.

Since the launch of the programme to 31 December 2025, a total of 18,501,728 shares have been purchased, at an average purchase price of 168.2 pence per share, totalling £31.1m. Of the shares purchased, 4,141,321 were transferred into treasury, and 14,360,407 have subsequently been cancelled, which represented 5.0% of the issued share capital of the Company (excluding treasury shares) when the programme commenced.

The Board of Directors recommends a final ordinary dividend of 1.2p and therefore a total 2025 dividend of 2.0p. (2024: final 1.55p, total 2.8p). The full year dividend maintains dividend cover in the order of three times adjusted earnings, in line with the Group's dividend policy, after adjusting for the one-off recognition of deferred tax assets.

The final dividend will be paid on 3 July 2026 to shareholders on the share register at the record date, 15 May 2026. The ex-dividend date will be 14 May 2026. Essentra operates a Dividend Re-Investment Programme ("DRIP"), details of which are available from the Company's Registrars, Computershare Investor Services PLC. The final date for DRIP elections will be 12 June 2026.

Net Working Capital

Net working capital is defined as inventories plus trade and other receivables less trade and other payables, adjusted to exclude deferred consideration payable and receivable, interest and accruals and capital

payables. The Group saw a marginal increase in net working capital to £66.1m (2024: £65.0m), with inventory being built to strengthen the Group's product offer and enhance service. Given the increase in sales through the second half of 2025 compared to the same period in 2024 there is a timing-related accounts receivable increase that is anticipated to unwind through Q1 2026.

Cashflow and net debt

The Group continued to see strong adjusted operating cash flow and free cash flow in 2025. Adjusted operating cash flow from continuing operations of £44.0m equating to an operating cash conversion of 137.5% (2024: 90.8%) ahead of 85% guidance. Included within the operating cash flow from continuing operations is £6.8m proceeds from the sale of property relating to reorganisation of operational facilities in Kidlington, UK. Excluding these proceeds, operating cash conversion is c.120%.

Capital expenditure was £11.0m (2024: £12.8m) equating to 3.6% of revenue in 2025, in line with medium-term guidance, and reflects 94.0% (2024: 110.3%) of the depreciation charge (including amortisation of non-acquired intangible assets) for the year of £11.7m (2024: £11.6m).

Net debt reduced by £7.5m to £60.7m as at 31 December 2025, excluding lease liabilities of £28.3m. The overall reduction in net debt was driven by continued strong operating cash conversion in excess of 100%, cash inflows for two property sales in the second half totalling £12.0m and the receipt of the final £10.0m tranche of deferred consideration from the 2022 sale of the Filters division. This was partly offset by £19.3m cash outflows relating to adjusting items, including SaaS spend, and the acquisition of Device Technologies in December 2025.

Constant currency, like-for-like, and adjusted measures are provided to reflect the underlying financial performance of Essentra. For further details on the performance metrics used by Essentra, please refer to Note 28 to the Consolidated Financial Statements.

Net debt to adjusted EBITDA pre-IFRS16 lease liabilities was 1.4x, within the Group's target leverage range of <1.5x. The Group retains headroom to support operational and strategic value-enhancing growth initiatives.

Balance Sheet

At the end of 2025, the Group had shareholders' funds attributable to Essentra equity holders of £266.0m (2024: £270.8m). Total capital invested in the business was £349.0m (2024: £362.8m). This finances non-current assets of £315.8m (2024: £328.7m), of which £64.5m (2024: £68.6m) is tangible fixed assets, the remainder being intangible assets, right-of-use assets, deferred tax assets, retirement benefit assets, derivative assets and long-term receivables.

Pension Schemes

As at 31 December 2025, the Company's IAS 19 net pension surplus was £5.0m (2024: £2.0m net liability). The improved position was a result of higher returns of plan assets as well as favourable movements in the present value of future obligations. Further information can be found in Note 18 to the Consolidated Financial Statements.

Funding and Liquidity

One of the main sources of funding for the Company is a Revolving Credit Facility ("RCF") provided by a group of five highly rated banks totalling £200.0m. As at 31 December 2025, £24.0m was drawn on this facility (31 December 2024: £26.1m). In June 2025, the Company exercised a one-year extension to the term of its existing RCF to July 2030 with all five banks, whilst maintaining the existing covenants, terms and size. The extension provides the Company with greater stability as well as reducing the need for frequent refinancing activities, providing greater liquidity to support operational and strategic initiatives.

The Company retains \$102.5m of long-dated US Private Placement debt ("USPP") at an average coupon rate of 3.8%.

Type	Amount	Interest Rate	Maturity
RCF	£200.00m	Floating	July 2030
USPP	\$32.80m	3.62%	July 2028
USPP	\$34.85m	3.91%	July 2031
USPP	\$34.85m	4.00%	July 2033

Treasury policies and controls

Essentra has a centralised treasury function to manage funding, liquidity and exposure to interest rate and foreign exchange risk. Treasury policies are approved by the Board and cover the nature of the exposure to be hedged, the types of derivatives that may be employed and the criteria for investing and borrowing cash.

The Company intends to use derivatives to manage foreign currency and interest rate risk arising from underlying business activities. Whilst some transactions may be of a more speculative nature, they are in place with a view to managing exchange rate risk only.

Underlying policy assumptions and activities are reviewed by the Treasury Committee. Controls over exposure changes and transaction authenticity are in place, and dealings are restricted to those banks with the relevant combination of geographical presence, expertise and suitable credit rating.

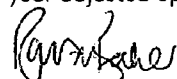
Foreign exchange risk

The majority of Essentra's net assets are in currencies other than sterling. The Company's normal policy is to reduce the translation exposure and the resulting impact on shareholders' funds through measures such as borrowing in those currencies in which the Group has significant net assets. The majority of Essentra's transactions are carried out in the functional currencies of its operations, and therefore transaction exposure is limited. However, where such exposure does occur, Essentra uses derivatives to hedge its exposure to movements in the exchange rates on its highly probable forecast foreign currency sales and purchases over a period of up to 18 months.

The constant exchange rate basis adjusts the comparative year to exclude the effect of currency movements, to show the underlying performance of the Company. The principal exchange rates for Essentra were:

	Average		Closing	
	2025	2024	2025	2024
US\$:£	1.31	1.28	1.35	1.25
€:£	1.17	1.18	1.15	1.21

Re-translating at 2025 average exchange rates decreases the prior year revenue by £7.6m, reduces prior year gross profit by £2.4m and reduces prior year adjusted operating profit by £1.1m.



ROWAN BAKER
Chief Financial Officer

17 March 2026

Management uses a number of measures of financial performance, financial position and cash flows which are not defined or specified in accordance with relevant financial reporting standards. In management's view, these Alternative Performance Measures reflect the underlying performance of the Company and provide a more meaningful comparison of how the business is managed and measured on a periodic basis.

The financial information in this 2025 Annual Report is prepared in accordance with UK-adopted International Accounting Standards and with the requirements of the Companies Act 2006, and with the accounting policies section starting on page 149 of the Financial Statements. Alternative performance measures are not considered to be a substitute for, or superior to, UK-adopted International Accounting Standards measures. These are detailed in Note 28 to the Consolidated Financial Statements.

FY25 results at a glance

	2025 £m	2024 £m	% change Actual FX	% change Constant FX
Revenue	302.0	302.4	(0.1%)	2.5%
Adjusted operating profit	32.0	40.1	(20.2%)	(17.7%)
Adjusted pre-tax profit	24.0	31.2	(23.1%)	(20.8%)
Adjusted net income	20.2	27.6	(26.8%)	(24.7%)
Adjusted basic earnings per share	6.1p	8.5p	(28.2%)	(25.2%)
Dividend per share	2.0p	2.8p	(28.6%)	-
Adjusted net cash flow from operating activities	44.0	36.4	20.9%	20.8%
Reported operating profit	8.5	14.6	(41.8%)	(37.6%)
Reported pre-tax profit	0.5	5.7	(91.2%)	-
Reported net profit from continuing operations	2.1	11.6	(81.9%)	-
Reported basic earnings per share	0.7p	4.0p	(82.5%)	-
Reported net cash inflow from operating activities	25.4	25.7	(1.2%)	-

Basis of preparation

Continuing and Discontinued operations

In accordance with IFRS 5, Non-current Assets Held for Sale and Discontinued Operations, Continuing and Discontinuing operations are presented as GAAP numbers. The numbers presented in this Strategic Report reflect the continuing operations of the Group unless otherwise stated.

Non-GAAP measures

Throughout this 2025 Annual Report, the following terms are used to describe Essentra's financial performance.

Like-for-like basis ("LFL")

The term "like-for-like" describes the performance of the continuing business on a comparable basis, adjusting for the impact of acquisitions, disposals and foreign exchange.

Adjusted basis

The term "adjusted" excludes the impact of amortisation of acquired intangible assets and adjusting items, less any associated tax impact. In 2025, amortisation of acquired intangible assets was £11.0m (2024: £11.5m), and there was a pre-tax charge for adjusting items of £12.5m (2024: £14.0m). Adjusting items are separately presented from other items of financial performance as this enables management to reflect the underlying performance of the continuing operations of the Group. Further details of adjusting items are shown in Note 2 to the Consolidated Financial Statements. Constant exchange, like-for-like and adjusted measures are provided to reflect the underlying performance of Essentra. For further details of the performance metrics used by Essentra, please refer to pages 26 to 29.

Adjusted basic earnings per share

Adjusted earnings per share excludes the effect of material movements in the Company's deferred tax position that are not driven by the underlying performance of the business.

Free cash flow

Free cash flow is defined as adjusted operating cashflow from continuing operations less underlying tax paid, less net interest paid. A full reconciliation is in Note 28 to the Consolidated Financial Statements.

ALTERNATIVE PERFORMANCE MEASURES CONTINUED

Return on Invested Capital and Return of Capital Employed

Return on Invested Capital and Return on Capital Employed have been adjusted for acquisitions in the first full year of ownership.

Adjusted operating cash flow

Adjusted operating cash flow is net cash flow from operating activities, excluding income tax paid, pensions adjustments, and cash flows relating to adjusting items, less net capital expenditure. It is a measure of the underlying cash generation of the business. Net

capital expenditure is included in this measure as management regards investment in operational assets (tangible and intangible) as integral to the underlying cash-generation capability of the Company.

Adjusted operating cash conversion

Adjusted operating cash conversion is presented as adjusted operating cash flow as a percentage of adjusted operating profit.

Reconciliation of GAAP to non-GAAP measures

The following tables are presented by way of reconciling the metrics, which management uses to evaluate the Essentra Group to GAAP measures.

Net income

	2025 £m	2024 £m
Adjusted net income	20.2	27.6
Amortisation of acquired intangible assets	(11.0)	(11.5)
Adjusting items	(12.5)	(14.0)
Tax on adjustments	5.4	9.5
Profit after tax	2.1	11.6

Adjusted operating cash flow from continuing operations

	2025 £m	2024 £m
Adjusted operating profit on continuing operations	32.0	40.1
Depreciation and amortisation of non-acquired intangible assets	11.7	11.6
Right-of-use assets depreciation	6.2	6.3
Share option expense/other movements	1.7	1.1
Change in working capital	(2.4)	(9.9)
Add back: profit on fixed asset disposals	(1.0)	-
Capital expenditure	(11.0)	(12.8)
Proceeds from sale of property, plant and equipment	6.8	-
Adjusted operating cash flow from continuing operations	44.0	36.4
Tax ¹	(3.5)	(5.8)
Cash out flow in respect of adjusting items ^{1,2}	(19.3)	(17.7)
Add back: Capital expenditure	11.0	12.8
Deduct: Proceeds from sale of property, plant and equipment	(6.8)	-
Net cash in flow from continuing operating activities	25.4	25.7
Adjusted operating cash flow	44.0	36.4
Tax ¹	(3.5)	(5.8)
Net interest paid	(9.0)	(8.1)
Free cash flow	31.5	22.5

¹ 2024 tax paid excludes the tax paid/received in relation to adjusting items. This is included within the cash out flow in respect of adjusting items.

² Pension contributions of £2.3m in 2025 for legacy pension schemes has been included within cash out flow in respect of adjusting items (2024: £1.8m).

ENVIRONMENTAL, SOCIAL AND GOVERNANCE



Thanks to the robust and reliable build of the locking systems provided by Essentra, misuse of the sliding whiteboards in schools has been totally eliminated, which in turn has protected the Smartboards.

Customer: Taylan Bedelci, Mechanical Engineer, VESTEL

End Market: Consumer Electronics/Industrial Appliances

In this section

Introduction and Background	36
Non-Financial and Sustainability Information Statement	38
Our Progress	39
Our Customers	40
Our Components	41
Environmental Data Table	43
Our Planet	44
Our Culture	47
Our Communities	51
Climate- and Nature-Related Financial Disclosures	54



Essentra listened to our needs and delivered a solution that not only worked, but also helped us achieve our customer sustainability goals, saving 2.5 million parts from the landfill.

Customer: Alan Webb, Company Secretary and Director, IRACROFT

End Market: Metal Fabrication/Specialist Vehicles



Our Research and Development Centre, located in our Manufacturing Centre of Excellence, Kidlington, UK

All sites

achieved zero waste to landfill

62%

reduction in scope one and two emissions

Introduction

At Essentra, sustainability is embedded in our purpose: **to help customers build a sustainable future**. Our ESG strategy is central to how we operate, combining environmental stewardship, social responsibility and strong governance to create long-term value for all stakeholders.

In this report, we set out our progress against our ESG strategy in 2025. We are now halfway towards our 2030 goals, and it is encouraging to reflect on our progress and achievements so far.

During the year, we launched our first range of components using post-consumer recycled material, demonstrating our continued focus on material innovation and supporting our customers with more sustainable and lower carbon options.

We are proud to confirm that we have successfully achieved our near-term Science Based Targets initiative (SBTi) commitment for scope one and scope two emissions, five years ahead of schedule. This achievement reflects decisive action to reduce our operational emissions through energy efficiency, process optimisation and increased use of renewable energy across our global sites. In 2025, we also made CDP's "A list" for the first time and achieved a Gold EcoVadis rating. These achievements demonstrate that sustainability is not an aspiration, it is a core driver of our resilience and growth.

Looking ahead, we will continue to advance circularity through innovative product design and material choices, while accelerating our net-zero targets. We will also drive social impact through diversity, inclusion and community engagement, and maintain robust governance frameworks that ensure transparency and accountability.

Sustainability is built into everything we do—from the smallest component we create to the largest strategic decision—and together we are shaping a future where performance and responsibility go hand in hand.



JENNIFER SPENCE
ESG Director

Our purpose:

**To help customers
build a sustainable
future**

Our vision:

**To be the world's leading responsible
hassle-free supplier of essential
industrial components**

Sustainability ambition:**Components delivering real-world impact for a sustainable future****A foundation of good governance and responsible business practices****2025 Awards**

EcoVadis Gold rating



CDP A list



UN Global Compact



SBTi



UN SDGs

External frameworks we align to

Non-Financial and Sustainability Information Statement

Essentra's strategic priorities and progress are measured against KPIs within the environment, our customers, communities and people.

This table follows the requirements of Companies Act 2016 Sections 414C (7), 414CA and 414CB and is intended to help stakeholders understand our position on key non-financial matters. We have a number of Group policies and standards which govern our approach to these matters, and most of those listed below can be found on our website: essentraplc.com/esg/codes-policies-and-standards.

Reporting requirement	Related policies and guidance	Where to read more	Pages	Companies Act area
Business model		Strategy and business model	08 to 09	CA s414CB 2(a)
Non-financial KPIs		Non-financial KPIs	28 to 29	CA s414CB 2(e)
Environmental matters	• Sustainability Policy	ESG Report	42 to 46	CA s414CB 1(a)
	• Health, Safety and Environment Policy	TCFD and TNFD Report	54 to 61	
	• Our Climate Transition Plan			
People	• Our Ethics Code	ESG Report	47 to 49	CA s414CB 1(b)
	• Health, Safety and Environment Policy			
	• Diversity and Inclusion Policy			
Human rights	• Modern Slavery statement	ESG Report	50 to 51	CA s414CB 1(d)
	• Supplier Code of Conduct			
	• Our Ethics Code			
Social matters	• Diversity and Inclusion Policy	ESG Report	49 and 52	CA s414CB 1(c)
	• Community Engagement Policy	Stakeholder engagement S172	68 to 71	
Anti-bribery and corruption	• Anti-bribery and Corruption Policy	ESG Report	50	CA s414CB 1(e)
	• Right to Speak Policy	Audit and Risk Committee Report	100 to 107	
Principal risks		Risk Management Report	64 to 67	CA s414CB 2(d)
Climate and nature-related financial disclosures	• Sustainability Policy	TCFD and TNFD Report	54 to 61	CA s414CB 2A(a-h)

KEY: ● On Track/Ahead ○ Slightly behind target ● Behind Target

Our ESG strategy

Pillar	Focus and targets	Our progress	Status	Highlight	Read more
 Our customers	Increasing the number of products introduced with sustainability criteria	8,698 products across our ranges now have sustainability attributes, 1,662 were introduced in 2025	●	8,698 total sustainable products	Page 40
 Our components	50% of materials from sustainable sources by 2030 across our manufactured polymer ranges	21.1% of our manufactured polymer ranges used sustainable materials*	○	48% of our packaging contains recycled content	Pages 41 to 42
	100% of our general protection and security seals ranges use materials from sustainable sources by 2030	51% of our general protection and security seal ranges made from sustainable materials	●		
	100% of our packaging is reusable, recyclable or compostable by 2030	65% of our packaging is recyclable or compostable	●		
	50% recycled content in packaging materials by 2030	48% of packaging materials contain recycled content*	●		
 Our planet	Reduce scope one and two emissions by 50% by 2030 from a 2019 base year	Scope one and two emissions have reduced by 62% since 2019	●	62% reduction in scope one and two emissions since 2019	Pages 43 to 46
	Reduce scope three emissions intensity by 55% per GBP of value added by 2030	Scope three emissions intensity has reduced by 10% since 2022	●		
	All sites to achieve zero waste to landfill by 2030	All sites (25) ¹ , achieved zero waste to landfill in 2025*	●		
	Reduce overall waste volumes by 50% by 2030	Waste intensity has reduced 44% against 2019 baseline	●		
 Our culture	Zero accidents for our people and visitors	14 lost-time incidents in 2025	●	97% of employees trained in ethics code	Pages 47 to 50
	100% of employees trained on Ethics Code biannually	97% of employees were trained on Ethics Code in 2025	●		
	40% women in our leadership team by 2025	28% women in 2025 leadership team, 50% on the Board	●		
	25% of leaders identify as ethnically diverse by 2030, 20% by 2027	19% of our leaders identify as ethnically diverse	●		
 Our communities	100% of suppliers over a £100k spend threshold sign up to our Supplier Code of Conduct	51% of targeted suppliers have signed up to this code	●	100% of suppliers over £75k spend actively risk monitored	Pages 51 to 52
	70% of suppliers over £100k spend actively risk monitored	100% of suppliers over £75k spend actively risk monitored	●		
	A community engagement day taken by 25% of employees	Volunteer days taken by 10% of employees in 2025	●		

¹ All sites within our operational control are included, with further details on scope set out in our ESG Basis of Reporting at essentraplc.com/esg/reporting-centre

* ERM CVS has provided assurance on this metric, with details of the scope, activities, limitations and conclusions set out on pages 140 to 141.



Our customers Our targets

Increasing the number of products introduced with sustainability criteria.

Our progress

1,662

products introduced in 2025

8,698

products in total

UNSDGs



Supporting sustainable industries

We remain committed to increasing our range of sustainable products. In 2025, we introduced 1,662 products into our sustainable product ranges. Our sustainable products include those with lower carbon emissions, increased recycled content or biomaterials, and improved circularity. During 2025, we rolled out a new range of caps and plugs using a post-consumer recycled material. The range is 100% post-consumer recycled, contributing to circularity by diverting materials from landfill, and providing customers with a low-carbon option that can be recycled easily again at the end of its use.

As well as new sustainable product introductions, in 2025, we gained third-party verification of the recycled content within 2,660 products we manufacture at our Kidlington site, across our caps and plugs, and protective ranges, which contain up to 100% recycled content. This certification provides our customers with the assurance that all the products in those ranges have been verified as containing the recycled content advertised.

Continuing to develop our range of sustainable product options is a key focus area in 2026, as we recognise these products meet growing customer demand for sustainable

solutions, backed by transparent, clear and credible information.

Alongside development of our products, we are in a leading position to assist customers in achieving their own sustainability goals. We intend to reduce our emissions to net-zero across the manufacturing and distribution network, delivering a low-carbon service to our customers from product design through to delivery. This is shown within the product carbon footprints and material circularity information we provide to our customers, providing transparency and expertise to help our customers when looking for sustainable solutions.

Product governance

We are committed to achieving the highest standards of product quality, reliability and safety. We have comprehensive product design and development procedures to ensure precise delivery to specifications, and are constantly seeking opportunities to enhance quality and safety performance.

In 2025, 12 of our manufacturing sites, equivalent to 99% of products we manufacture, were certified to a recognised international quality management standard of ISO 9001 or ISO/IATF 16949.

Our sustainable product focus areas



Sustainable design

Cutting waste, lowering impact and designing for reuse and longevity



Material innovation

Scaling sustainable and recycled materials



Responsible sourcing

Embed ESG goals across our supply chain



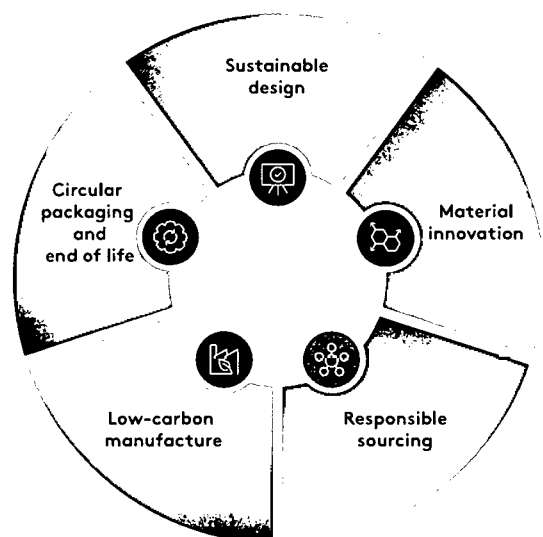
Low-carbon manufacture

Decarbonise energy, boost efficiency, cut waste



Circular packaging and end of life

Enhance packaging circularity through recycled content and reuse





Our components Our targets

50%

of materials from sustainable sources by 2030 across our manufactured polymer ranges

100%

of our general protection and security seals ranges use materials from sustainable sources by 2030

Our progress

21.1%

of our manufactured polymer ranges used sustainable materials

51%

of our general protection and security seal ranges made from sustainable materials

UNSDGs



A selection of our sustainably sourced, PCR (post-consumer recycled) and innovative biomaterial products

In 2025, we have increased the percentage of sustainable materials in our polymer ranges. This now sits at 21.1%, up from 18.4% in 2024. This increase was driven by our continued focus on transitioning our product ranges to use more recycled content, and the introduction of our post-consumer recycled caps and plugs product range.

We are committed to material and product innovation as a key strategic initiative to meet our customers' needs for more sustainable products and services. This is driven from testing by our materials research team in our Centre of Excellence in Kidlington, UK, through to commercial production globally. Last year, we completed 68 trials across recycled and biomaterial alternatives and brought several materials into production, including a recycled nylon alternative now in production, a more technically demanding material that requires tighter processing control and represents a significant first for the business.

This research supports our wider programme to broaden the range of sustainable materials used in our components, particularly those used in general protection and security seal applications where performance, consistency and durability are critical. The move from exploratory testing to proven, production-ready materials reflects both the maturity of our development process and the increasing capability of our manufacturing teams to work with more advanced recycled polymers.

As a result of this work, we have been able to increase the proportion of our general protection and security seals made from sustainable materials, from 33% in 2024 to 51% this year. This has strengthened our product offering, reduced reliance on fossil-based feedstocks and accelerated progress against our sustainability objectives.

Looking ahead to 2026, we will focus on scaling the sustainable materials introduced in 2025, broadening their use across key product families, alongside continued trials of innovative biomaterials. We will continue to align with evolving product regulations, and expand the proportion of general protection and security seals produced from sustainable materials, strengthening both customer choice and our progress towards our wider sustainability objectives.

Our packaging

Our targets

100%

of our packaging is reusable, recyclable or compostable by 2030

50%

recycled content in our packaging materials by 2030

Our progress

65%

of our packaging spend is reusable, widely recyclable or compostable

48%

of our packaging contains recycled content

Packaging is an integral part of our customer experience and plays a critical role in ensuring our products are protected, compliant and delivered safely across global markets. As customer expectations around responsible packaging continue to rise, and regulatory requirements become more complex and geographically diverse, the sustainability and circularity of our packaging materials have become increasingly important, particularly for customers operating under tightening global packaging and extended producer responsibility regulations.

In 2025, we launched a coordinated, Group-wide initiative across all of our sites to engage directly with local packaging supply chains. This initiative was designed to improve the consistency, transparency and quality of packaging data, whilst strengthening supplier relationships and local accountability. As a result, active engagement increased to 79% of our total packaging spend, up from 54% in 2024, providing improved visibility of material composition, recycled content levels and end-of-life pathways. This improved engagement has translated into measurable improvements in packaging outcomes. The recycled content

reported in our packaging increased to 48% in 2025, up from 29% in 2024, whilst the proportion of packaging that is reusable, recyclable or compostable rose to 65%, compared with 48% in 2024.

In 2026, we will build on the insights generated through this programme by developing regional packaging action plans tailored to local regulatory requirements and operational contexts. These plans will focus on optimising packaging design and sizing, increasing recycled content, reducing unnecessary materials and improving circularity and end-of-life outcomes, supporting both environmental impact reduction and customer sustainability objectives. Delivery of these actions will be supported by existing governance and reporting processes, with progress reviewed through established management forums. This approach enables regional flexibility while maintaining Group-level oversight and consistency. It also supports compliance with evolving regulatory requirements and helps ensure packaging decisions continue to balance environmental considerations, operational efficiency and customer expectations.



2025 environmental data

Greenhouse gas ("GHG") emissions and Streamlined Energy and Carbon Reporting ("SECR") disclosure in accordance with UK SECR requirements.

Scope one and two GHG emissions (tonnes CO ₂ e)*	2025	2024	2019	% change 2025/2019
Stationary fuel combustion	2,128	2,127	3,050	-30%
Mobile fuel combustion	625	640	372	68%
Fugitive emissions	74	16	-	-
Total scope one emissions	2,827	2,783	3,422	-17%
Electricity – location based	15,094	15,151	22,587	-33%
Electricity – market based	5,386	8,275	18,814	-71%
Purchased heating and cooling	151	187	-	-
Total scope two – location	15,245	15,343	22,587	-33%
Total scope two – market	5,537	8,470	18,814	-71%
Total scope one and two emissions location	18,072	18,126	26,009	-31%
Total scope one and two emissions market	8,364	11,253	22,236	-62%
GHG intensity (total scope one and market-based two emissions per £m revenue)	27.7	37.2	74.2	-63%

Energy (MWh)*		2025	TCO ₂ e 2025	2024
Total electricity used	UK	5,935	28	5,629
	Global	42,201	5,235	41,237
Renewable electricity procured and generated	UK	5,519	-	5,564
	Global	26,853	-	23,432
Natural gas	UK	120	22	353
	Global	11,000	2,012	11,179
Fuels	UK	329	88	328
	Global	3,192	742	3,103

Scope three emissions by category number (tonnes CO ₂ e)	2025	2024	2022	% change 2025/2022
1. Purchased goods and services*	61,586	67,735	98,789	-38%
4. Upstream transportation and distribution* ¹	21,102	22,106	44,756	-53%
Near-term target total (categories 1 and 4)	82,688	89,841	143,545	-42%
Near-term GHG intensity (kgs/£ of value added)	1.62	1.52	1.80	-10%

Solid hazardous and non-hazardous waste destinations (tonnes)*	2025	2024	2019
Recycling	1,944	2,006	1,374
Recovery	342	351	161
Incineration	163	80	66
Landfill	29	135	2,787
Total solid waste	2,478	2,572	4,388
% solid waste diverted from landfill	99%	95%	36%

The organisational boundary for this data is determined using an operational control approach. All comparatives from 2019 to 2022 were restated in 2022, to reflect the divestment of our Filters and Packaging businesses. The 2019 to 2022 reporting periods are January to December. The 2023 to 2025 reporting period is January to December, for all data except for spend-based calculations in scope three categories one and four, where the reporting period is January to September of the current year, and October to November of the preceding year. Further details on our methodology can be found in our ESG Basis of Reporting alongside our full suite of ESG metrics and complete scope three dataset on our website: essentraplc.com/esg/reporting-centre

* ERM CVS assured metric. Details of the scope, activities, limitations and conclusions of the assurance are on pages 140 to 141.

¹ Upstream transportation includes intra-company transport and products to customers. Downstream transportation is captured in category one as part of our spend on materials and services.



Our planet Our targets

Reduce our scope one and two carbon emissions by 50% by 2030 from a 2019 baseline, and reach net-zero by 2040

Reduce our scope three carbon emissions intensity, from purchased goods, services and transport, by 55% per GBP of value added by 2030 from a 2022 baseline, and reach net-zero by 2050

Our progress

62%

reduction in scope one and two emissions since 2019

10%

reduction in scope three emissions intensity since 2022

UNSDGs



Scope one and two emissions

In 2025, we surpassed our 2030 target of a 50% reduction in scope one and two emissions, achieving a 62% reduction from our 2019 baseline, five years ahead of schedule. This progress reflects sustained action to decarbonise our operations, driven predominantly by the transition to renewable electricity sources and increased on-site renewable electricity generation.

Globally, 71% of electricity consumption is now sourced from renewables, with 7% generated on site, reflecting continued investment in low-carbon energy solutions across our manufacturing footprint. Alongside energy sourcing, we continue to focus on energy efficiency and operational optimisation at site level, including equipment upgrades, process improvements and energy-management initiatives, to support further emissions reductions.

Progress is overseen through established governance and reporting processes, providing visibility of energy use, emissions trends and delivery against our emissions reduction pathway. In 2026, we will refresh our emissions reduction targets to reflect our updated emissions profile, ensure alignment with evolving regulatory and reporting expectations, and support delivery of our wider business strategy and values.

Scope three emissions

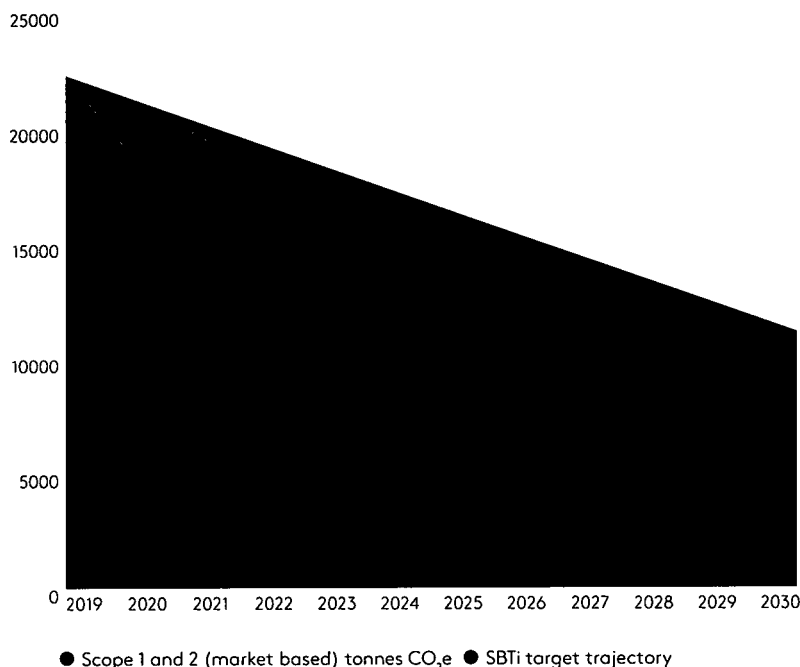
In 2025, emissions from our most material scope three categories covered by science-based targets, including purchased goods and services and logistics, totalled 82,688 tonnes CO₂e. These categories represent the majority of our value chain emissions and remain a key focus of our decarbonisation approach.

Scope three emissions are subject to a higher level of uncertainty than scope one and two emissions due to reliance on third-party data, estimates and assumptions, and the scale and geographic diversity of our supply chain and logistics activities. Reported emissions may be refined as data availability, methodologies and emissions factors evolve. During the year, we continued to optimise our manufacturing footprint and supply chain, increasing local and regional production and distribution where feasible to support efficiency and reduce transportation-related emissions.

Within our key material procurement of polymers and metals, we continued to engage suppliers through our centre of excellence to support increased circularity and reduced carbon intensity of materials, whilst maintaining required quality and performance standards.

In 2026, we will build on this activity by deepening supplier collaboration and using improved data visibility to identify and prioritise emissions reduction opportunities across raw material sourcing and transportation services. A breakdown of scope three emissions by material category is provided in the table on page 43. Our complete scope three inventory and Basis of Reporting are available in our ESG Reporting Centre at essentraplc.com/esg/reporting-centre

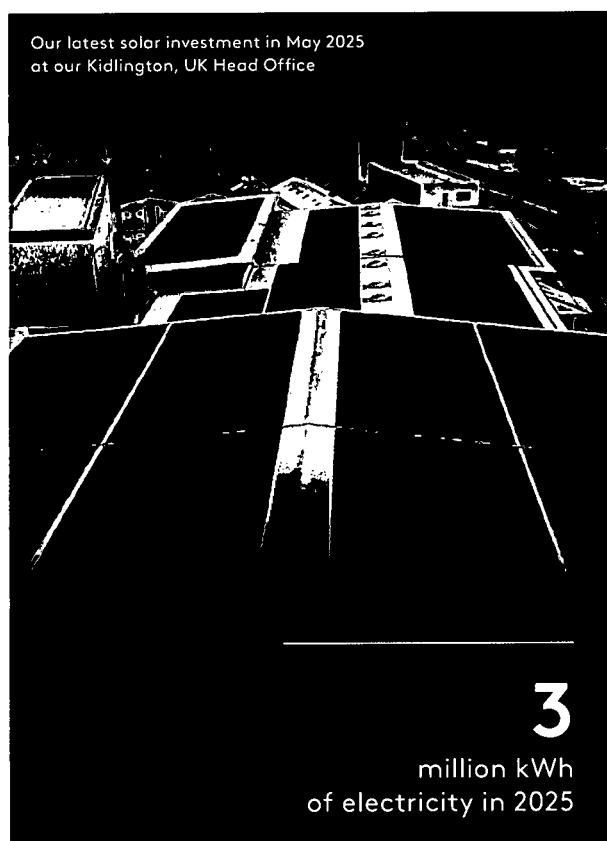
Our trajectory to net zero in our direct operations



Our pathway to net zero

Our scope one and two emissions reductions since 2019 have progressed ahead of our SBTi-validated target trajectory. In 2025, we surpassed our near-term, 2030 scope one and two target, supporting our pathway towards net-zero in our direct operations by 2040. Subject to maintaining momentum, our 2030 forecast indicates continued good progress in emissions reduction.

Following achievement of our near-term target, we intend to set new targets in 2026 to ensure continued alignment with evolving science, business growth and our net-zero ambition. Further detail on our approach and planned decarbonisation actions is set out in our Climate Transition Plan at essentraplc.com/esg/reporting-centre



Solar panels

In 2025, we continued our progress in integrating solar power across our global manufacturing sites, with the commissioning of another two solar systems, almost doubling our solar capacity worldwide.

In April, our 999kWp solar array began generating energy at our manufacturing facility in Ningbo, China. This was followed closely in May with the switch on of a further 815kWp of solar capacity at our Kidlington, UK Head Office. The two systems together are expected to produce around 1.7 million kWhs of electricity per annum, as well as providing immediate cost savings and reducing reliance on grid electricity.

Since we completed our first project at our site in Rayong, Thailand, in 2023, we have made remarkable strides in integrating solar power across our global manufacturing sites, with over 4MWp of capacity now installed across five of our manufacturing sites. Together, they will avoid approximately 1,700 tonnes of carbon emissions each year by replacing grid electricity use, and, in 2025 alone, they produced over three million kWh of electricity.



Recycling and waste

Our targets

All sites to achieve zero waste to landfill by 2030 at the latest

Reduce waste intensity by 50% by 2030 from a 2019 baseline

Our progress

All sites

have achieved zero waste to landfill

Waste intensity has reduced by 44% to

8.2 tonnes per £million revenue

We are committed to reducing, reusing and recycling waste across our operations, recognising the associated cost efficiencies and the importance of effective waste management in supporting employee engagement and operational performance. Waste reduction is managed through site-level processes and performance monitoring, supported by the inclusion of waste-related objectives within local incentive structures. In 2025, 21% of employees had a waste reduction metric included in their bonus objectives. During the year, waste intensity reduced by 44% compared to the 2019 baseline, and by 4% compared to 2024, reflecting continued operational focus on waste prevention and segregation.

In 2025, we achieved zero waste to landfill across our direct operations, five years ahead of our original target. Now achieved, zero waste to landfill will be managed as an ongoing operational requirement rather than a standalone strategic target, and will be maintained through regular site-level compliance monitoring and internal reviews. Waste management arrangements are also reviewed as part of acquisition due diligence, with sites aligned to zero waste to landfill requirements during integration, where practicable.

Across our global operations in 2025, 78% of waste was recycled, 14% was sent for energy recovery, 7% was incinerated, and 1% was sent to landfill.

Looking ahead, our focus is on maintaining zero waste to landfill performance, continuing to reduce waste intensity through operational efficiencies, and embedding consistent waste management practices across existing and newly acquired sites. Performance will continue to be monitored through established governance and reporting processes.

Environmental management and compliance

The majority of our sites operate an environmental management system to manage risk, monitor performance and identify opportunities for improvement. Ten of our manufacturing sites, representing 81% of production, are certified to ISO 14001.

Sites with water discharge consents are subject to ongoing compliance monitoring. In 2025, two sites, Yichun in China and Rayong in Thailand, held discharge consents, with no incidents of non-compliance reported. There were no reportable spillages, environmental incidents, fines or penalties during the year.



Health, Safety and Wellbeing

In 2025, lost-time incidents increased by four compared to 2024, which had remained flat with 2023 at ten. First Aid cases rose by more than 60%, while OSHA recordable injuries (excluding LTIs) decreased by 50%. Near Miss and Fire Event reporting remained steady year-over-year. Overall reporting activity increased significantly, with total reports up 24% from 2024. Days away increased with longer recovery times. This is a strong indicator that risk mitigation efforts need to be re-evaluated.

The safety culture assessments identified several key opportunities for improvement across the organisation. These include greater consistency in compliance training, further development of frontline leadership capability, strengthening incident investigation practices, and a more structured approach to new-employee onboarding. These findings point to foundational issues that influence day-to-day safety behaviours and overall cultural maturity. Each of these areas has been incorporated into the 2026 safety plan.

To ensure consistent standards across our operations, all of our sites have a health and safety management system in place, and nine of our sites are certified to ISO 45001 or an equivalent standard, covering 81% of production.

Whenever we have a new acquisition, we conduct health and safety audits, inductions and awareness training, which ensures alignment to our standards.

As well as physical health and safety, we recognise the importance of our people's mental health and wellbeing. We provide all of our people with access to our Employee Assistance Programme, providing them and their families with 24/7 access via a confidential phone line to support on any financial, legal or family topics. This is backed up with access to online health and wellbeing resources.

Annually, we have a rolling programme of global health and wellbeing campaigns, which includes a diverse range of activities throughout the year, ranging from team sports and walking challenges, creative challenges such as an annual baking competition, and regular spotlight campaigns which focus on employee mental health.

Safety performance

	% Change	2025	2024
Lost-time incidents	40%	14	10
LTI rate per 200,000 hours	37%	0.59	0.43
Days lost	63%	543	333
Severity rate (days lost per 200,000 hours)	65%	23	13.95
Fatalities	–	–	–

Our targets**40%**

women in our Board
and leadership teams
by 2025

25%

of leaders identify as
ethnically diverse by
2030, 20% by 2027

Our progress**28%**

Women in leadership
team, 50% on Board

19%

of leaders identify as
ethnically diverse in
2025, 25% on our Board

Employee engagement and recognition

Employee engagement is one of the most important indicators of the health of our business, as we believe that higher rates of employee engagement generate higher levels of customer satisfaction.

Our employee engagement survey cadence runs over two years, and comprises a full survey in year one, followed by a reduced set of questions the following year, named survey lite. 2025 was a survey lite year, 23 questions in comparison to 52 in a full survey.

We maintained our exceptional response rate, with 93% of employees answering the survey. The overall engagement score in 2025 was 81%. This is down by 4% compared to 2024; however it still exceeds the industry benchmark by 7%. The decrease in overall engagement is attributed to the volatility of external market conditions and general economic environment, combined with the ongoing changes that are being implemented with our enabling technology programmes to make us more efficient. Employees

voiced they would like to hear more communication regarding our new product initiatives and strategy and vision from our leadership, and this will be incorporated into our engagement action plans.

Despite the decline in our overall engagement score, there were many positives within the survey results. Overall, intent to stay with the Company remains strong, with 85% of employees agreeing with the statement "I would like to be working for Essentra 12 months from now", and Essentra being a responsible business remains the strongest area with a score of 83%. In addition, verbatim comments show positive and constructive feedback towards the Company. Examples include: "A healthy working environment that strives to make all personnel feel welcome and valued. The work is always interesting and there are always opportunities to learn new processes and grow as an individual."

"At Essentra, a job isn't just about production or sales. Its contributions to people, the environment and society are also considered and valued. In addition, the reward system is also very encouraging for people."

Employee engagement**81**

2025	81
2024	85
2023	82



Stanislav Vichta presented with the 2025 Czech Sales Team award, recognising outstanding contribution to driving customer satisfaction and growth.

Championing equality and celebrating diversity

As a global organisation, we are dedicated to fostering a safe, supportive work environment where cultural differences are recognised and every individual feels valued and empowered. We are committed to offering equal opportunities to potential and current employees and maintain a flexible approach to best support disabilities, making adjustments in a range of ways to meet the needs of future and current colleagues.

We have had an employee resource group focused on sexual orientation and LGBTQIA+ topics (Spectrum) since 2021. In 2025, two more groups were launched: EmpowHer, supporting colleagues on topics related to gender, and Accessibility, supporting neurodivergence, disability and wellbeing. These groups are employee-led, open to all and

actively run events throughout the year to raise awareness across a wide variety of topics.

We remain committed to strengthening the diversity of our employee community, as we believe this diversity brings a range of perspectives to decision making and problem solving, ensures the representation of our employee base and the communities in which we operate, and fosters positive change within the business.

Globally, at the end of 2025, gender diversity within our senior leadership team was 28%. Although this represents a decrease from 2024, the definition of senior leadership has been expanded to include all employees within grades five to eight, giving us greater visibility of representation across our wider leadership population. At Board level, gender composition changed to 50% women and 50% men, following the appointment of Klaus Goldenbot.

In addition, we continued to collect data on the ethnic diversity of our senior leadership team and found that 19% of employees in this population identify as ethnically diverse. At Board level, ethnic representation stood at 25%, reflecting an increase in Board size to eight members.

In 2026, we will continue to strengthen our inclusive culture by enhancing the reach of our employee resource groups, improving the quality and coverage of our diversity data, and embedding targeted actions across regions to support representation, development and engagement for all colleagues.

Our employee diversity

Permanent/contractor split



Employee type

- Permanent employees 2894 (97%)
- Contractors 104 (3%)

Gender



All employees

- Men 1715 (57%)
- Female 1283 (43%)

Leadership team

- Men 63 (72%)
- Female 24 (28%)

Board of Directors

- Men 4 (50%)
- Female 4 (50%)

Ethnicity



All employees

- Ethnically diverse 1169 (39%)
- White 905 (30%)
- n/a or no response 924 (31%)

Leadership team

- Ethnically diverse 17 (19%)
- White 39 (45%)
- n/a or no response 31 (36%)

Board of Directors

- Ethnically diverse 2 (25%)
- White 6 (75%)
- n/a or no response 0 (0%)

Our commitment to being an ethical employer

Our Ethics Code is the framework that guides all of our employees in acting safely, responsibly and with integrity across all aspects of the business. It emphasises core values such as openness, honesty, respect, diversity and compliance with laws and regulations. The Code supports ethical decision making, outlines expectations around issues such as health and safety, anti-corruption, fair treatment, responsible use of Company assets, and transparent relationships with customers and suppliers. It also encourages employees to speak up about concerns without fear of retaliation, reinforcing our commitment of maintaining trust with stakeholders and upholding the highest ethical standards. Our training programme spans over a two-year period. 2025 was the start of this two-year cadence, and, by the end of 2025, 96.7% of employees who were assigned to receive training had completed it. Alongside the Ethics Code, an ethics decision tree helps guide employees on making the right decision. In addition, we have specific policies and training relating to Sanctions, Anti-Bribery and Corruption, Anti-Money Laundering, Anti-Trust and Competition and Third-Party Due Diligence.

Our Right to Speak Policy provides all stakeholders with a clear and safe way to report concerns about illegal, unethical or inappropriate behaviour. Our reporting mechanisms are well established and enable anyone to report circumstances where they believe that the standards of our Ethics Code, or our wider policies and guidance, are not being upheld. We are committed to ensuring employees feel able to raise any

concerns in good faith, without fear of victimisation or retaliation and with our support. During 2025, our Audit and Risk Committee received updates at each of its meetings on all Right to Speak issues raised and sought assurance from management on the issues and the response. The issues raised mainly related to employment practices, health and safety, business conduct and gift disclosure. All issues raised were thoroughly investigated and additional actions taken where necessary. More information can also be found in the Audit and Risk Committee Report on page 100.

Throughout our international operations, we support and endorse human rights – as set down by the United Nations (“UN”) Declaration and its applicable International Labour Organisation conventions – through our employment policies, our supply chain and the responsible provision of our products and services. This commitment includes a mandatory requirement at all our sites to prevent the employment of children, as well as a commitment to the prevention of slavery and human trafficking. Each of our websites includes a statement on anti-modern slavery. This statement is reviewed each year by management and then assurances are provided as appropriate to the Board, prior to being agreed. In 2023, we joined the UN Global Compact initiative, confirming our commitment to responsible business practices, human rights and our support of the UN Sustainable Development Goals. In 2025, we also participated in the UN Global Compact’s Working Groups on Circular Economy and Nature, to gain insights and share best practice in those topics.

Our targets

100%

of employees trained on our Ethics Code biannually

Our progress

97%

of employees completed training



Our communities Our targets

100%

of suppliers over a
£100k spend threshold
sign up to our Supplier
Code of Conduct

70%

of suppliers over £100k
spend actively risk
monitored

Our progress

51%

of suppliers over a
£100k spend threshold
sign up to our Supplier
Code of Conduct

100%

of suppliers over a £75k
spend actively risk
monitored

UNSDGs



Responsible and resilient supply chains

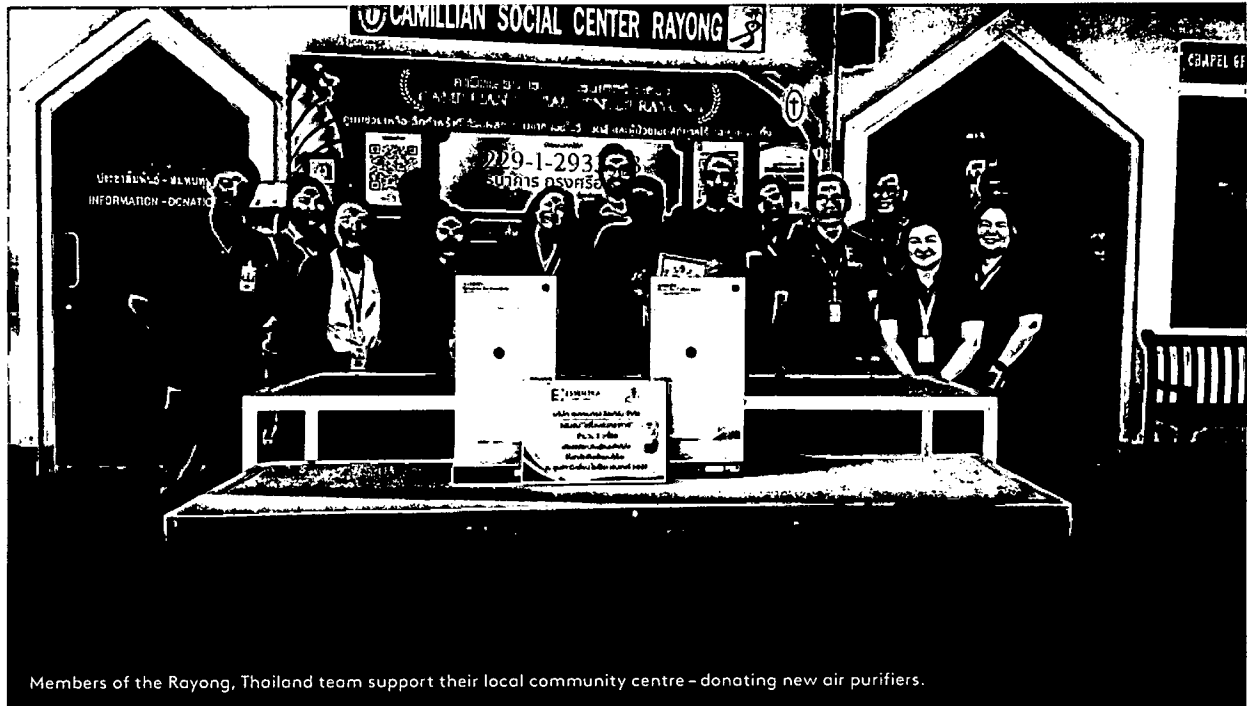
Responsible business practices are integral to how we operate across our global supply network. Our suppliers play a critical role in supporting product quality, continuity of supply and innovation, and are an important extension of our operational footprint. With more than 1,500 suppliers supporting over 50,000 products, our supply base represents both a key operational foundation and an important lever for managing environmental, social and governance matters across the value chain.

As we operate across diverse regions with differing regulatory and operating environments, we apply a global Supplier Code of Conduct to promote consistent standards of ethical conduct, environmental stewardship and social responsibility. The Code informs how supplier relationships are governed and how supply chain risks are identified, assessed and managed. It also supports alignment with applicable laws and regulations and provides a common framework for engagement across geographies. We view suppliers as long-term partners in building a resilient and sustainable business, and alignment with the Supplier Code signals a shared commitment to high standards and continuous improvement.

In 2025, we intensified supplier oversight and engagement to strengthen transparency, resilience and operational controls across the supply base. During the year, we completed 100 supplier audits and scorecards globally. These reviews covered approximately £22.3m of spend and supported improvements in delivery performance, collaboration and risk management, as well as enhanced visibility of supplier practices.

We actively monitored 100% of suppliers with spend above £75k, representing £111.5m of spend, and all new suppliers were subject to screening as part of onboarding. Lower-spend suppliers assessed as critical to operations were subject to ongoing monitoring, supporting early identification of potential issues and informed decision making. Engagement with the Supplier Code continued to increase. Among suppliers with spend above £100k, 51% had adopted the Code, or an equivalent, covering approximately £51m of spend.

In 2026, we will continue to strengthen collaboration with suppliers, embed ESG considerations within sourcing decisions and enhance resilience across critical supply chains. Our focus will remain on building capability, improving transparency and supporting continuous improvement, ensuring our supply network continues to support long-term value creation and sustainable growth. Our supply network continues to support long-term value creation and sustainable growth.



Members of the Rayong, Thailand team support their local community centre – donating new air purifiers.

Community engagement Our targets

A community engagement day taken by 25% of employees

Our progress

10%
of employees took a volunteer day in 2025

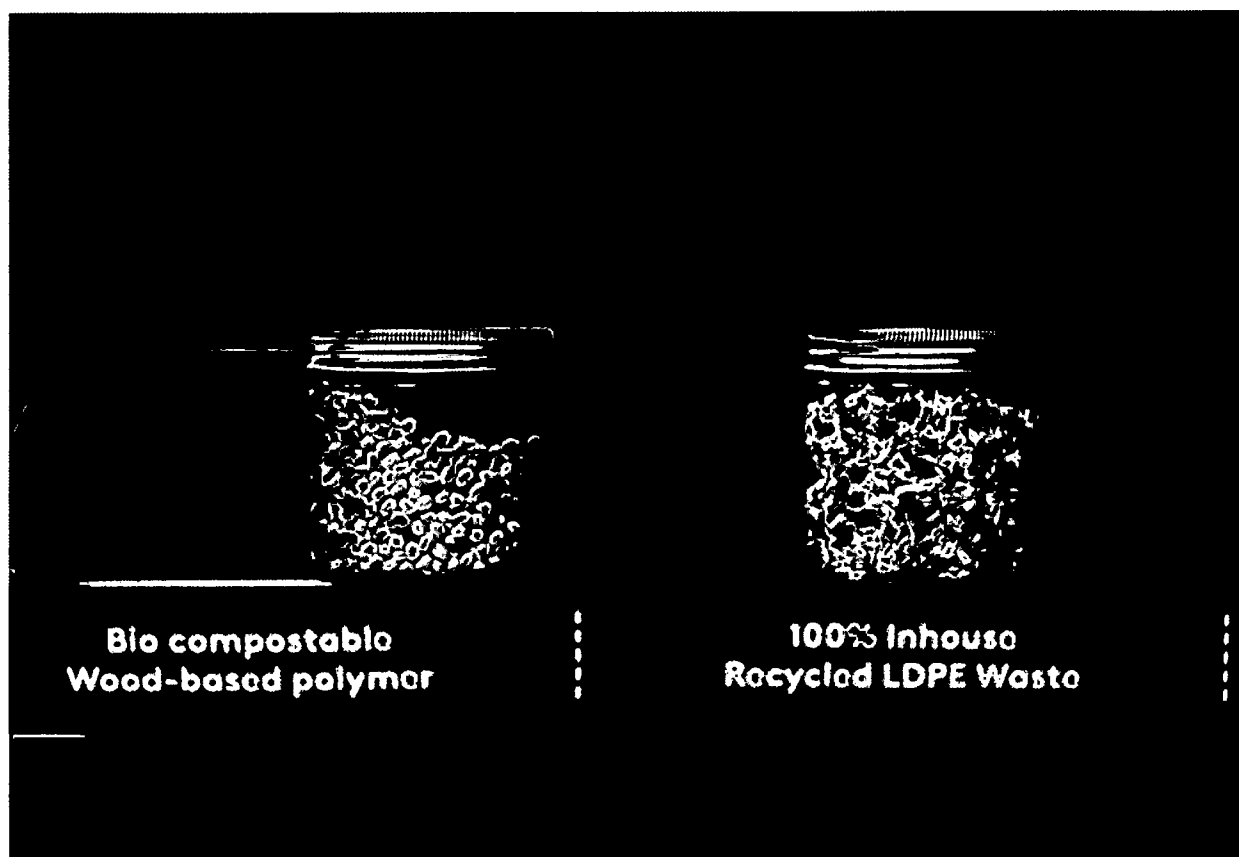
We engage with our local communities to create a positive impact and support local economies. Every employee is offered one day of paid leave each year to volunteer in ways that are meaningful to them. In 2025, over 1,600 hours of volunteering were recorded by 298 of our people worldwide, supporting a wide range of causes that reflect the diversity of the communities in which we operate. Activities included helping local foodbanks with sorting and distribution, supporting animal shelters with care and maintenance, taking part in environmental clean-ups, and contributing to educational outreach with local schools.

These examples demonstrate our people's commitment to making a positive difference.

Participation in volunteering fell in 2025, and we recognise there is more we can do to encourage greater engagement. We will continue to promote volunteering opportunities across our regions as part of our annual sustainability week and through our healthy lifestyle campaigns.



Some of the Sydney, Australia team providing and packing 780 Christmas hampers at their local food bank.



CLIMATE- AND NATURE-RELATED FINANCIAL DISCLOSURES

This report details our climate-related financial disclosures, which are compliant with the requirements of Listing Rule 9.8.6R, and the Companies (Strategic Report) (Climate-related Financial Disclosure) Regulations 2022 by including climate-related financial disclosures that are consistent with the 11 TCFD recommendations. We have also incorporated guidance from the TCFD Recommendations and Annexes (October 2021), and the Recommendations of the Taskforce on Nature-related Financial Disclosures. Since climate and nature issues are closely related, we believe that we should tackle these issues in an integrated manner. In the following information we provide integrated disclosures on our climate- and nature-related risks and opportunities.

Reference	Disclosure	Related information
TCFD & TNFD Governance A	Board's oversight of climate- and nature-related dependencies, impacts, risks and opportunities.	Page 55
TCFD & TNFD Governance B	Management's role in assessing and managing climate- and nature-related dependencies, impacts, risks and opportunities.	Page 55
TNFD Governance C	Human rights policies and engagement activities, and oversight by the Board and management, with respect to Indigenous Peoples, Local Communities, and other stakeholders, in the assessment and response to, nature-related dependencies, impacts, risks and opportunities.	Our human rights activities are detailed on page 50 Our approach to stakeholder engagement is detailed on pages 68 to 71
TCFD and TNFD Strategy A	The climate- and nature-related dependencies, impacts, risks and opportunities identified over the short, medium and long-term.	Pages 55 to 57
TCFD and TNFD Strategy B	The effect climate- and nature-related dependencies, impacts, risks and opportunities have had on the business model, value chain, strategy and financial planning, as well as any transition plans or analysis in place.	Pages 56 to 59
TCFD and TNFD Strategy C	The resilience of the strategy to climate- and nature-related risks and opportunities, taking into consideration different scenarios.	Page 58
TNFD Strategy D	The locations of assets and/or activities in the direct operations and, where possible, value chain that meet the criteria for priority locations.	Page 61
TCFD and TNFD Risk management A, A(i) and A(ii)	The processes for identifying and assessing climate- and nature-related risks, dependencies, impacts and opportunities in direct operations and value chain.	Page 61
TCFD and TNFD Risk management B	The processes for managing climate- and nature-related dependencies, impacts, risks and opportunities.	Our impacts, dependencies, risks and opportunities are identified and managed in accordance with the Company's risk management processes as detailed on pages 62 to 64. Each has an owner, rating, mitigation plan and metric(s) which are monitored and reported against at least quarterly. Our internal risk team monitor the process and controls for our risks.
TCFD and TNFD Risk management C	How processes for identifying, assessing, prioritising and monitoring climate- and nature-related risks are integrated into and inform the overall risk management processes.	Our climate- and nature-related risks are managed within our overall risk management processes as detailed on pages 62 to 64
TCFD and TNFD Metrics and targets A	Metrics used to assess and manage climate- and nature-related dependencies, impacts, risks and opportunities in line with strategy and risk management process.	The metrics used to monitor our climate and-nature related risks and opportunities are set out on page 56 to 57.
TNFD Metrics and targets B		
TCFD Metrics and targets B	Scope one, two, and three emissions, and related risks.	Our emissions are disclosed on pages 43 to 45 and carbon-related risks are detailed on pages 56 to 57.
TCFD and TNFD Metrics and targets C	The targets used to manage climate- and nature-related dependencies, impacts, risks and opportunities and performance against targets.	The targets and performance of our metrics are outlined on pages 56 to 57. We obtain third-party assurance on our most material metrics as detailed on pages 140 to 141.

TCFD/TNFD Governance A,B

s414CB 2A (a,c)

Board oversight, and Management's role in managing dependencies, impacts, risks and opportunities.

Our climate and nature governance activities are integrated within our wider corporate governance. Our risk governance structure, including how the Board and management interact, is detailed on page 63.

The Board, via the Audit and Risk Committee ("ARC") and the ESG Committee ("ESGC") oversees climate- and nature-related matters under formal terms of reference available at: essentraplc.com/investors/corporate-governance/esg-committee

The Remuneration Committee is responsible for determining Remuneration policy, including considering ESG risks and opportunities in determining rewards and incentives, and agreeing any ESG-related KPIs that form employee rewards. Details of this can be found on pages 116 to 117.

The Nomination Committee is responsible for Board appointments, and takes account of experience in ESG in fulfilling its responsibilities. Further details are on pages 96 to 99.

The Group Executive Committee ("GEC"), is responsible for our approach to identifying and assessing key risks and opportunities, and our management of them. We assess climate and nature risk as part of this risk management framework, which is provided on page 62.

Further details of the responsibilities, composition, expertise, remit and meeting frequency of the Board, the Group Executive, our governance structure and Committees, is provided on pages 76 to 79 as well as pages 84 and 88.

TNFD Strategy A

Dependencies, and impacts on nature and climate

In 2025, we reviewed and strengthened our insights on our impacts and dependencies. Using the TNFD Leap methodology, we evaluated our operational sites with a screening of likely material nature-related impacts and dependencies, alongside a spatial analysis using GIS software.

As per the TNFD materiality guidance, we focused on the potential impacts and dependencies, which are rated as Medium, High or Very High. Relevant impacts and dependencies were then evaluated in the context of Essentra's business operations and strategy.

The following impacts and dependencies were identified.

Operational Impacts		Operational Dependencies	
Impact	Determined Materiality	Dependency	Determined Materiality
Greenhouse gas emissions	High	Water supply	High
Water use	High	Water flow regulation	Medium
Non-GHG air pollution	Medium	Water purification	Medium
Toxic soil and water pollution	Very high	Solid waste remediation	Medium
Solid waste	Medium	Flood & Storm control	Medium

Whilst these impacts and dependencies do not affect all operating assets equally, these do need to be considered in the ongoing management of nature-related issues as they present mid- to long-term risks.

TCFD/TNFD Strategy A, B

s414CB 2A(d,e,g,h)

Describe the risks and opportunities over the short, medium and long term

Risk/Opportunity	Description	Link to strategy
Physical risks		
Impact of extreme weather	Extreme weather events, including high winds, heavy rainfall and flooding, could damage physical assets and disrupt operations at our sites. Potential impacts include temporary site closures, production downtime, damage to buildings or equipment, supply chain disruption and increased costs associated with repairs, remediation and business interruption.	
Extreme heat	Increasing frequency and severity of extreme heat events could adversely affect the health, safety and wellbeing of people working at our sites. Potential impacts include increased risk of heat-related illness, reduced comfort and productivity, higher absenteeism, and the need for additional operational controls or adjustments to working practices to maintain safe working conditions.	
Transition opportunities		
Increased revenue from products that enable a low carbon economy	Growth in revenue from low-carbon industrial sectors, and development of product ranges that support customers in those sectors. Assessment of this opportunity includes growth prospects in low-carbon end markets, alignment with Essentra's capabilities and customer demand, whilst also considering the potential risk of revenue decline in sectors less aligned with the low-carbon transition.	 
Reduced energy costs through solar generation and energy efficiency	Investment in on-site solar generation and energy efficiency initiatives presents an opportunity to reduce energy costs and exposure to energy price volatility. Assessment of this opportunity considers the feasibility of solar deployment across sites, anticipated cost savings over time and the contribution to improved operational efficiency.	
Transition risks		
Increased production costs due to the transition from fossil fuels	The transition away from fossil fuels could lead to increased production costs, driven by higher energy prices, investment in alternative energy sources, changes to processes or equipment, and potential increases in input costs across the value chain. These factors may affect operating margins if not offset through decarbonisation activities, efficiency improvements, energy management initiatives or pricing actions.	
Carbon pricing and environmental levies	The introduction or increase of carbon pricing mechanisms and environmental levies could lead to higher operating costs through increased energy prices, carbon taxes, emissions trading schemes or product-related levies. These costs may affect operating margins if not mitigated through energy efficiency, emissions reduction initiatives or pricing strategies.	

1 Metrics internally monitored by the relevant functional management teams.

2 These metrics, targets and progress are detailed in our ESG update on pages 39 to 52.

KEY:



Strategic role on the bill-of-materials



Peace-of-mind supplier



Commercial resilience



Breadth and depth of offer



Focus on broad industrial sectors

2025 management activities and progress

Metrics monitored and targets

- Site activities are based on risk assessments to reduce exposure to natural hazards
- Business continuity and emergency plans in place at all sites, to respond to extreme weather events, including appropriate mitigation plans, such as transferring operations across manufacturing and distribution sites
- Expansion of global footprint builds resiliency

2026 focus: ongoing mitigation through business continuity planning

- All sites within operational control to have a business continuity plan¹
- Insurance costs¹

- Ongoing mitigation through business continuity planning, review additional sites for HVAC and fabric improvement options

2026 focus: ongoing mitigation through business continuity planning, including review of sites identified in our 2025 assessment, where additional cooling or heat-management measures may be required.

- Site operating temperatures¹
- Worker productivity and absence during high-heat periods¹

- Continued business development activity within customer segments in low carbon industries and services
- Continuous development of service and product offering for this growth market

2026 focus: targeted business development activity within low-carbon industries, supported by development of our product sustainability strategy to provide continuous development of our products and services aligned to customer needs in these growth markets.

- Percentage of revenue from sustainable products¹
- Percentage of revenue from energy transformation sector¹
- Target of 50% of materials from sustainable sources – 21.1% in 2025²

- Expansion of on-site solar generation at our Ningbo and Kidlington sites in 2025
- Continuation of energy efficiency projects across our operations globally

2026 focus: ongoing assessment of solar generation opportunities, supported by continued energy efficiency projects to improve operational efficiency and reduce energy-related costs.

- Percentage of energy use from onsite generation²
- Reduction in energy costs²
- Total energy usage²

- Our Centre of Excellence has continued to test new materials and, in 2025, we launched our first low carbon post-consumer recycled caps and plugs range
- Continued close collaboration with supply chain to explore alternative material options
- Continuation of energy efficiency projects across our operations globally

2026 focus: continued decarbonisation of operations, supported by continued energy efficiency projects to improve operational efficiency and reduce energy-related costs.

- Freight costs¹
- Target of 50% of materials from sustainable sources – 21.1% in 2025²
- Target of 50% direct emissions reduction by 2030 and net-zero by 2040 – 62% reduction in 2025²
- Target of 55% reduction in scope three emissions intensity by 2030 – 10% reduction in 2025²

- Continued transition to renewable electricity across our operations, with approximately 71% of electricity consumption across our sites globally now sourced from renewables, reducing operational emissions.
- Amendments to the scope of the EU Carbon Border Adjustment Mechanism (CBAM) in 2025 have resulted in Essentra being out of scope for reporting and tariffs. We have nevertheless continued supplier engagement to understand potential impacts in our supply chain, enabling us to provide relevant information to customers that may be within scope.
- Continued transition to lower-carbon materials used in manufacturing, reducing emissions intensity per product.
- Commencement of a global carbon footprinting project to improve the availability and automation of product-level carbon footprint information provided to customers.

2026 focus: continuation of product carbon footprinting project, decarbonisation activities, supplier engagement and monitoring CBAM developments.

- Target of 50% direct emissions reduction by 2030 and net-zero by 2040 – 62% reduction in 2025²
- Target of 55% reduction in scope three emissions intensity by 2030 – 10% reduction in 2025²

TCFD/TNGFD Strategy C

s414CB 2A(f)

Describe the resilience of the strategy to climate- and nature-related risks and opportunities, taking into consideration different scenarios

In 2025, we reviewed and refreshed our scenario analysis and modelling, supported by external subject matter expertise to ensure robustness and consistency with best practice.

Our analysis of climate-related risk and opportunities, now looks at three different climate scenarios from the International Energy Agency (IEA) for transition risk, and two Intergovernmental Panel on Climate Change (IPCC) Representative Concentration Pathways (RCPs) for physical risk. The time horizons used in our analysis and disclosures for 2025 are short term (2025-2028), medium term (2030) and long term (2040), which is aligned with our target of reaching net-zero in our scope one and two emissions by 2040. The financial impact of the risks and opportunities has been refreshed, and assessed both pre- and post- mitigation activities.

Physical risks are disclosed on a residual, post-mitigation basis as a percentage of adjusted operating profit, reflecting the significant risk transfer achieved through insurance and other resilience measures. Overall, we have low exposure to physical climate risks, with our operations generally located in areas assessed as lower risk. Under the long-term physical climate scenarios, extreme heat is assessed as a medium risk, reflecting potential increases in frequency and severity over time. Scenario analysis includes assumptions of immaterial capital expenditure to illustrate potential adaptation measures, without indicating a material impact on financial performance.

Transition risks are assessed on an inherent, pre-mitigation basis and expressed as a percentage of adjusted operating profit, reflecting potential financial exposure prior to the application of management actions. The Group's diversified business model, global customer base, established supplier relationships and capital strength provide a degree of resilience to climate-related transition risks. However, the effectiveness of these mitigating factors remains dependent on continued investment, disciplined execution and active management as transition risks evolve over time.

Scenario analysis indicates that, subject to the successful delivery of strategic growth initiatives in low-carbon products, service solutions and industry sectors, climate-related risks and opportunities are expected to result in a very low net-positive financial impact across most scenarios and time horizons. An exception arises under the long-term No Action scenario, where a very low net-negative financial impact is identified. These outcomes are inherently uncertain, reflecting assumptions regarding future climate pathways, market dynamics and policy developments, but indicate a degree of underlying resilience across a range of plausible scenarios. Gross financial impact assessments have been considered as inputs to the Group's Long-term Viability Statement and impairment reviews (pages 136 to 137).

With regard to nature-related risks and opportunities, in 2025, we held a workshop facilitated by an external subject matter expert, with stakeholders from across the business, to identify the most relevant nature scenarios for the Company. TNFD Scenario 2 (Go Fast or Go Home) and Scenario 3 (Sand in the Gears) were identified as the most plausible and impactful. As part of this process, extreme heat was incorporated into both our TCFD and TNFD scenario modelling to reflect its increasing relevance under longer-term climate and nature pathways. The outputs of the workshop were integrated with findings from the wider LEAP assessment, informing a number of actions to support our broader strategy for managing nature-related risks and opportunities.

KEY: Risks ○ Very low Low ○ Medium ● High
 Opportunities ○ Very low Low ○ Medium ● High

Financial impact analysis

Risk/Opportunity	Financial Impact	Annual impact on adjusted profit			
		Timeframe	Short-term	Medium-term	Long-term
Physical risks		Scenario	Residual risk impact		
Impact of extreme weather	Annual revenue and operating costs, mitigated by recovery via insurance	2.0°C	Low	Low	Very low
		4.3°C	Low	Low	Low
Impact of extreme heat	Annual revenue and operating costs, mitigated by recovery via insurance and investment in potential adaptation measures	2.0°C	Very low	Very low	Medium
		4.3°C	Very low	Very low	Medium
Transition opportunities		Scenario	Inherent opportunity impact		
Increased revenue from products that enable a low carbon economy	Annual revenue impact, forecast from increased sales in growth industries	No action	Low	Low	Low
		Middle of road	Low	Low	Medium
		Low Carbon	Low	Low	High
Reduced energy costs through solar generation and energy efficiency	Annual operating costs benefit expected from completed on-site solar installations	No action	Low	Low	Medium
		Middle of road	Low	Low	Medium
		Low Carbon	Low	Low	Medium
Transition risks		Scenario	Inherent risk impact		
Increased production costs due to the transition from fossil fuels	Annual operating costs, expected to be offset through pricing margins	No action	Very low	Low	Low
		Middle of road	Low	Low	Low
		Low Carbon	Low	Low	Low
Carbon pricing and environmental levies	Annual operating costs, expected to be mitigated via decarbonisation activities	No action	Very low	Low	Low
		Middle of road	Very low	Low	Low
		Low Carbon	Very low	Low	Low

Annual impact on adjusted operating profit

Very low	less than 0.5%
Low	0.5%–2.5%
Medium	2.5%–5%
High	5%–7.5%
Very high	>7.5%

Climate temperature-aligned scenarios

Transition scenarios

Scenarios	Reference Scenarios	Temperature
Low carbon	IEA World Energy Outlook 2024 Net Zero Emissions by 2050 Scenario (NZE)	1.5°C
Middle of the road	IEA World Energy Outlook 2024 Announced Pledges Scenario ("APS")	~2.7°C
No action	IEA World Energy Outlook 2024 Stated Policies Scenario ("STEPS")	>4°C

Physical scenarios

Scenarios	Reference Scenarios	Temperature
Low	RCP 2.6	2.0°C
High	RCP 8.5	4.3°C

Nature scenarios

#2 Go fast or go home	#3 Sand in the gears
Nature loss and climate change: - Impacts immediate and significant - Material risks materialise	Nature loss and climate change: - Rapid loss of natural assets - Costs of severe risks are externalised
Transitional drivers: - Public and policy focus on nature increases - Urgency for action from governments and investors	Transitional drivers: - Financial and political will is stalled and divided - Division on how to deal with issues - Perverse incentives to extract natural assets

TNFD Strategy D

Disclose the locations of assets and/or activities in the organisation's direct operations and, where possible, upstream and downstream value chain(s) that meet the criteria for priority locations

In 2025, we engaged external consultants to conduct a detailed geospatial analysis of our operational assets, building on our previous high-level disclosure of location-based biodiversity and water risks. The review identified two manufacturing sites (Barcelona and Silivri) within Key Biodiversity Areas, one (Jaguarüna) within a Protected Area, and two (Silivri and Sydney) near potential Critical Habitat. Seven sites (Jaguarüna, Sydney, Rayong, Monterrey, Ningbo, Yichun and Milan) also met TNFD criteria for sensitive locations due to high species rarity and/or richness.

Using the SBTN freshwater methodology, five sites – Rayong, Yichun, Silivri, Monterrey and Barcelona – were prioritised for further review of water use and mitigation planning.

Next steps include site-level assessments at these locations, supported by external experts, to inform mitigation measures and integrate nature-related risks into operational planning and future TNFD-aligned disclosures.

TCFD/TNFD Risk management A

s414CB 2A (b, d(ii))

Describe the organisation's processes for identifying and assessing climate- and nature-related risks, opportunities, dependencies and impacts

In 2025, we reviewed and built on our defined climate risks and opportunities. Our assessment covers a large geographic scope, including all manufacturing and distribution centres alongside strategic offices. We have incorporated all new sites we have acquired up to mid-2025 into the model.

The time horizons used in our analysis and disclosures for 2025 are short term (2025-2028), medium term (2030) and long term (2040). The long-term time frame of 2040 is aligned with our target of reaching net-zero in our scope one and two emissions by 2040. The short-term and medium-term time frames are aligned with our business continuity planning. Physical impacts were assessed based on the analysis of our insurance partners, and third-party climate risk data for all Essentra sites.

We then conducted a quantitative financial analysis on the six material risks and opportunities, modelled across our scenarios to determine unmitigated and mitigated financial impact. The mitigated impact is shown as a percentage of adjusted operating profit, for risks and opportunities, across each time horizon in each scenario.

For nature-related impacts, dependencies, risks and opportunities within direct operations and our tier one supply chain, we followed the TNFD LEAP process. The ENCORE screening tool was used to identify potentially material impacts and dependencies across operations based on activity. Geospatial analysis was used to identify sensitive operational sites, and High Impact Commodities were identified using the SBTN HIC list.

Primary data on water use was used to prioritise water-related impacts in high materiality activities, at sensitive locations, and sites were prioritised using the SBTN guidance.

Impacts and dependencies assessed as medium materiality were then further evaluated through internal workshops and with the support of expert opinion to identifying potential business specific risks and opportunities, taking into context the shifting patterns of global policy, ecological thresholds, regional regulation, customer expectations and investor expectations, among other key drivers of risk and opportunity.

Each identified nature risk and opportunity was then scored against TNFD-aligned criteria of Likelihood, Magnitude, Scope, Scale and Vulnerability/Feasibility, along with the speed of onset across our three timeframes of short term, medium term, and long term. In 2026, we will review the financial impact of these risks and opportunities alongside our climate risks, and incorporate any which are material into our integrated disclosure.

RISK MANAGEMENT REPORT

Risk management is integral in Essentra's approach to proactively managing its day-to-day operations, ensuring the business is focused and resilient in the areas that will both protect and contribute to the Company's long-term growth.

Management regularly reviews the principal and emerging risks that could impact the delivery of their strategic priorities and the Company's performance and considers whether its mitigations to these risks remain on track and in line with risk appetite. Adopting this approach to managing risks supports the business to meet its long-term goals and objectives.

Risk management framework

The framework was developed to support the identification and management of risk within defined appetite levels, at both a strategic and an operational level. The framework provides a clear line of sight over risk, to enable informed decision making through promoting a positive risk culture and to deliver improved resilience.

A selection of our principal risks are used to stress test our business through the long-term viability statement.



SEE PAGE 136 FOR MORE INFORMATION

Identify and assess

- Identify risk and risk type
- Assess risk type
- Quantify risk

Respond and manage

- Define risk appetite
- Manage and mitigate risk

Monitor and review

- Monitor delivery of mitigation activity
- Review effectiveness of mitigation in reducing exposure
- Re-calibrate risk profile and response

Risk categories

When risks are identified, we consider them within different categories.



External

Risks relating to the macroeconomic climate, political events, competitive pressures or regulatory issues



Operational

Risks that could impact day-to-day operations and prevent business as usual activities



Strategic

Internal risks that may impede the achievement of strategic goals



Disruptive

Risks that could impact the business model or viability of the Company

Risk responsibility

Our approach to risk is delivered within our governance framework and ensures that we manage risk both top-down, and bottom-up so that we have a broad and robust review of risks facing the business.

Our risk governance structure

Risk Assurance and Internal Audit

- Provides independent assurance of principal risks and their mitigation
- Facilitates regional and functional risk reviews
- Reports on principal risk and material controls



Audit and Risk Committee

- Reviews effectiveness of the risk-management systems and processes



Group Executive Committee

- Chaired by the Chief Executive and comprised of the executive team
- Monitors key risks and mitigations
- Assesses risk appetite
- Reviews material controls
- Maintains risks within defined risk appetite levels



Regional, Functional and Site Leadership Teams

- Identifies and assess risks
- Ensures mitigations are in place and within appetite
- Managed daily as part of business-as-usual processes
- Risks reported upwards on a functional or regional basis

Board

- Overall responsibility for risk-management framework
- Assesses Principal Risks
- Sets risk appetite
- Monitors risk-management performance and the framework



ESG Committee

- Oversees ESG risks and opportunities, including climate-related risks and opportunities
- Assesses risk-mitigation activity and monitors progress



Risk processes

We have a set of clearly defined processes and policies which provide clear and understandable guidance.

- Group Risk Management Policy
- Defined risk appetite levels for each risk
- Regular reviews embedded within our governance framework
- Support from Head of Risk Assurance and Head of Compliance and Risk Reporting

Risk during 2025

Managing the impact of global economic uncertainty

During 2025, whilst the business had to manage through an ongoing challenging macro-economic environment, it also provided an opportunity to make adjustments to its operations designed to underpin accelerated growth in future periods.

In 2026, we anticipate that geopolitical volatility, rather than uncertainty, is likely to become more prevalent. Towards the end of 2025, and at the start of 2026, we have seen a significant shift in the global political outlook with ongoing tensions in particular regions. The Company's geographical breadth, coupled with our ability to flex operating models with a high degree of agility, means we remain well placed to maintain operational delivery and customer service levels. Additionally, our risk-management framework means we remain well placed to deal with ongoing uncertainty in a manner that can protect our profitability in an efficient and effective manner.

Key changes during the year

Following the Chief Operating Officer stepping back from his position, there were changes in risk ownership during 2025:

- "Environmental" risk ownership has moved to the ESG Director.
- "Operational and supply chain disruption" risk ownership now sits with the Regional Managing Directors.
- "Leadership, talent and capability" and "Health and safety performance" risk ownership has moved to the HR Transformation Director (as interim caretaker for the new Chief People Officer).

In response to the requirements of Provision 29 UK Corporate Governance Code, significant work has been completed on our internal controls framework. Where necessary, sub-risks for Principal Risks have been identified, which provides management with a sharper focus on the determination of necessary mitigation.



Changes to Principal Risks

Following a number of reviews by the Group Executive Committee and the Board during 2025, some of the notable changes made to our Principal Risks include the following:

- The Digital Transformation Risk has been reassessed and modified, moving away from a "delivery focus" and now considering the objectives of our various digital transformation initiatives, and the impact on our market competitiveness.
- Leadership, Talent and Capability – now draws out the importance of strong employee performance management activities.
- M&A Execution and Integration now more explicitly refers to returns and value generation.
- Health and Safety Performance – now presents a sharper focus on the impact of a "health and safety incident or event", rather than the previously broad description that also included war, fire, flood or severe weather.

Changes to Emerging Risks

We are now acknowledging the emergence of a potentially "Plastic-free world" as part of mitigation efforts to address our principal risk on the environment. Given recent macroeconomic trends, "Exposure to low growth economies" is an ongoing consideration in designing activities to mitigate our principal risk on the macroeconomic environment.

Last year, emerging risks associated with artificial intelligence ("AI") were consumed within our digital transformation principal risk. We now prefer to acknowledge this as a specific emerging risk, given how important it is that we adopt a proactive risk-management approach to ensure responsible AI deployment and to safeguard the Company's reputation and assets.

Principal Risks



1 Environmental

Residual risk versus appetite



Owner
ESG Director

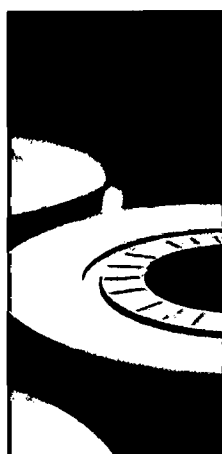
Risk category
Strategic

Risk description

Evolving customer and regulatory sentiment towards plastics and/or sustainability negatively impacts our revenue, product mix or reputation.

Mitigation

Our mitigation efforts, which, in 2025 included solar panel installations in Kidlington and Ningbo, continue to be overseen by the ESG Committee and includes the Annual strategy review led by the Group Executive Committee/Board, which specifically considers our environmental impact, to ensure initiatives remain aligned and we course correct as appropriate. All sustainability-related data points, including TCFD, are closely monitored.



2 Legal and regulatory

Residual risk versus appetite



Owner
Company Secretary

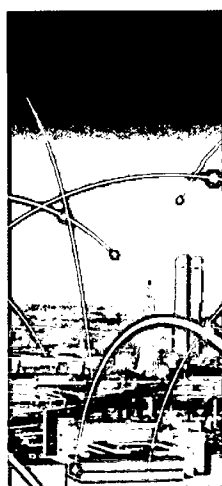
Risk category
External

Risk description

Current and emerging regulations negatively impact our ability to deliver our strategy, and we are unable to comply with laws and regulations in one or more of our jurisdictions.

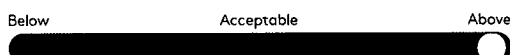
Mitigation

Essentra strives to be an ethical business. Our existing legal and regulatory framework is designed to provide a base level of protection for the business. This is complemented by external legal, tax and regulatory advice being sought for business in both new and existing jurisdictions where high-risk trading is identified, our Right to Speak process to enable confidential reporting and investigation of concerns, and a mandatory compliance training programme, with completion tracked and monitored by the Compliance team.



3 Operational and supply chain disruption

Residual risk versus appetite



Owner
Regional Managing Directors

Risk category
Disruptive

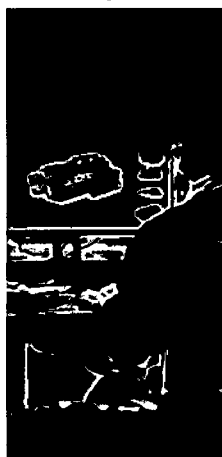
Risk description

Negative impact on our ability to service customers, lost revenue and profitability, due to disruptive events, including natural disasters and geopolitical events, exacerbated by any single points of failure in our own operations.

Mitigation

Our regional manufacturing and sales footprint provides an inherent level of resilience and some natural risk mitigation. The Board recognises that further work is needed to enhance our Business Continuity Planning Arrangements and significant work is now underway.

Principal Risks CONTINUED

**4 Digital Transformation****Residual risk versus appetite****Owner**

Chief Digital Information Officer

Risk category

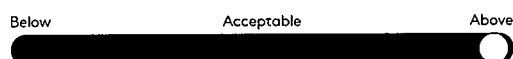
Strategic

Risk description

The delivery of digital transformation initiatives aimed at enhancing customer experience, operational efficiency and data-driven decision making fail to enhance our market competitiveness.

Mitigation

Good progress is being made with various digital transformation objectives, including the implementation of D365, and website redevelopment. There are other initiatives focusing on our project-management frameworks, change-management plans, contingency and recovery plans for critical digital initiatives.

5 Leadership, talent and capability**Residual risk versus appetite****Owner**

Chief People Officer (Interim Caretaker: HR Transformation Director)

Risk category

Strategic

Risk description

Inability to attract, retain, develop and motivate the talent that we need to be successful.

Mitigation

Our Human Resources Leadership Team is now well established, and is now complemented by a new Chief People Officer who joined us in February 2026. Employee Engagement, Voice of Employee activities, and DEI metrics are assessed annually to provide an indication on overall engagement, diversity and equity levels. Although performance management processes and a succession planning framework are in place, these remain key areas of focus in 2026.

6 M&A execution and integration**Residual risk versus appetite****Owner**

Chief Financial Officer

Risk category

Strategic

Risk description

Poor management of M&A pipeline, and/or inadequate integration planning and delivery adversely impact expected returns.

Mitigation

M&A remains an important element of our growth strategy. All M&A activity, including our pipeline of opportunities, is reviewed and approved by the Group Executive Committee and Board. Key metrics, including return on investment, are monitored against initial objectives, with deviations flagged for corrective action. Our integration activities are designed to support Day One readiness, and any changes that might be needed to organisational design and ways of working.

7 Cyber events**Residual risk versus appetite****Owner**

Chief Digital Information Officer

Risk category

External

Risk description

Cyber security or data breach with significant operational, reputational or financial impact on the business.

Mitigation

Cyber events continue to be an issue facing all large businesses, and 2025 saw some notable attacks against high-profile manufacturing companies. We continue to work on alignment of our cyber security programme to the National Institute of Standards and Technology ("NIST") Cyber Security Framework ("CSF"). Key areas of focus within our programme include access and identity management controls, a cyber security training and awareness programme, which is closely monitored by the Group Executive Committee, penetration testing and vulnerability scanning, and cyber security incident response procedures.



8 Delivery of key growth initiatives

Residual risk versus appetite



Owner

Chief Financial Officer/Regional Managing Directors

Risk category

Strategic

Risk description

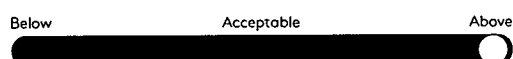
Central and regional strategic initiatives fail to support growth in market share in existing markets, and expansion in high-growth end-markets.

Mitigation

In recent months, the Board has been working on an evolution of our strategy and identifying initiatives to drive growth in 2026 and beyond. These initiatives include completion of D365 implementation in EMEA, full implementation of Anaplan to drive operational and procurement efficiencies, intelligent pricing, APAC focus on access hardware, reducing customer churn, and a "revenue-driven" approach to customer categorisation and focus.

9 Health and safety performance

Residual risk versus appetite



Owner

Chief People Officer
(Interim caretaker: HR Transformation Director)

Risk category

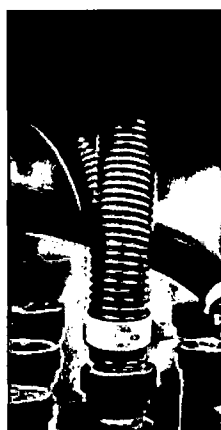
Operational

Risk description

Adverse impacts on our people and reputation from a health and safety incident or event.

Mitigation

A Board-approved Health & Safety Policy and strategic risk appetite statement guide operational and risk management practices. A behavioural safety programme is in place, with regular tracking (e.g. safety observations, toolbox talks and mandatory safety training, and documentation in our Safety Hub). All incidents, including injuries, near misses, environmental events, and potential serious incidents, are recorded at sites, and reviewed each month by the Group Executive Committee/Board, including root-cause analysis. 2026 initiatives to bolster mitigation, include building of frontline capability (supervisor training), improved new employee training, increased regional management involvement and the establishment of Regional Safety Committees.



10 Macroeconomic environment

Residual risk versus appetite



Owner

Chief Financial Officer

Risk category

External

Risk description

Concurrent downturns and insufficient mitigating actions in the broad range of global and geographic markets in which we operate.

Mitigation

We have a sound record of delivering results through challenging economic cycles. Our strategy reviews led by the Group Executive Committee/Board include course correction as appropriate, and are complemented by regular business performance reviews. These monthly review meetings between senior regional management, the CEO and CFO include review of KPIs and comprehensive variance analysis versus budget and forecast.

Emerging Risk



11 Artificial intelligence ("AI")

Owner

Chief Digital Information Officer

Risk description

AI presents significant opportunities for operational efficiency and innovation. Rapid adoption and evolving regulatory landscapes introduce emerging risks that could impact data integrity, compliance, workforce dynamics and intellectual property. Proactive risk management is essential to ensure responsible AI deployment and to safeguard the Company's reputation and assets.

S172 STAKEHOLDER ENGAGEMENT

The Board has disclosed in the report that follows, how it has regard to S172(1) (a) to (f), and this also forms the Directors' statement required under Section 414CZA of the Companies Act 2006.

The Board, and the Group Executive Committee ("GEC"), carefully consider their duties as Directors, taking into account the long-term impact, the interests of employees, how a decision may impact shareholders, suppliers and customers, the community and the environment in which the business operates, and the impact on the Company's reputation as well as the perception of shareholders and the public as a result. On a day-to-day basis, the GEC gives consideration to all these factors when managing the business, with the support of the Board who takes into account these matters during their meetings and when reviewing performance and making decisions.

Investors

Why we engage

- To understand our shareholders views
- To update shareholders on how the capital markets commitments have been progressed
- To provide updates on the progress made since the transition to a pure-play components business
- To continue to access capital for Essentra's long-term success and to understand the nature of returns our shareholders expect

What we discuss

- Investor buy-in to our strategic objectives and the execution of them
- Long-term interest in Essentra, which provides us with a secure base for our growth
- General updates on strategy, governance and performance
- Ongoing views of the Share Buyback Programme
- Future inorganic growth opportunities and the timing and scale of those acquisitions
- Investors' knowledge of the business model, strategy and management team to support a deeper understanding of the direction of growth for the business

How we engage

- AGM
- Full year and half year presentations
- One-on-one meetings with the Chair, Chief Executive, CFO, Senior Independent Director and Remuneration Committee Chair and other NEDs as appropriate
- Subject-specific meetings with senior leaders

KPIs we share

- Earnings Per Share ("EPS")
- Total dividends paid
- Total Shareholder Return ("TSR")
- Dividend yield and cover

Impact of engagement

- Ongoing communication has provided the Chief Executive and executive management team with the support needed to continue to make changes within the business as they continue to establish themselves
- Deepening our understanding of investors and their priorities for the business.



Customers

Why we engage

- To establish and maintain long-term, trusted business relationships, which provide the depth of knowledge that our customers require
- To understand the types of products that our customers require, which, in turn, allows us to plan our for new product innovation and production
- To support our plans for growth through the cross-sell of other products
- To identify custom solutions where there is a specific design requirement and provide technical expertise for our products
- To share our knowledge and approach for using sustainable materials within our products and our approach to sustainability within our operations

What we discuss

- Ways to support our customers, which includes opportunities to work closely with customers to produce innovative products, including products that meet their sustainability requirements, or to provide bespoke parts needed to fit their own designs
- Updates on how we are meeting our hassle-free promise, business continuity and supply chain challenges

How we engage



- Country-based teams manage relationships with our broad range of customers globally
- Key account managers also establish relationships with larger strategic customers
- More formal and regular feedback is gathered through Net Promoter Score ("NPS") surveys

KPIs we share

- On Time and In Full ("OTIF")
- Quality/complaints
- NPS

Impact of engagement

- Long-term relationships in which customers are carefully listened to, heard and fed back to has resulted in changes to specific products and lead times that they require
- Customer requirement for speed and reliable service has contributed to the Company's decision to focus on building the tools to meet supply requirements
- Cross-sell goals have been achieved, which brings a result for the customer who often prefers to source from one supplier for small bill of parts

Government and Regulators

Why we engage

- To create strong and transparent dialogue with government and regulatory agencies in the international jurisdictions that Essentra operates, as well as in other jurisdictions where Essentra may wish to operate
- To ensure our approach to compliance with legislation is effective and to ensure that we are working to meet future legislation or regulatory requirements
- To create opportunities to influence and input thought leadership to the development of regulatory governance requirements that will impact Essentra's operations
- In accordance with our Ethics Code, Essentra does not make financial contributions to political parties and lobby groups

What we discuss

- Our approach to compliance, including our Ethics Code, which sets our expectations for how we conduct business
- Essentra's strategic outlook and plans for development of its business, permissions that may be required as well as the infrastructure and support to set up business in a new geographical location
- Our commitment to working with government bodies at national and regional levels to create strong and transparent relationships

How we engage



- Relationships are managed both within the country as well as centrally on behalf of the business as a UK-listed plc
- A range of key employees have roles in engagement, including country General Managers and Finance Directors, Regional MDs, the Company Secretary, Chief Executive and CFO

KPIs we share

- Revenue
- Operating profit
- Numbers of employees and locations of sites
- Sustainability metrics

Impact of engagement

- Better understanding of our plans for investment in new sites and the scale of our operations in specific countries
- Provision of local government support for our sites and the investment that a country may make in the infrastructure required for Essentra to grow its operations
- Provision of licences and permissions required to operate

Suppliers

Why we engage

- Ensuring we have reliable and high-quality raw materials is a key requirement for the timely operational and manufacturing of our components and timely fulfilment of orders to our customers
- Careful management of our extensive supplier base is a critical way to improve our operational efficiencies
- Deepening our knowledge of our suppliers is key to ensuring we meet due diligence requirements and can attest to the credibility of our supply chain for our customers and other key stakeholders, including our ongoing commitment to anti-modern slavery and ethical supply chain essentials

What we discuss

- Terms of supply to ensure we can maintain reliable supply chains
- Impacts to our supply chain, including global events, such as the tariffs and changes in local sanctions

How we engage

- Our Procurement team engages with a broad range of suppliers on a global and regional level
- Engagement occurs across a range of mediums to share our Supplier Code and Modern Slavery Statement to provide assurance to all our stakeholders
- Supplier audits are conducted to provide assurance on the materials and services, in accordance with our Supplier Code
- Initial engagement is often through a tender process, with the internal relationship owner taking responsibility for ongoing maintenance of the relationship with the supplier

KPIs we share

- Revenue
- Operating profit
- Number of employees
- Location of sites
- Sustainability metrics

Impact of engagement

- Engagement ensures our suppliers have clarity on our requirements and are able to respond in the timeframes we need to guarantee our supply chains, which includes raw materials for our products, which is critical to our customers
- Ongoing engagement supports continuous progress to meet and improve our sustainability targets. This creates greater emphasis for suppliers and ourselves to successfully source reliable supplies of raw materials
- For non-materials, engagement with suppliers improves relationships and provides an opportunity for transparent feedback in respect of areas for improvement both for Essentra as well as suppliers



Employees

Why we engage

- To hear how our employees feel about working at Essentra
- To understand how strategic choices are impacting them and to ensure Board and GEC choices are providing the benefits that our employees need
- To understand whether our employees are satisfied and what other activity will support the business to drive higher Employee Engagement
- The Board and GEC believe that high Employee Engagement leads to higher customer satisfaction and better outcomes for both stakeholders

What we discuss

- The culture at a site and how that compares to other sites and whether that reflects the culture that the Board and GEC have set for the business
- We discuss the strategic focus with our employees to understand their views and the impact of Board's decision making on their working day
- The effectiveness of people related strategies and opportunities for continuous improvement

How we engage



- Small focus groups under the Voice of the Employee initiative, with employees meeting with one of our Board Champions
- Through virtual meetings where sites are remote or small
- During 2025, site visits and site events were arranged, including local recognition schemes, and Directors visited sites and engaged with employees.

KPIs we share

- Employee Engagement score for the whole Company and for the site

Impact of engagement

- Speaking directly to our employees allows them to raise concerns directly with our Board.
- Engagement with our employees has led to opportunities for the improvement of our facilities and ways of working for people working at our sites, for instance, the re-introduction of site wide exercise opportunities, which promotes wellbeing as well as reducing the likelihood of LTIs through repetitive strain injuries
- Engagement with site-based employees to understand the impact of the roll out of systems such as the Take 5 safety initiative to promote a mindset that questions actions to ensure they are safe.

DIRECTORS' REPORT

In this section

Governance at a Glance	74
Board of Directors	76
Group Executive Committee	79
Chair's Corporate Governance Statement	80
Corporate Governance Report	82
Board Oversight of Culture	87
Division of Responsibilities	90
ESG Committee Report	94
Nomination Committee Report	96
Audit and Risk Committee Report	100
Chair of the Remuneration Committee's Letter	108
Remuneration at a Glance	112
Annual Report on Remuneration	113
The Director's Remuneration Policy Report	126
Other Statutory Information	131
Statement of Directors' Responsibilities in Respect of the Financial Statements	138



We have a great relationship with a wonderful rep. He utilised his knowledge and experience to resolve all our problems and ensure everything ran smoothly. Quality service matched by a quality product.

Customer: Samer Semaan, National Procurement Manager,
IET COMBUSTION

End Market: Industrial Manufacturing

GOVERNANCE AT A GLANCE

Board activity during the year

During the year, the Board, led by the Chair, considered a broad range of matters, ensuring it focused on strategic activities and key monitoring activities, as well as reviewing matters that arose throughout the year under the scheduled matters reserved for the Board. The Board uses an annual agenda to support this work, which is agreed at the start of the year and sets the agenda throughout the business.

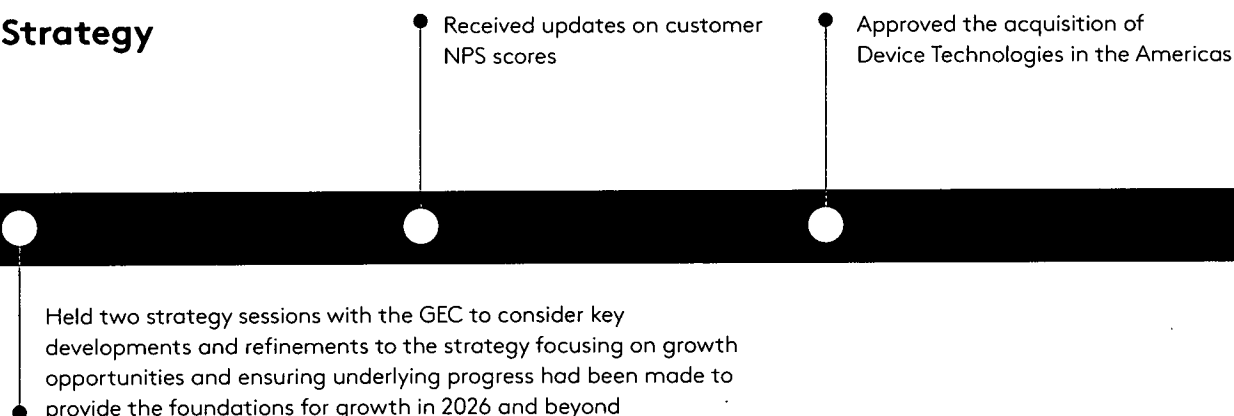
Financial

- Approved the Company's trading statements for the 2024 full year and 2025 half year and quarterly trading statements for the financial years 2024 and 2025
- Reviewed and approved dividend payments for the 2024 full year dividend and the 2025 interim dividend

Operational and risk

- Received regular updates from the health and safety team on operational risks including lost time incidents and near misses
- Monitored the progress of the roll out of health and safety self-assessments throughout the business
- Received regular updates from the CEO on operational performance
- Received regular updates on risk management from the Company Secretary and undertook in depth reviews of principal and emerging risks and risk appetite to ensure the strategy and principal risks were aligned
- Received regular updates on the progress of the roll out of D365 across EMEA sites
- Reviewed cyber security arrangements
- Reviewed detailed presentations from management on matters of material importance to the Company

Strategy



Board membership and attendance

		Corporate Governance	ESG Co	Nom Co	Audit Co	Rem Co
Steve Good	Chair	7 (7)	4 (4)	3 (3)	-	-
Scott Fawcett	Chief Executive	7 (7)	4 (4)	-	-	-
Rowan Baker	Chief Financial Officer	7 (7)	-	-	-	-
Mary Reilly	Senior Independent Director	7 (7)	4 (4)	3 (3)	4 (4)	5 (5)
Adrian I. Peace	Non-Executive Director	7 (7)	4 (4)	3 (3)	4 (4)	-
Dupsy Abiola	Non-Executive Director	7 (7)	4 (4)	3 (3)	-	5 (5)
Kath Durrant	Non-Executive Director	7 (7)	4 (4)	3 (3)	4 (4)	5 (5)
Klaus Göldenbot¹	Non-Executive Director	3 (3)	2 (2)	2 (2)	1 (1)	-

Figures in brackets denote the number of meetings a Director could have attended during the year since the date of their appointment.

¹ Klaus Göldenbot was appointed a Non-Executive Director on 1 September 2025.

Governance and ethics

- Received updates from designated Board Employee Champions and other Non-Executive Directors following visits to facilities
- Participated in the internally facilitated Board Evaluation review, considered the results and agreed the action plans
- Reviewed and approved the annual Anti-Modern Slavery Statement
- Received updates from Board committees on their respective meetings

Leadership and people

- Approved the appointment of Klaus Göltenbot as a Non-Executive Director, bolstering the depth of industry-relevant experience on the Board
- Received regular updates on employee engagement and the annual employee engagement survey results



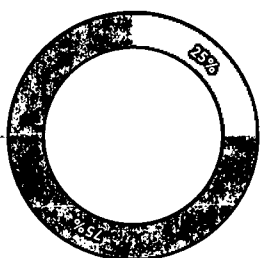
- Considered proposals to alter the footprint to deliver efficiencies in each region, including the closure of the facility in Costa Rica and subsequent transfer to the Mexico facility, the sale of two surplus properties in the UK, the re-structure of business operations in Japan and the approval of a long-term lease of a new purpose-built facility for the Access Hardware site in Yichun, China



- Received regular updates on the performance of each region

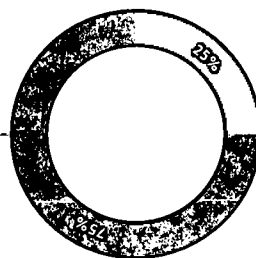
Tenure

Board composition



● Executive ● Non-Executive

Tenure – Non-Executive



● Up to 3 years ● 3–6 years ● 6–9 years

Corporate Governance Key Topics

08	Business model
47	People and culture
68	Stakeholder engagement and Section 172 responsibilities
87	Company purpose, values and culture
90	Division of responsibilities
76 and 96	Composition, succession and Board evaluation
100	Audit, risk and internal control
108	Remuneration

BOARD OF DIRECTORS



STEVE GOOD
Non-Executive Chair



SCOTT FAWCETT
Chief Executive



ROWAN BAKER
Chief Financial Officer

Appointment to the Board

1 July 2024

Skills and experience

Steve has strong and relevant international experience in industrial businesses, manufacturing and B2B markets. He has extensive experience as a Non-Executive Director, having served on a number of boards and board committees. In his executive career, Steve was Chief Executive of Low & Bonar plc from 2009 to 2014. Prior to joining Low & Bonar, he spent ten years with BTP plc (now part of Clariant) in a variety of leadership positions managing international speciality chemicals businesses.

Other current appointments:

- Non-Executive Director and Chair, Chair of the Nomination Committee, Norcros plc

Appointment to the Board

1 January 2023

Skills and experience

Scott was appointed as Chief Executive in January 2023, having joined the Group Executive Committee in January 2014 as the Managing Director for the former Components division. Previously, Scott was Head of e-Commerce at RS Group plc and during a 17-year career, held a variety of increasingly senior sales, marketing and e-Commerce positions. Scott has an excellent track record within the components industry and has proven experience in creating strong organisational purpose and employee engagement. He is customer focused and continues to be a well-respected Chief Executive across the business.

Other current appointments:

- None

Appointment to the Board

5 November 2024

Skills and experience

Rowan was previously Group Chief Financial Officer of Laing O'Rourke and, from 2017 to 2020, was the Chief Financial Officer of McCarthy Stone plc. Prior to joining McCarthy Stone in 2012, she worked in finance for Barclays Bank plc and professional services for PwC.

Rowan has a master's degree in law from Cambridge University and is a qualified chartered accountant and chartered tax adviser.

Rowan has extensive financial, commercial and international experience, and brings a sharp focus on working capital, efficiency and cost control.

Other current appointments:

- Non-Executive Director, Chair of the Audit Committee, member of the Nomination and Remuneration Committees, Vistry Group plc
- Has been appointed Interim Company Secretary with effect from 12 March 2026.

KEY: ● Chair ● Audit & Risk ● ESG ● Nomination ● Remuneration



MARY REILLY
Senior Independent Director



KATH DURRANT
Non-Executive Director



ADRIAN I. PEACE
Non-Executive Director



Appointment to the Board

1 July 2017

Skills and experience

Mary was appointed as the Senior Independent Director in May 2021, and is a Board Champion, responsible for bringing the "Voice of the Employee" to the Boardroom. Mary is currently Non-Executive Director for a range of businesses and brings a wealth of finance and international experience to Essentra, having previously been a Partner of Deloitte LLP for more than 20 years, as well as serving on a number of Boards in a Non-Executive capacity since 2000. She also serves as a trustee on a range of charities. Mary will retire from the Board later this year having served her nine-year term.

Other current appointments:

- Non-Executive Director, member of Audit Committee and Nomination Committee, Mitie plc
- Non-Executive Director, Chair of Audit Committee, Gemfields Group Limited
- Non-Executive Director, Mar HoldCo Sarl, Chair of Audit Committee

Appointment to the Board

3 January 2023

Skills and experience

Kath has over 30 years' human resources experience, with a strong operational and strategic track record, gained at several large global manufacturing companies. As well as working at GlaxoSmithKline plc and AstraZeneca plc, she has served as the Group Human Resources Director of Rolls-Royce plc, and was most recently Group HR Director of Ferguson plc and Chief HR Officer of CRH plc.

Other current appointments:

- Non-Executive Director, Senior Independent Director and Chair of the Remuneration Committee, SIG plc
- Non-Executive Director, Chair of the Remuneration Committee, Anglian Water Services Limited

Appointment to the Board

28 June 2021

Skills and experience

Adrian is a Board Champion, responsible for employee engagement. Adrian is the former President, Performance Technologies at Modine Manufacturing Company. He has experience of leading full P&Ls, digitising businesses and driving operational efficiencies that have transformed the businesses he has worked in. Adrian has also worked with WW Grainger and then Republic Services as Senior Vice President, Emerging Business Operations, where he led Republic's sustainability initiatives, driving forward Environmental, Social and Governance issues.

Other current appointments:

- None

The Board of Directors during the financial year is set out here. More information on the background and experience held by our Board can be found in the Notice of our Annual General Meeting ("AGM") essentraplc.com/investors/shareholder-services/general-meetings



DUPSY ABIOLA
Non-Executive Director



KLAUS GÖLDENBOT
Non-Executive Director



EMMA REID
Company Secretary

Appointment to the Board

18 March 2022

Skills and experience

Dupsy is an experienced Senior Executive and tech leader specialising in digital transformation and innovation. She has worked in an advisory and professional capacity across a range of sectors. Her past roles include Vice President, Chief of Staff at Monzo, the UK's leading digital bank and Head of Global Innovation at IAG plc. She is also a former commercial lawyer and has been an adviser for the World Economic Forum. Her career has centred on leading impactful strategic projects and programmes that implement and invest in emerging technologies such as artificial intelligence, automation and climate technologies. Dupsy will retire from the Board at the AGM on 20 May 2026.

Other current appointments:

- Director, Alphathinx Limited
- Entrepreneur in Residence at E.ON Next.

Appointment to the Board

1 September 2025

Skills and Qualifications

During his executive career, Klaus has worked with market-leading omnichannel distribution businesses. He has been at the forefront of digital transformation, business and marketing strategy, customer experience, sales force management, brand management and building high-performing teams. Klaus was Chief Executive of Nisbets (2017–2020), one of Europe's largest B2B multi-channel distributors of catering equipment to commercial kitchens and spent 15 years (2001–2016) with Electrocomponents plc (now RS Group), holding a number of senior positions, including General Manager EMEA, Global Sales Director and President.

Other current appointments:

- Non-Executive Director, Schurter AG

Appointment to the Board

Secretary to the Board on 1 January 2023

Skills and Qualifications

Emma joined Essentra in 2020, and was appointed as Company Secretary in 2023. Prior to becoming Company Secretary, Emma was Head of Governance, and previously worked for Which? and Imagination Technologies. Emma has extensive governance, legal, M&A and DE&I experience at Board level. Emma is a qualified company secretary.

Emma stood down as Company Secretary at the end of February 2026. Work is underway to appoint Emma's replacement as Company Secretary.

KEY: ● Chair ● A Audit & Risk ● E ESG ● N Nomination ● R Remuneration



SCOTT FAWCETT
Chief Executive

Joined Essentra:
December 2010

Scott was appointed as Chief Executive in January 2023, having joined Essentra in 2010 as Managing Director of the Components European business and subsequently joined the former Executive Committee in January 2014 leading the Components business. Prior to joining Essentra, Scott was Head of e-Commerce at RS Group (formerly Electrocomponents January 2023 plc), where he held a variety of increasingly senior sales, marketing and e-Commerce positions during his 17-year career there.



ROWAN BAKER
Chief Financial Officer

Appointed to the Group Executive Committee:
November 2024

Joined Essentra:
November 2024

Rowan was appointed to the GEC and became a Director of the Board in November 2024. Rowan was previously CFO at Laing O'Rourke and CFO at McCarthy Stone plc, prior to which she worked for Barclays Bank and PwC. Rowan is a qualified chartered accountant and chartered tax adviser.



EMMA REID
Company Secretary

Appointed to the Group Executive Committee:
January 2023

Joined Essentra:
January 2020

Emma joined Essentra in 2020, and was appointed as Company Secretary in 2023. Prior to becoming Company Secretary, Emma was Head of Governance, and previously worked for Which? and Imagination Technologies plc. Emma has extensive governance, legal and DE&I experience at Board level. Emma is a qualified company secretary.

Emma stood down as Company Secretary at the end of February 2026.



SAM EDWARDS
Chief Digital Information Officer

Appointed to the Group Executive Committee:
January 2023

Joined Essentra: June 2014

Sam joined Essentra in 2014 and, during his time with Essentra, has been primarily responsible for digital and hassle-free strategic programmes along with embedding digital and data into the business globally. Prior to joining Essentra, Sam spent 11 years at RS Components in a number of increasingly senior digital and commercial roles.



SHAUN LAUBSCHER
Chief People Officer

Appointed to the Group Executive Committee:
February 2026

Joined Essentra:
February 2026

Shaun joined Essentra and was appointed to the GEC in February 2026. Shaun was previously divisional HR Director at Spirax Group, where he was also Group Head of Talent and Head of Investor Relations. Shaun's earlier career covered roles in HR, Finance and Marketing at Genworth, Old Mutual and Horwath. Shaun qualified as a Chartered Accountant in South Africa, and also holds a master's in Leadership Studies.



HUGUES DELCOURT
Managing Director, EMEA

Appointed to the Group Executive Committee:
January 2023

Joined Essentra: July 2019

Hugues joined Essentra in 2019 as Managing Director of the Components European business and was appointed to his current role in July 2022. Prior to joining Essentra, Hugues was Global Commercial Director at Coats, where he held a variety of increasingly senior Commercial and P&L management positions during his 16-year career there. Hugues started his career at Moss Plastic Parts and Allanco Plastics, which later formed part of Essentra.

Hugues left Essentra at the end of March 2026. Scott has taken over management of the EMEA region whilst the long-term leadership is considered.



RICHARD SEDERMAN
Managing Director, APAC

Appointed to the Group Executive Committee:
January 2024

Joined Essentra:
September 2003

Richard joined Essentra in 2003 as part of the graduate programme and was promoted to Managing Director, APAC in January 2024. During his time with Essentra, Richard has held several roles within Product and Marketing of increasing seniority. Richard has also been instrumental in several acquisitions, and in developing our sustainable materials expertise and initiatives. Richard brings a strong commercial background with previous experience of having run and integrated the APAC-based Abirc Security Seals acquisition.



CHRIS BROOKS
Managing Director, Americas

Appointed to the Group Executive Committee:
February 2024

Joined Essentra:
February 2024

Chris Brooks joined Essentra in February 2024 as President, Americas. Prior to joining Essentra, Chris was President of X-Rite, a former Danaher operating company. Chris brings a wealth of experience with a diverse industrial manufacturing background. He has more than 20 years of experience as a general manager of global operations and various functional enterprise disciplines.



Good governance remains a cornerstone throughout the Group to ensure we work effectively and to provide assurance to stakeholders.

STEVE GOOD
Non-Executive Chair



Dear shareholder,

The 2025 Corporate Governance statement and report provides you with a detailed look into how we approach Corporate Governance at Essentra and how it supports our purpose and strategy.

We have reported on activity over the last year and, where relevant, we have included forward-looking information, to provide you with a complete picture of our approach to Corporate Governance and how the business operates in practice against our governance framework.

Governance

The Board has the highest regard for good governance and is mindful that all its discussions and decisions should consider the principles of the 2024 UK Corporate Governance (the "2024" Code), which applied from 1 January 2025.

The Board keeps under review the way it operates and responds to changes in the business and external environment.

The Board is pleased to confirm that from 1 January 2025, it was, and remains, in full compliance with all aspects of the 2024 Code, and applies the principles of the 2024 Code to its discussions and decision making.

The Board notes that following Ralf K. Wunderlich's resignation, for a short period from 8 January 2025 until 11 March 2025, the Audit and Risk Committee ("ARC") had only two members, although the ARC did not meet during that period.

Kath Durrant was appointed to the ARC on 11 March 2025.

The Corporate Governance Report that follows sets out in more detail how the Board has observed and applied the 2024 Code, what action was taken to achieve this and the outcomes that support the Company's long-term success. Additional information has been provided where this will better inform stakeholders. Information required to be reported under the Directors' Report is reported here and within the Strategic Report. The ESG Report contains additional disclosures and we have included cross-references throughout for ease.

Stakeholders

Our Section 172 Statement can be found on page 68 to 71. This includes reporting on all stakeholder engagement and gives a sense for the matters that the Board considers during the year.

Board changes

The Board considered its own composition, and decided that the composition required refreshing. As a result, Klaus Gölldenbot was appointed to the Board on 1 September 2025.



MORE INFORMATION CAN BE FOUND ON THIS ON PAGE 96 OF THE NOMINATION COMMITTEE REPORT

Strategy and oversight

Throughout the year, the Board oversaw performance of the businesses, and held an in-depth session with the GEC to consider strategy. The Board and its Committees continued to receive regular reports in key areas, such as health and safety, the environment, compliance, controls and risk management. The Board reviewed risks and mitigations several times as well as considered its risk appetite; we report in full on the work of the Audit and Risk Committee on pages 100 to 107

Values and culture

The Board assesses the culture of the business through a formal and informal process. NEDs were appointed to support the business in this capacity and, over the course of the year, a number of sites were visited to listen to employees and assess culture. We have reported on this in more detail on page 89.

Conclusion

After my first full year at Essentra and as the Chair of your Company, I am pleased to report that the governance structures and framework that are in place are robust. I believe the information within this report provides useful insights into how the business operates and how it applies the 2024 Code.

Diversity

At 31 December 2025, the Board's gender balance was 50%, which exceeds the target set by the FTSE Women Leaders and the Financial Conduct Authority. When Ralf Wunderlich resigned on 8 January 2025, the Board's gender balance was 57% female, returning later in the year to 50% with the appointment of Klaus Gölldenbot.

STEVE GOOD
Non-Executive Chair

17 March 2026

Membership and attendance



MORE INFORMATION CAN BE FOUND ON THIS ON PAGE 74

In addition to the Directors, the Company Secretary attended all meetings.



Our governance framework supports informed and good decision making proportionate to the size of our business, whilst ensuring that we consider all decisions taken, their impact and their outcomes to ensure they support our growth plans in a responsible and sustainable manner.

The Board confirms that, during 2025, it has applied and complied with all of the Principles of the 2024 Code. Following Ralf K. Wunderlich's resignation, for a short period from 8 January 2025 until 11 March 2025, the ARC had two members, although the ARC did not meet during that period. Kath Durrant was appointed as a member of the ARC on 11 March 2025.

The Board has reviewed the Code over the past year, and will continue to do so to ensure it operates in compliance with the 2024 Code.

This Corporate Governance report addresses each of the pillars of the Code and provides an explanation to our stakeholders of how we have approached compliance with the Code. Some of the information that we are required to report on under the Code is included in the Strategic Report and, where that is the case, we have provided a cross-reference to avoid duplication. In all instances, we have provided additional relevant information to provide the fullest picture to stakeholders.

Board leadership and purpose

The Board of Directors are appointed by shareholders, the owners of the Company, annually at the Annual General Meeting ("AGM"). The Board's primary role and responsibility is to provide effective and entrepreneurial leadership, to promote the long-term sustainable success of the Company and to generate value for shareholders as well as to ensure the Company contributes to wider society.

In practice, the Board achieves this through its regular meeting cycle, which includes a range of committee meetings and other events, such as opportunities to meet employees and strategy planning sessions. In these sessions, attendance at the Board focuses on discussions that cover a broad range of topics, including understanding and ensuring that the activity that underpins the Company's strategy, aligns with the Company's purpose and values. The Chief Executive, with the support of the Group Executive Committee (the "GEC"), provides the Board with the support that is required to do this, and through this structure, the Board is able to achieve its role in setting long-term sustainable objectives, and demonstrate effective oversight through regular review of the Company's performance, which also has regard to short- and long-term risks and opportunities that the Company faces in achieving its strategy. This includes oversight of all operations, which the GEC reports on to the Board on and extends to overseas trading through subsidiary entities and branches that are registered outside of the UK.

During the year, and when considering any new initiatives, the Board always considers the risks and opportunities, and this is supplemented by dedicated risk review sessions at which Principal and Emerging risks are considered in detail. More information on how the Board reviews risks and opportunities to the Company's strategy can be found on page 62.

The schedule of matters reserved to the Board, which is available on the Essentra plc website, sets out the authority for matters that the Board has retained and those which it delegates to the Chief Executive, CFO and GEC. Below the schedule of matters reserved, the Company maintains a schedule of authority that provides members of the GEC and their teams with levels of authority for decision making, which operates within the level of the parameters of the schedule of matters reserved and the plan for any given year.

The Board meets with management throughout the year, formally and informally, to learn how relevant areas of the strategy are formed, resourced and assessed, including reviewing metrics for progress, which supports the Board's duties. The Board has in place a schedule of matters it will discuss at each meeting, which is aligned to the strategy plans for the Company. This is, in turn, reflected in the way in which the GEC organises itself so that flows of information up from the business to the Board are thoroughly debated and validated. The schedule of agenda items covers a wide range of topics in addition to the core strategy plans; by adopting a varied approach, the Board is able to assess the culture within Essentra and observe its

approach to the Company's values and whether or not these are aligned to the Company's purpose and strategy. The Board, through the ARC, also receives reports from the Risk Assurance team, which carries out internal audit reviews on agreed areas of the business. These reviews provide the Board with insights into how the values operate across a range of sites over a range of territories. The Board, through the ARC and its Chair, Mary Reilly, where necessary, deploys the Risk Assurance team to identify and support the business in taking corrective action, and works closely with the Compliance function to ensure changes are effective.

To ensure values are upheld, a whistleblowing system is in place and regular reports are provided on any cases raised and the outcomes. The Board expects any corrective action to be reported on and seeks continual improvements and information on these matters through the robust governance framework it has adopted.

More information on this is available in the ARC Report on page 103.

As well as the formal framework, the Board takes the opportunity to see for itself and meet with employees beyond the GEC, to consider the way in which the Chief Executive and his team have adopted and demonstrated the Company's values, how these have, in turn, been adopted by other leaders, and the impact this has on employees. All members of the Board have opportunities to meet employees during the year, and during 2025, as in previous years, this was further supplemented by Non-Executive Directors who are appointed as Board Champions and hold Voice of the Employee sessions with employees across our global sites. The Board has agreed to move to a different approach so that the Board can meet employees at the

same time and use virtual sessions to ensure they reach those employees who work at smaller sites. More information on the Voice of the Employee can be found on page 99.

During 2025, the Chair of the Board met regularly with shareholders outside of the formal Annual General Meeting. The Chair meets with shareholders to understand their views on the Company's performance and its strategy, and this is fed back regularly at each Board meeting. This is supplemented by the Committee Chairs providing information on shareholders, as well as the Chief Executive, CFO and Investor Relations Manager's view on shareholders' perspectives. These views are taken into consideration when the Board is reviewing performance and developing strategy. The Board and management are very supportive of this reciprocal relationship and the support that shareholders continue to provide for the long-term growth of the Company. In addition to shareholder and employee views, the Board also takes into consideration the views of a range of stakeholders, including customers, advisers and external influences and movements in sentiment, and always seek to respond to these in a manner that best suits the Company's strategy.

More information on how the Board considers and engages with the Company's stakeholders can be found in the s172 Stakeholder Engagement Report on pages 68 to 71.

The Board, through the Remuneration Committee, and the Reward Director, give significant consideration to how the Company's employees are rewarded and the investment made in our people. The financial performance of the business during 2025 meant that the Company's financial performance gate for the outturn of the bonus scheme was not met and a bonus

//
Governance at Essentra supports many aspects of operation and culture and is at the heart of everything we do.

will not be paid in respect of this element, although bonus can be achieved in respect of individual performance. More information on the bonus scheme and targets can be found on page 116.

At each Board meeting, the Board reviews a schedule of any potential conflicts of interest, both in terms of the other outside roles held by the Board members, and the percentage of their shareholding in the Company, to consider the impact that this may have on the discussions and outcome of any decision. The Board is asked to declare any new interests at each Board meeting; however, during the year, there has not been any need for a declaration to be made.

Structure

A similar structure to other listed businesses operates throughout Essentra and, below the Board, there are a series of committees as follows: the ESG Committee, the Audit and Risk Committee, the Remuneration Committee and the Nomination Committee.

Supporting the Board and its committees, the GEC operates with delegated authority from the Chief Executive and, where considered necessary, the GEC is supported by other forums that ensure issues are shaped in consultation with relevant stakeholders from across the business.

This helps ensure that Group-wide global initiatives are practical and can be applied to all regions, where there can often be cultural or operational differences to take into account. These forums are often short life in nature, reflecting that an agile approach supports delivery,

and are convened to address particular areas of priority.

Disclosures

Disclosures within Essentra are managed by the Chief Executive, CFO and the Company Secretary, who are responsible for the identification and disclosure of inside information and ensuring that announcements comply with applicable regulatory requirements.

Essentra plc Board (the "Board")

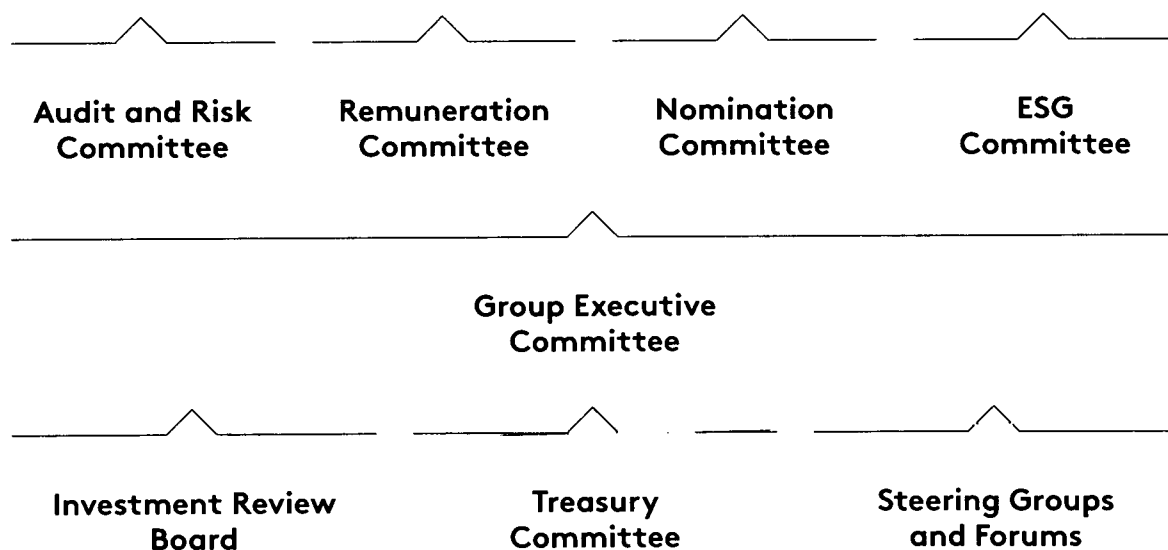
In fulfilling its role, the Board:

- establishes the Company's purpose, values and strategy and has satisfied itself that these and its culture are aligned
- sets, continually reviews and tests the Company's strategic aims
- determines the nature and extent of acceptable risks in achieving the Company's strategic objectives, including its approach

to managing climate-related matters

- assesses shareholder and stakeholder interests from the perspective of the long-term sustainable success of the Company
- oversees the establishment of formal and transparent arrangements for the application of corporate reporting, risk management and internal control requirements and principles
- ensures that the necessary financial and human resources are in place for the Company to meet its objectives
- reviews the performance of the Company's executive management
- presents a fair, balanced and understandable assessment of the Company's position and prospects to its shareholders.

Essentra Board and governance structure



Tenure

The Board is appointed for terms of three years, and each Non-Executive Director may serve up to a maximum of nine years. Each Director of the Board stands for election or re-election each year as appropriate.

The Board has considered which of the Non-Executive Directors are considered to be experts in specific fields as shown below. Further information on the background and experience of our Board can be found on pages 76 to 78 and in the Notice of Annual General Meeting.

- **Risk Management**
Steve Good, Adrian I. Peace, Mary Reilly, Klaus Göldenbot
- **Investor Relations**
Steve Good, Kath Durrant
- **Recent Audit and Financial**
Mary Reilly, Steve Good
- **Remuneration**
Kath Durrant, Steve Good, Klaus Göldenbot
- **People and Social**
Kath Durrant, Adrian I. Peace
- **Innovation**
Dupsy Abiola, Adrian I. Peace
- **Technology**
Dupsy Abiola, Adrian I. Peace
- **Industry Expert**
Adrian I. Peace, Steve Good, Klaus Göldenbot
- **Sustainability**
Kath Durrant, Adrian I. Peace, Steve Good
- **Regulatory and Governance**
Dupsy Abiola, Kath Durrant, Steve Good, Mary Reilly

Independence

As at the year-end, there was a total of eight Board members, six were considered to be independent as deemed by the Code (75%).

 MORE INFORMATION CAN BE FOUND ON PAGES 76 TO 78.

Audit and Risk Committee ("ARC")

The ARC supports the Board and is responsible for:

- monitoring the integrity of the Company's Financial Statements
- reviewing, challenging and approving its accounting policies
- scrutinising the effectiveness of the Internal and External Auditors and the Company's internal control and risk-management systems.

Remuneration Committee

The Remuneration Committee is established by the Board and is responsible for setting a Remuneration Policy for Directors and Senior Executives. This policy is designed to promote the long-term success of the Company, taking into consideration the reward, incentives and conditions available to the Company's workforce, shareholders and other stakeholders. The Remuneration Committee determines an appropriate balance between fixed and performance-related and immediate and deferred remuneration. The Remuneration

Committee is also responsible for setting the fees of the Chair.

Nomination Committee

The Nomination Committee is responsible for regularly reviewing the structure, size and composition of the Board for any changes that it considers to be appropriate. The Nomination Committee will lead the process for Board appointments and make recommendations to the Board, taking into account the Company's strategic priorities, the main trends and factors affecting the long-term success and future viability of the Company and consider candidates in accordance with the Board Diversity Policy.

ESG Committee ("ESGC")

The ESGC has oversight delegated to it by the Board for determining ESG strategy and approach to ESG affairs, including climate and nature-related risks and opportunities. The ESGC is responsible for scrutinising the performance of sustainability targets and measuring the progress of the ESG strategy, and providing feedback where appropriate to other committees, including the

Remuneration Committee for ESG measures that are incorporated into bonusable targets.

Group Executive Committee ("GEC")

The GEC provides general executive management of the business and operates within the delegated authority limits determined by the Board. The GEC supports the Chief Executive in achieving Essentra's values and goals through the execution of the business' strategic priorities. Membership of the GEC is set out on page 79.

The GEC is responsible for monitoring Principal and Emerging Risks and ensuring the effectiveness of business and functional risk management, and formally reviews its approach to risk four times a year. This is supported by regular deep dives, on a monthly basis, into the business' strategic priorities, which are connected to our Principal Risks and by providing a regular opportunity to review the material controls of Principal Risks. Further details of the Company's risk-management framework can be found on page 62.

The GEC is responsible for overseeing the implementation of compliance programmes, policies and procedures that are required to both meet local compliance and regulatory requirements, and meet Essentra's own values and norms. The GEC monitors the effectiveness and completion rates of training to ensure the importance of compliance across the business is clearly articulated, and the GEC supports an IT lockout system, which escalates to the disciplinary process, for non-completion of training.

The GEC is directly responsible for ESG matters and receives regular reports on the progress of its environmental sustainability and social initiatives and targets.

Treasury Committee

The Treasury Committee operates as a sub-committee of the GEC and reports on treasury and financial operating risks to the GEC, CFO and the ARC as may be appropriate. The Treasury Committee sets the Treasury Policy for approval by the Board and reports on any treasury-related risks to the GEC, which is escalated to the ARC as part of the regular reporting process to ensure the ARC is able to maintain an effective process for managing those risks.

Investment Review Board

During 2025, the Investment Review Board, which is a sub-committee of the GEC, and supported by the CEO and CFO, met to consider, control and challenge decisions relating to major capital expenditure.

Fair, balanced and understandable

One of the key requirements is for the Annual Report to be fair, balanced and understandable. In coming to a conclusion that the Annual Report is fair, balanced and understandable, the Board is supported by the ARC, which makes to it recommendations on this and considers the process adopted by the organisation in drafting the Annual Report, which requires Company-wide co-ordination and review. That process runs alongside the formal audit of the Financial Statements conducted by the External Auditor. The Board further takes into account representations made by management and the views of the Internal and External Auditors as to the integrity of the narrative and financial statements. The comprehensive review process is carried out with appropriate scrutiny, assessment and reporting



To maintain understanding and assist decision making, the Board takes into consideration the views of shareholders, employees, customers, advisers and external influences.

from the ARC to the Board. This is followed by further critical review by the Board as a whole, prior to the Board making its determination that the 2025 Annual Report, taken as a whole, presents a fair, balanced and understandable position and provides shareholders with the information necessary to assess the performance, strategy and the business model of the Company.



Promoting the long-term sustainable success of the Company

Addressing opportunities and risks to the future success of the business

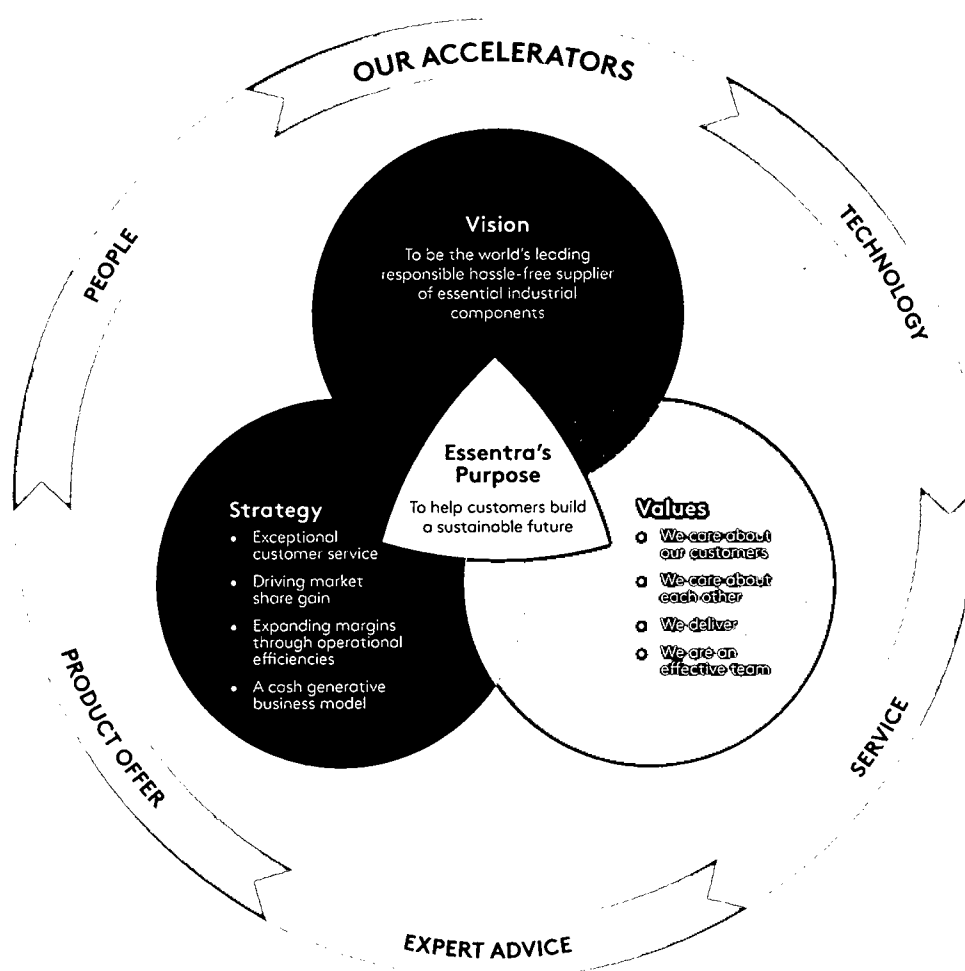
The Board's primary role is to ensure the business delivers for shareholders and its broader stakeholders by creating long-term success. The Board held two strategy sessions with the GEC to carry out deep dives into how the GEC intended to further refine the strategy to ensure that, during the year, underlying progress would be made that would set the foundations for growth in 2026.

Innovation and sustainability built in

Essentra's broad offering of products is critical to its success. Its continual expansion of its product range, combined with its depth of product manufacturing expertise, including the ability to put the sustainability of its products at the front and centre of its product strategy, ensures the business meets customers' needs for the long term.

How the Board contributes to Essentra's strategy

Throughout the year, the Board receives updates from the CEO alongside reports on financial performance and KPIs from the CFO that enable the Board to exercise effective oversight of the Company's performance against its plan for the year. Non-Executive Directors offer their support to the CEO and wider GEC by drawing on their own experiences and knowledge and providing guidance to ensure course correction is addressed where required.



Promoting the long-term sustainable success of the Company

Breadth and depth of offer delivering financial value

Essentra's business model and strategy delivers across multiple markets with an infrastructure that delivers customers the broad range of products required to meet their needs.

Skills our Board has

Commercial experience of driving and delivering growth across a multi-national business to deliver on commitments to shareholders.

Board members:

- Steve Good
- Klaus Göldenbot
- Adrian I. Peace

Sustainable operations

Essentra's commitment to operating in a responsible way with sustainability engineered into solutions, to be a company people want to work for and invest in.

Skills our Board has

Understanding and experience of the levers available to ensure the most efficient and sustainable methods to manufacture combined with knowledge around supply chain optimisation.

Board members:

- Steve Good
- Dupsy Abiola
- Adrian I. Peace
- Kath Durrant

Commercial resilience to meet market needs

Essentra's commitment to making progress possible through decades of commercial expertise across specialist applications, sectors and customer types to deliver financial value for shareholders.

Skills our Board has

Manufacturing and engineering experience, coupled with experience of operating through economic downturns that require a business to be fine-tuned to ensure shareholder expectations are met.

Board members:

- Steve Good
- Klaus Göldenbot
- Adrian I. Peace

Stakeholder engagement

Essentra's stakeholder engagement and how the Board works to maintain the trust of our stakeholder community.

Skills our Board has

Broad skills across a wide range of disciplines, from deep financial expertise, to employee relations and customer-facing account management, ensures that the Board is able to support the business.

Board members:

- Mary Reilly
- Adrian I. Peace
- Klaus Göldenbot
- Kath Durrant

The Board is responsible for setting the purpose, values and culture and delivering oversight of culture within the business.

Our purpose

The culture of the business is driven through a shared understanding of the purpose to help customers build a sustainable future.

Our vision

Focused delivery of best-in-class customer service is pivotal at Essentra and acknowledged across the business as a key component of our vision to be the world's leading responsible, hassle-free supplier of essential components.

Our goals

The business believes that a clear and shared strategy underpins goals as they are disseminated down the organisation.

Our accelerators

- Strategic priorities for focused growth through retention of strong margins and operational leverage providing a strengthened operational base
- Disciplined capital allocation
- Re-investment in people and technology initiatives

Our values

- We care about our customers
- We care about each other
- We deliver
- We are an effective team



We care about our customers

By caring about our customers, every employee strives to provide the best service they can, going above and beyond to provide a hassle-free experience.



We care about each other

We share knowledge, give support, look out for colleagues and actively listen and respect diverse perspectives.



We deliver

To meet our purpose, it is essential that we deliver our products, whilst embracing change, challenging the status quo and driving innovation through continuous improvement.



We are an effective team

We prioritise communication and collaborate effectively with others to create positive outcomes across the organisation.

Board employee engagement

During the year, Non-Executive Directors visited:

- Commercial and Customer Service teams in Westchester and Hoffman Suites site in Chicagoland in the Americas
- Reid Supply in Norton Shores in the Americas
- Nettetal warehouse team in Germany
- Commercial and Customer Service teams in Geretsried in Germany
- the recently acquired BMP TAPPI manufacturing and warehouse facility in Milan, Italy
- our manufacturing and warehouse facility in Kidlington, UK.

The Board believes that a highly engaged workforce drives better performance and is a barometer of the culture and success of the business. Listening first hand to employees and understanding their views on how the business is operating and its subsequent performance provides the Board with an opportunity to deepen its knowledge and the ability to challenge strategy and ensure management is focused.

Taking action on employee feedback

Feedback from the sites visited included information on areas of success as well as areas of frustration where employees considered further progress and support was required. This ranged from feedback on site approaches to health and safety, to commercial growth opportunities. During the year, the Board took the opportunity to challenge management on its approaches to these matters to ensure the reality at site level mirrored the approach shared with the Board.

DIVISION OF RESPONSIBILITIES

The roles of Chair and Chief Executive Officer are held by Steve Good and Scott Fawcett, respectively, with each having clearly defined roles and responsibilities as endorsed by the Board.

The Chair is responsible for the effective working of the Board, ensuring that each Director, Executive and Non-Executive, can make an effective contribution. The Chief Executive Officer is responsible for running the Group's business and for the implementation of the Board's strategy, policies and decisions.

The Board believes that any shareholdings of the Chair and Non-Executive Directors serve to align their interests with those of shareholders.

The Board also considers that the Non-Executive Directors provide an independent perspective in Board discussions and in the development of the Company's strategy.

Non-Executive Directors ensure a sound basis for good corporate governance for the Company, challenging management's performance and, in conjunction with the Executive Directors, ensuring that rigorous financial controls and systems of risk management are maintained as appropriate to the needs of the Group.

The Senior Independent Director ("SID") is Mary Reilly. Mary is available to both her fellow Non-Executive Directors and shareholders to discuss and develop an understanding of any issues and concerns.

External commitments

The Board is aware of current external commitments for all of the Non-Executive Directors and is satisfied these do not distract from the time commitment required by their roles with Essentra. Non-Executive Directors are required to discuss any additional external

appointments with the Chair prior to their acceptance. In addition, the time commitments of the Chair are the subject of review by the SID, in conjunction with the other Non-Executive Directors.

Executive Directors may accept outside appointments, provided that such appointments do not, in any way, prejudice the ability to perform their duties on behalf of Essentra. The Chief Executive, Scott Fawcett, does not hold any Non-Executive positions. The CFO, Rowan Baker, is a Non-Executive Director of Vistry PLC.

The Conflicts of Interest register is reviewed at each Board meeting.

All of the Board have attended all Board and Committee meetings this year and with their commitment to their roles clear, the Board is content that the Non-Executive Directors devote sufficient time to the business of Essentra.

The letters of appointment for Non-Executive Directors are available for inspection at the Company's registered office and prior to the Annual General Meeting.

Directors' elections

The Company's Articles of Association require that all new Directors seek election to the Board at the AGM following their appointment.

In compliance with the 2024 Code, all eligible Directors put themselves forward for re-election on an annual basis. The Board, including the Chair, is satisfied that each of the Directors being put forward for re-election continues to be independent and effective and that their ongoing commitment to the role is undiminished.

Klaus Göltenbot was appointed to the Board on 1 September 2025 and will stand for election as a Director at the Annual General Meeting to be held on 20 May 2026. Klaus' biography can be found on page 78.

All other Directors will stand for re-election at the Annual General Meeting. The Notice of Annual General Meeting includes more detailed information on the background and experience of all Directors and sets out the reasons and rationale that the Board supports their election or re-election.

Advice for Directors

Directors may seek independent professional advice at the Company's expense through the Company Secretary when deemed necessary to fulfil their responsibilities. All Directors also have access to the advice and services of the Company Secretary who ensures compliance with Board policies and procedures. The appointment and removal of the Company Secretary is a matter reserved for the Board.

Board matters

During the year, there were seven scheduled Board meetings. In addition, the Board met on further occasions, with sub-committee meetings held to receive updates and agree final approvals for key decisions as the Board considered appropriate.

Informal discussions are also held between the Chair and the Non-Executive Directors on a regular basis and additionally prior to, or post, each scheduled Board meeting.

The SID has also held meetings with Non-Executive Directors without the Chair present.

Matters on the Board agenda in 2025 included the following:

Leadership and people

- Focus on the wellbeing of colleagues
- Continuous review of Health and Safety performance, policies and procedures to target zero accidents
- Senior leadership talent development and succession

Purpose and Values

- Communicate values, strategy and performance to colleagues
- Annual Board and Committees' evaluations

Strategy

- Development of strategy with focus on strong growth
- Detailed execution plans and organisational structure
- Portfolio review including the acquisition of Device Technologies
- Performance updates from each of the regions
- Review of assets to meet business requirements and maximise value
- Progressing the ESG agenda

Board composition

- The appointment and induction of Klaus Göltenbot as a Non-Executive Director
- Composition and succession planning for the Board and Committees

Operational, financial and risk

- CEO and CFO business performance reports at each meeting
- Enhancements to financial analyses
- Reviews of principal and emerging risks, the mitigations and how these align with strategic priorities
- Regular updates on progress of the Business Process Review

- Approval of the 2024 full-year and 2025 half-year results and trading updates
- Approval of all dividend payments

The Board is supported in its role by the Board Committees. After each Committee meeting, the Chairs of the Committees report to the next Board meeting on the matters that have been reviewed.

The Audit and Risk Committee undertakes the majority of the work involved in monitoring and seeking assurance as to compliance with the internal controls and risk management practices within the Group. Other specific responsibilities are delegated to the Remuneration, Nomination and ESG Committees.

The Board believes that it, and its Committees, have the appropriate composition to discharge their respective duties effectively with the appropriate level of challenge and independence, and that the members of the Board in conjunction with the senior executive teams are well equipped to drive and deliver the Company's strategic objectives.

The Board is of the view that it has a highly competent Chair, who, together with each of the other Non-Executive Directors, has considerable international experience at a senior level in the management of activities broadly similar to those carried out by Essentra and the material issues likely to arise for the Company.

Operational matters and the responsibility for the day-to-day management of the business is delegated to the Chief Executive, supported by members of senior executive management, within delegated authority limits and supported by a Schedule of Authority that ensures a strong control culture is in place.

The support of the GEC ensures a strong link between both Essentra's overall corporate strategy and its implementation within an effective

internal control environment and robust risk management.

The GEC is the executive committee that meets on a weekly basis. Full details of the membership of the GEC can be found on page 79. The GEC has adopted a clear governance framework: agendas are set according to the framework and all matters arising are addressed. Papers are circulated in advance of the meetings, take account of a broad range of views, are validated and provide sufficient information for the GEC (or Board if required) to make decisions.

Board papers

The Chair and Company Secretary have implemented a professional and consistent approach to the preparation and timely circulation of Board papers.

Diversity

The Board, GEC and senior management are committed to ensuring ethnic and gender balance across the business to reflect the communities in which we operate. This balance is considered critical to the business' success.

The Board was pleased to voluntarily report on its ethnicity. Furthermore, the Board also reported on gender during 2025 in compliance with the Companies Act and the 2024 Code.

The Board continues to confirm a strong commitment to diversity, including, but not limited to, gender diversity at all levels of the Company, and considers that own composition provides a reasonable indication of its approach to this commitment.

The Board Diversity Policy continues to serve to ensure that all candidates for Board appointments are considered in accordance with the Policy during the nomination process.

 FURTHER INFORMATION ON DIVERSITY CAN BE FOUND ON PAGE 49

Conflicts of interest

Directors have a statutory duty to avoid actual or potential conflicts of interest. The Company's Articles of Association permit the Board to consider and, if it seen fit, to authorise situations where a Director has an interest that conflicts, or may possibly conflict, with the interests of the Company. The decision to authorise a conflict of interest can only be made by non-conflicted Directors.

A register of Directors' Interests is maintained so that any potential concerns are addressed before any material issues may arise. The Conflicts of Interest register and the schedule of Directors' Interests is reviewed at each Board meeting.

Information and professional development

The Chair, supported by the Company Secretary, takes responsibility for ensuring that the Directors receive accurate, timely and clear information.

On appointment, an induction programme is tailored to the new Director designed to assist them in their understanding of Essentra and its operations.



The Chair leads the Board and facilitates its effectiveness and inclusion. The Chief Executive is responsible for the executive management and performance of the operations.

Throughout a Director's tenure, they are encouraged to develop their knowledge of the Company through meetings with senior management and site visits.

Directors are also provided with briefings, as appropriate, on matters such as fiduciary duties, Companies Act requirements, share dealing restrictions and corporate governance matters.

Shareholder communications

The Board recognises the importance of effective communication, and seeks to maintain open and transparent relationships with its shareholders and other stakeholders. This is achieved by regular updates through public announcements, the corporate website and other published material.

All shareholders can meet any of the Directors of the Company should they so wish. In particular, the Chair and the SID are available to shareholders should they have concerns or wish to share their views.

Feedback from meetings with shareholders is provided regularly to the Board so they are aware of any issues or concerns, and this ensures that the Board has a balanced view from major investors.

Since 2020, the Board has held Annual General Meetings with a facility to join virtually to encourage shareholders to participate. To ensure that shareholders are able to follow the proceedings of the AGM without attending in person, the Company provides access online via the Investor Meet Company platform. However, shareholders are not able to vote online at the AGM via the platform and are, therefore, requested to submit their votes via proxy.

Shareholders can submit questions ahead of the AGM via the Investor Meet Company Platform. Further details are available in the AGM Notice.

At the AGM, the level of proxy votes lodged on each resolution is made available, both at the meeting and subsequently on the Company's website. Each substantially separate issue is presented as a separate resolution, and the Chairs of the Audit and Risk, Nomination, Remuneration and ESG Committee are available to answer questions from shareholders.

The Company communicates and engages regularly with its major institutional shareholders and ensures that the Board understands the views and concerns of major shareholders in relation, specifically, to their views on governance and performance of the Company against strategy.

The Chief Executive, CFO and Investor Relations Manager have primary responsibility for investor relations. Presentations for analysts and shareholders were held during the year, and meetings were also undertaken with key institutional investors to discuss strategy, financial performance and investment activities.

Slide presentations are made immediately available after the full year and half year results on the Company's website to view and download.

The Company ensures that any price-sensitive information is released to all shareholders at the same time, in accordance with regulatory requirements. During the year, the Board Chair, Chair of the Remuneration Committee and Chair of the ESG Committee have held independent meetings with shareholders and the Chair has attended meetings with the Chief Executive and the CFO. At each Board meeting, reports are presented detailing the engagements with shareholders to ensure that the Board, as a whole, has a clear understanding of the views of shareholders.

Financial reporting

The Directors have acknowledged, in the Statement of Directors' Responsibilities, set out on page 138, their responsibility for preparing the Financial Statements of the Company. The Directors are responsible for preparing the Annual Report and Accounts, and they consider that the Annual Report and Accounts taken as a whole are fair, balanced and understandable. The External Auditor has included a statement regarding their reporting responsibilities in the Independent Auditors' Report, set out on page 211.

Directors understand the views and concerns of major shareholders in relation to financial reporting and on environmental, social and governance issues, and the way in which they are embedded in strategy and measured in the performance of the Company against the strategy.

The Directors are also responsible for the publication of half year results, as required by the Disclosure and Transparency Rules of the Financial Conduct Authority. This provides a general description of the financial position and performance of the Company during the relevant period. In accordance with the 2024 Code, the Board acknowledges its overall responsibility to shareholders to ensure that an adequate system of risk management and internal control is in place. The Board believes that the Risk Assurance team continues to provide a clear indication of, and commitment to, this and the Board is satisfied with the strength and depth of knowledge held by the Risk Assurance team.

Internal controls

In accordance with the 2024 Code, the Board acknowledges its overall responsibility to shareholders to both ensure that an adequate system of risk management and internal control is in place and for reviewing the effectiveness of this system. Such a system can only be designed to mitigate, rather than eliminate, the risk of failure to achieve business

objectives, and can, therefore, only provide reasonable, and not absolute, assurance against material misstatement or loss. This is essential for reliable financial reporting and also for the effective management of the Company. The internal control and risk management process for financial reporting processes is documented within the Essentra Accounting Manual (the "Manual"), which is updated as required. The Manual sets out the procedures and processes established for internal and external financial reporting and incorporates accounting policies that are adopted by the Company, as well as processes and controls relating to tax and treasury matters. The Manual sets out clear processes that cover, amongst other matters, segregation of duties, reporting responsibilities and review and approval requirements. The Manual prohibits management overrides, and the processes set out within the Manual are also reflected within financial reporting systems and the framework for financial controls within the Company. A Delegation of Authority is in place, which is also reviewed and updated on a regular basis and identifies approval processes for different matters. The Manual is applied across the entire Company and supported by twice-yearly confirmations from management in relation to adherence to the Company's accounting policies.

It is the Board's intention to ensure the 2024 Code is implemented in full as may be appropriate for the Company so that the Board will extend its responsibility for establishing and maintaining internal controls and the effectiveness of the risk management and internal control framework. The Audit and Risk Committee has initiated and progressed a programme of work that will strengthen and embed existing processes towards supporting the Audit and Risk Committee, and the Board's responsibility for the effectiveness of risk management and the internal control framework. More information

on this has been included in the Audit and Risk Committee Report on page 104, whilst further details on the Company's risk management system can be found on page 62.

The following currently enables the Board to review the effectiveness of the system of internal control and the financial reporting processes:

- the Audit and Risk Committee meets regularly and reports to the Board, no less frequently than at every Board meeting following an ARC meeting
- the Terms of Reference provide a framework for the ARC to review and oversee the quality, integrity, appropriateness and effectiveness of the Company's internal control framework
- the Board received updates from the CEO with additional reporting provided from GEC members, with regular updates on Compliance from the Head of Compliance and Risk Reporting
- during the period, certificates were required from each region to confirm compliance with the Company's policies (including financial) and procedures at both the half year and full year

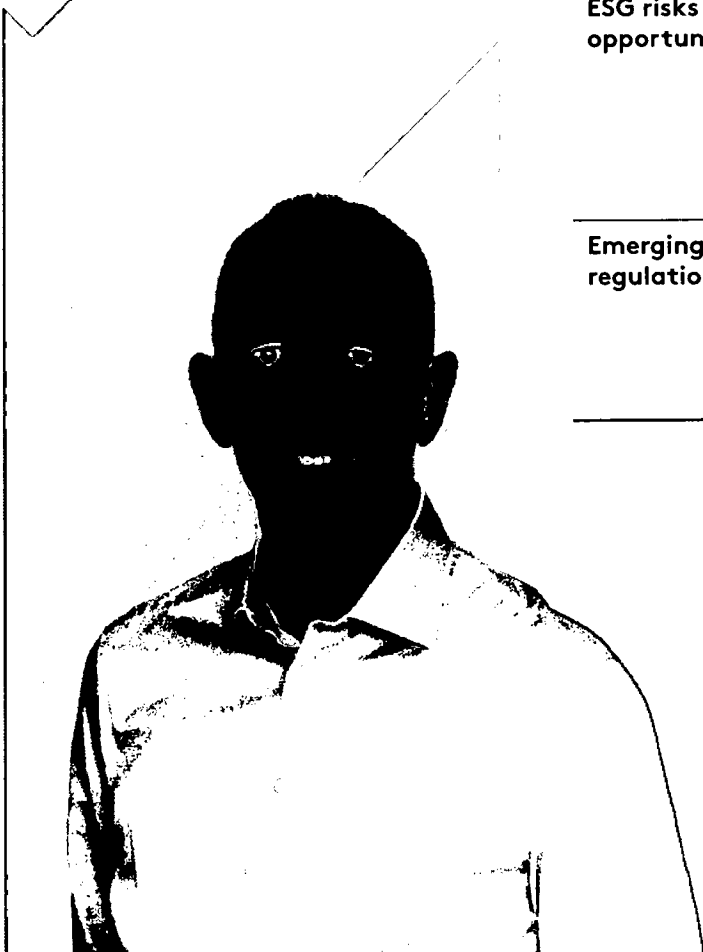
Directors' and Officers' insurance

In accordance with the Company's Articles of Association, and to the extent permitted by the laws of England and Wales, the Directors are granted an indemnity from the Company in respect of those liabilities incurred as a result of their office. In respect of those matters for which the Directors may not be indemnified, the Company maintained a Directors' and Officers' Liability Insurance Policy throughout the year. It is anticipated that this policy will be renewed. Neither the Company's indemnity, nor the insurance policy provide cover, to the extent that a Director is proven to have acted dishonestly or fraudulently.

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**Our CDP
A List and
EcoVadis
Gold ratings
demonstrate
the strength
of our ESG
strategy.**

STEVE GOOD
Committee Chair (Interim)



Dear shareholder,

As Chair of the ESG Committee (the "Committee"), I am pleased to present the Committee's Report for the year ended 31 December 2025. The purpose of this Report is to describe the work undertaken by the Committee and explain how it has discharged its responsibilities throughout the year.

The Committee is dedicated to guiding the Company's approach to ESG, and ensuring it aligns with the Company's overall strategic plan to promote the Company's long-term success. By fully integrating environmental, social and governance principles into the business strategy and decision-making processes, our aim is to deliver value for all our stakeholders.

Topic	Activity
Net-zero	- Reviewed progress and options for next steps towards net-zero targets - Reviewed the shareholder-approved transition plan supporting near-term decarbonisation targets, and the investment requirements
Sustainable materials	- Reviewed progress towards sustainable materials targets and the sustainable product innovation pipeline - Considered dependencies crucial for the successful transition to more sustainable polymer options
Diversity, Equity and Inclusion ("DEI")	Reviewed progress against the DEI strategy and associated KPIs
ESG risks and opportunities	- Assessed the effectiveness of ESG risk and opportunity management and related internal controls. - Considered the ESG-related disclosures for year end, including the TCFD and TNFD statement, and any updates to climate-related risks and opportunities
Emerging regulations	Received regular briefings on upcoming legislative requirements including the UK Sustainability Reporting Standards, Carbon Border Adjustment Mechanisms, and the Taskforce on Nature-Related Financial Disclosures

Awards and recognition

Our continued progress towards our sustainability goals has resulted in us making the prestigious CDP A list this year, improving from A- to A and achieving a Gold EcoVadis medal. Achieving these highly valued ESG ratings displays the strength of our commitment, our actions and results of our ESG strategy.

Committee changes

At the beginning of the year, we said goodbye to Ralf K. Wunderlich, who stepped down from his role as Non-Executive Director on the 8 January. Ralf joined Essentra in 2017 and Chaired the ESG Committee from 2017 until his departure.

In September 2025, we welcomed Klaus Göltenbot to the Committee. Klaus has extensive experience in business transformation and strategy and brings a strong focus on advancing our product sustainability strategy.

Guest speakers

This year, the Committee was pleased to continue its practice of inviting experts to contribute to relevant topics of interest.

In May, we heard from one of our key suppliers of recycled polymers, who provided an overview of the current market trends, as well as some insights into future possibilities for material innovation. This was followed in December by a presentation from Nature Positive, who have supported the development of our nature reporting in line with the Taskforce on Nature-related Financial Disclosures, and gave an update to the Committee on the findings and next steps.

Embedding ESG across our Governance Committees

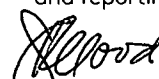
To ensure the ESG strategy is not siloed, we also ensure ESG considerations are embedded within other Committees. The Audit and Risk Committee reviews the scope and effectiveness of the assurance programme, and the Remuneration Committee sets ESG linked performance targets that are aligned to our strategy. ESG is also considered as part of the inputs within the Nomination Committee.

Priorities for 2026

During 2026, the ESG Committee will continue to champion and to provide the business with the

focus required to ensure that ESG-related opportunities drive the business forward towards long-term sustainable success. Given the fast-evolving pace of the ESG agenda, the Committee recognises that it needs to consistently assess and, if necessary, evolve its priorities to manage emerging risks and capture new opportunities. Consequently, alongside continued focus across all topics in our strategy and targets, the Committee will be putting a specific focus on:

- oversight of the development of a product sustainability strategy
- continuing to oversee the preparation for new compliance requirements for ongoing ESG reporting, such as the upcoming UK Sustainability Reporting Standards
- the incorporation of nature risk and opportunities into our overall ESG strategy, controls and reporting.



STEVE GOOD
Committee Chair (Interim)

17 March 2026

Membership and attendance



MORE INFORMATION CAN BE FOUND ON THIS ON PAGE 74

Other attendees at Committee meetings

The Committee extends an invite to all Board members to all meetings. The ESG Director and Company Secretary have a standing invitation to attend every meeting, reflecting their day-to-day responsibility for the overall ESG strategy. At the request of the Committee, members of the Executive Committee, the senior management team and/or external advisers may be invited to attend all or part of any meeting, as and when appropriate. The Terms of Reference, which are reviewed annually for the ESGC, are available on our website [essentraplc.com](https://www.essentraplc.com)

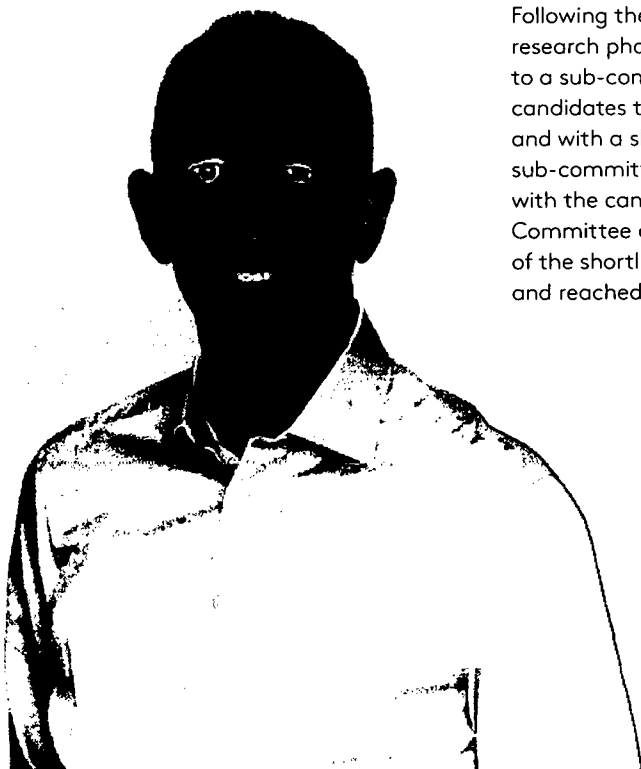
Roles and responsibilities

- Overseeing the Company's approach to ESG and ensuring it aligns with the Company's overall strategic plan
- Providing advice to the Group Executive Committee ("GEC") and other Board Committees on ESG strategy and targets, and monitoring progress
- Reviewing and advising on all relevant regulatory sustainability disclosures
- Ensuring policies and plans relating to ESG matters are in place with onward recommendation to other Committees as necessary
- Advising the Audit and Risk Committee of any climate, nature or governance related risks identified which are of relevance
- Reporting to the Remuneration Committee on progress of any
- ESG targets or metrics used for determining remuneration awards



The Nomination Committee maintains its focus to ensure that the Board has the necessary commercial and operations skills to support the business.

STEVE GOOD
Committee Chair



Non-Executive Director recruitment

Following a review and assessment of the Board's skills, and with the resignation of Rolk K. Wunderlich, the Nomination Committee agreed that a new Non-Executive Director should be recruited to ensure that the Board had the necessary commercial and operations skills to support and guide the business.

A proposal was put to the Nomination Committee, aligned to the existing Non-Executive Director recruitment process, which ensured a robust, transparent and staged recruitment process would take place. The Nomination Committee agreed with the approach, and following discussions with a number of headhunters, Korn Ferry were engaged to conduct the search. The Nomination Committee noted that whilst Korn Ferry had been used in the past, it had been some time since they had last worked with Essentra, and that they had the required global reach to identify a suitable commercial and industry-relevant Director. Korn Ferry also met other prerequisites in respect of their approach to ensuring a diverse range of candidates would be considered in line with the Board Diversity Policy.

Following the initial briefing and research phase, a list was presented to a sub-committee to select candidates to meet for interview, and with a shortlist agreed, sub-committee members met with the candidates. The Nomination Committee considered the outcome of the shortlist interview process and reached agreement on their

preferred candidate. The Nomination Committee, was pleased to recommend that the Board appoint Klaus Göldenbot with effect from 1 September 2025 and noted that Klaus' appointment also contributed to one of the key themes of the 2024 Board Evaluation (for more information, see page 98).

The Nomination Committee considered Klaus' experience to be a significant benefit to the Company and to ensuring the Board's skills reflected that required by the business. During his career, Klaus has worked with market-leading omnichannel distribution businesses. He has been at the forefront of digital transformation, business and marketing strategy, customer experience, sales force management, brand management and building high-performing teams. Klaus was Chief Executive of Nisbets, one of Europe's largest B2B multi-channel distributors of catering equipment to commercial kitchens and spent 15 years (2001–2016) with Electrocomponents plc (now RS Group), holding a number of senior positions, including General Manager EMEA, Global Sales Director and President.

Klaus' induction remains ongoing to ensure he has an opportunity to visit sites in all regions at a pace that allows him to develop a deeper knowledge of Essentra's strategic priorities at the same time. To date, Klaus has travelled to key sites within the EMEA region and met employees engaged in a wide variety of roles.

Board training

As reported within the Corporate Governance Report on page 85, the Nomination Committee ensures the Board received appropriate training. A formal training session on the UK Takeover Code and the UK Corporate Governance Code, with a specific focus on the impact and requirements of Provision 29.

The Board were also provided with opportunities to gain further insights into corporate related matters during the year with opportunities to speak to experts on the relevant matter. Finally, the Board as individual Non-Executive Directors considered their own ongoing training needs to ensure they were keeping abreast of relevant matters.

The Nomination Committee also benefitted from the ESG Committee which continued to provide opportunities to gain new sustainability insights with the inclusion of guest speakers on its agendas.

Diversity, Equity and Inclusion

During the year, the Nomination Committee received updates on progress made in delivering the refreshed DEI strategy that had been approved at the end of 2024. The Committee noted that employee support groups had been established and participation levels were steadily increasing. Whilst the Nomination Committee noted that DEI related recruitment statistics remained largely static, this reflected the activity within the business and that the preference to prioritise diverse recruitment remained a key element of the business' long-term success.

➤ MORE INFORMATION ON THE OUTPUT OF THE APPLICATION OF THE COMPANY-WIDE POLICY CAN BE FOUND IN THE ESG REPORT ON PAGE 49

2025 Board evaluation

The Board evaluation for 2025 was internally facilitated. Three key themes were identified.

Monitoring progress and performance

This was, in part, carried over from the 2024 review, but includes additional requirements to support the Board's role in ensuring the business is delivering on its key priorities, as well as inclusion of metrics to ensure the business has clarity and shared goals for delivery of key business-as-usual activities.

Action: Noting that good progress and improvements in KPIs have been made, further progress will be made to ensure leading as well as lagging metrics that track the strategy in execution will be shared with the Board.

Membership and attendance

➤ MORE INFORMATION ABOUT THIS CAN BE FOUND ON PAGE 74

Other attendees

During the year, as deemed appropriate, the Chief Executive, Scott Fawcett and CFO, Rowan Baker, attended the meetings.

Roles and responsibilities

- Leading the process for appointments to the Board and senior management roles using an established, rigorous and transparent procedure that meets the Board DEI Policy
- Reviewing the skills of the Board to ensure their combined skills meet the needs and support the long-term strategic objectives of the business
- Reviewing the independence and time commitment of the Non-Executive Directors in discharging their duties
- Reviewing and making recommendations on the composition of the Board
- Oversight of a diverse succession pipeline for Board and senior management roles
- Arranging the annual evaluation of the Board and Committees' effectiveness
- Evaluating the effectiveness of the Company's policy on DEI
- Reviewing the Company's approach to gender and ethnicity diversity of the Board and senior management
- Reviewing and agreeing the induction for new Directors and the training needs for each Director and the Board as a whole

Activity during 2025/Key activities for 2026

- Agreed the approach and oversaw the recruitment of a Non-Executive Director of the Board
- Commenced the process to identify and appoint a new Chair of the Audit and Risk Committee
- Approved and recommended to the Board, the appointment of Kath Durrant as a member of the Audit and Risk Committee
- Reviewed and approved the appointment of Shaun Laubscher as Chief People Officer
- Oversaw the Annual Board and committee's evaluation process
- Considered and assessed the evolving skills of the Board as the composition changes
- Continued to review GEC and senior management succession plans
- Reviewed progress against the gender and ethnicity targets and reporting as part of the Nomination Committee's duty for the DEI strategy and for the voluntary target setting under the Parker Review
- Reviewed and considered the Employee Engagement survey results
- Reviewed and approved the Nomination Committee Report for inclusion in the 2024 Annual Report
- Reviewed and agreed the revised Terms of Reference for the Nomination Committee
- Oversaw ongoing training for Board members to support and develop their skills and experience
- Kept under review the Group's gender and ethnicity targets and implementation thereof

Commercial effectiveness

Amongst other factors, given by the Board for the first theme, is the Board's need to develop a deeper understanding for how the business approaches commercial effectiveness and whether there are areas that can be further sharpened.

Action: commercial effectiveness metrics will be shared as part of the first theme.

Talent assessment

This is carried over from the 2024 review and the 2025 actions, recognising that the CPO joined at the start of February 2026. This work primarily rests with the Nomination Committee to oversee.

Action: CPO will lead a talent assessment across senior management to ensure the business has the talent and pipeline to support its long-term growth.

2024 Board evaluation

During 2025, the Board continued to make progress on the actions it agreed to address, which arose from the 2024 Board Evaluation, with regular updates on progress being tracked and monitored by the Nomination Committee.

Board refresh

During the year, the Board appointed Klaus Göltenbot, whose experience and skills closely mirror the industry and sectors of the Company. Further adjustments will be made over the coming year as tenures come to an end.

Board pack and KPIs

Revised KPIs and financial reporting information was provided to the Board. It was noted that this would remain a work in progress as further work on executing the strategy progressed.

Strategy challenge

During the year, two strategy sessions were held with the Board and GEC. The first set out ways in which the business could create further value, whilst the second session provided more detail around the execution of the strategy.

Talent assessment

The Board noted that with the permanent CPO having been recruited during 2025, it had not been possible to carry out a full review, and that this would be held over for 2026 once the new CPO had started.

Stakeholder engagement

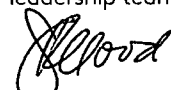
The Board held in-depth sessions, which covered the results of the employee engagement survey and the customer NPS survey. The Board also approved a re-design of the approach to the Voice of the Employee, which would ensure the Board had the opportunity to visit a site together. The next visit is scheduled for 2026.

Board diversity

The Board's commitment to its own diversity is currently very well balanced, with four female and four male directors. The Board continues to be well represented ethnically, with two members meeting the original Parker Review target.

Group Executive Committee diversity

Within the GEC, the overall diversity for gender is 29% female and 71% male, whilst ethnicity is at 14%. The gender balance ratio target across the senior management team, which incorporates the GEC, has been set at 60% male and 40% female and the commitment to achieving this remains the same, whilst there is a recognition that it will take some time to achieve the target given the stability within the team. The Board has also agreed, as requested by the Parker Review, an overall target of 20% by 2027 and 25% by 2030 to increase the ethnicity within the leadership team.



STEVE GOOD
Committee Chair

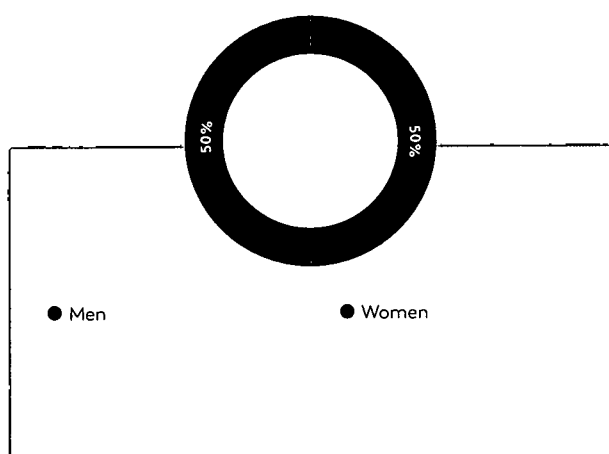
17 March 2026



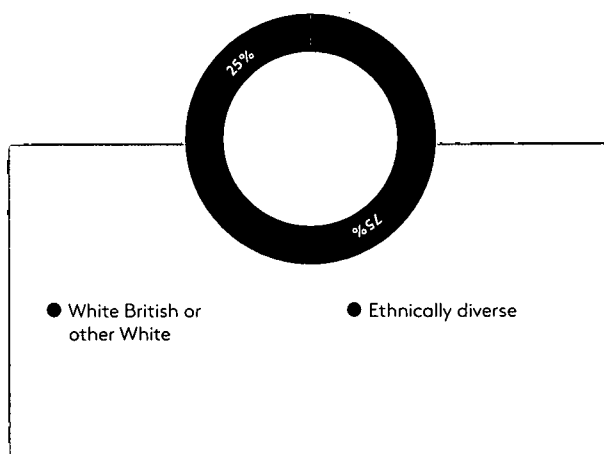
Our commitment to diversity, equity and inclusion is a constant as different perspectives and experiences support a better business and society.

Board gender and ethnicity

Gender



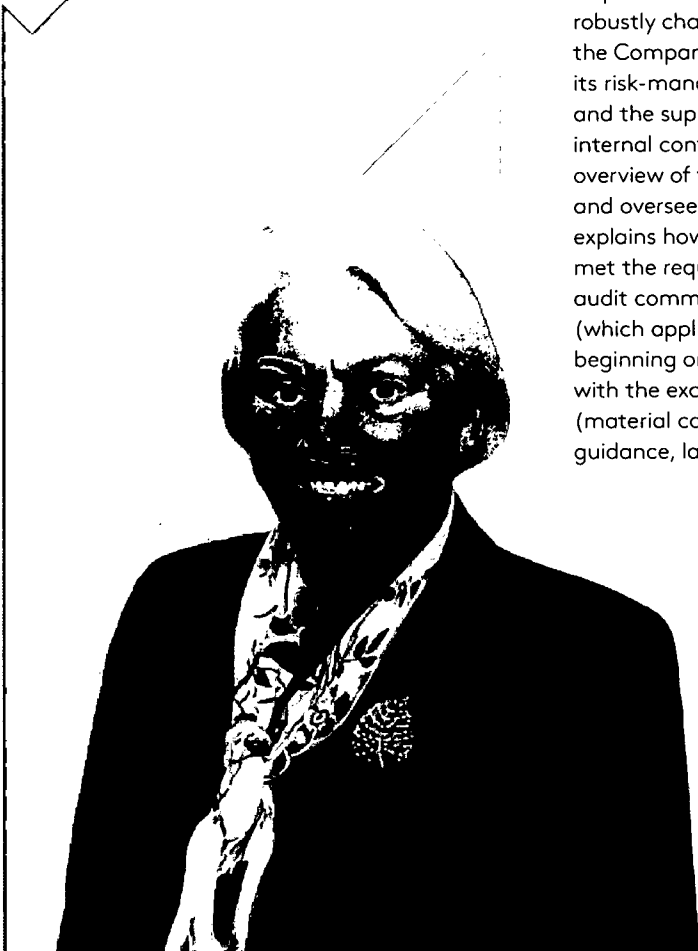
Ethnicity





The integrity of the financial statements and associated announcements is essential and a fundamental responsibility of the Committee.

MARY REILLY
Committee Chair



In 2025, the Audit and Risk Committee (the “Committee”) continued its role of assisting the Board in fulfilling its oversight responsibilities in relation to the external audit, internal audit, risk management and internal control. The Committee monitored and challenged the integrity of the Company’s financial reporting, reviewed and challenged the use and application of accounting policies, and scrutinised the systems of internal control and the risk-management framework.

Dear shareholder,

As your Chair of the Essentra plc Audit and Risk Committee, I am pleased to present my report for the year ended 31 December 2025.

During the year, we welcomed Kath Durrant and Klaus Göldenbot as Committee members – Kath in March and Klaus in September – and they both made an immediate contribution to the work of the Committee.

The Committee continued to assist the Board in fulfilling its oversight responsibilities by monitoring and robustly challenging the integrity of the Company’s financial reporting, its risk-management framework and the supporting systems of internal control. This report gives an overview of the activities undertaken and overseen during the year and explains how the Committee has met the requirements placed on audit committees by the 2024 Code (which applies to accounting periods beginning on, or after, 1 January 2025 with the exception of Provision 29 (material controls) and applicable guidance, laws and regulations.

In carrying out its duties, the Committee continues to operate in accordance with recommendations set out in the FRC Guidance on Audit Committees published in April 2016 and remains cognisant of updated FRC guidance, letters and reports that are relevant to the work of the Committee.

The Committee’s activities comprise a structured programme of work, much of which is recurring.

In December 2024, the Committee reviewed and approved the 2025 Internal Audit plan. The plan was developed to ensure a blend of site-based reviews covering financial and operational controls, strategic and risk-based reviews with a strong link to the 2024 disclosed Principal Risks.

The Risk Assurance team provided regular updates to the Committee throughout the year, highlighting individual review, broader thematic insights and management’s progress in implementing actions.

Members of the Risk Assurance team also supported the wider business by providing independent assurance and advice to key initiatives and issues as and when they arise. In 2025, these included, in particular, advice and support given to the project team implementing the change required to comply with the Provision 29 declaration and the investigation of “Right to Speak” cases.

A key role of the Committee is to support the Board in its assessment of the Principal and Emerging Risks and the effectiveness of mitigation plans. The Committee considered the profile of a selection of the Company's Principal Risks, which changed throughout the year reflecting both changes in the Company and the evolving macroeconomic and geopolitical environments. In December 2025, the Committee agreed to recommend to the Board updates to the Principal and Emerging Risks that were relevant to the business and reflected its ongoing goals and ambitions.

The Committee continued to receive regular reports on the Company's Compliance Programme and the outcome of "Right to Speak" whistleblowing cases. The Committee noted that the business had continued to enhance its capabilities around customer due diligence along with a continuing focus on ensuring the workforce is adequately trained on compliance matters.

Finally, as I now approach my ninth year as a Director of Essentra plc, in accordance with Provision 19 of the 2024 UK Corporate Governance Code, I will stand down from the Board and as Chair of the Committee later this year. It has been a pleasure to serve the Company and its stakeholders since my appointment in 2017. In the meantime, I am pleased to engage with shareholders and continue to be available to meet as required.



MARY REILLY
Committee Chair

17 March 2026

Membership and attendance



MORE INFORMATION ABOUT THIS CAN BE FOUND ON PAGE 74

Other attendees at the Committee

The External Auditor, Chair of the Board, other Non-Executive Directors, Chief Executive, CFO, Head of Risk Assurance, Finance Director, Financial Controller, Global Compliance and Controls Officer and members of the GEC attended meetings, by invitation, as appropriate. During the year, the Committee met the External Auditor, PricewaterhouseCoopers LLP ("PwC"), and the Head of Risk Assurance without the Executive Directors being present.

The Committee received presentations from the Chief Executive, the CFO, Finance Director, Financial Controller, Head of Risk Assurance, Head of Tax, Treasurer, the Head of Cybersecurity and the Chief Digital Information Officer.

The Company Secretary attended all meetings.

Roles and responsibilities

- Ensuring the interests of shareholders are properly protected in relation to financial reporting, risk management and internal controls
- Reviewing and making recommendations to the Board in relation to the appointment, terms of engagement and remuneration, independence and effectiveness of the External Auditor
- Monitoring the engagement policy of the External Auditor to supply non-audit services
- Reviewing and discussing reports presented by the External Auditor at each meeting
- Monitoring the integrity of the financial statements and any formal announcements relating to financial performance
- Reviewing and challenging accounting policies
- Challenging significant accounting judgements
- Reviewing the internal control and risk management systems for effectiveness
- Monitoring and reviewing the effectiveness of the Risk Assurance function
- Agreeing the annual Risk Assurance internal audit plan and monitoring its delivery
- Monitoring the Right to Speak process and the assessment and investigation of any claims made through this mechanism
- Monitoring the effectiveness of the compliance function and delivery of the compliance plan

The Terms of Reference provide a framework for the Committee's work to review and oversee the quality, integrity, appropriateness and effectiveness of the activities listed below.

- Financial statements and external financial reporting
- Internal controls
- Significant financial judgements
- Tax and Treasury function
- Cyber security response
- The compliance programme
- The efficacy of the Risk Assurance (Internal Audit) function
- The risk-management processes and practice
- The relationship with, and performance of, the External Auditor

The current Terms of Reference for the Committee are available at essentra plc.com

The Terms of Reference were reviewed and updated in December 2025 to ensure they continue to reflect regulations and best practice.

Governance

Financial Statements and external financial reporting

All the Committee members are independent Non-Executive Directors and have financial, risk management or related business experience gained in senior positions at other large diverse organisations. Mary Reilly has been the Chair of the Committee since April 2018, and the Board remains satisfied that Mary has recent and relevant financial, risk and control experience. Mary spent the majority of her career at Deloitte and is experienced as an Audit Committee Chair.

Other Committee members also have relevant experience. Following Ralf K. Wunderlich standing down as a Director in January 2025, Kath Durrant was appointed to the Committee in March and, following appointment to the Board in September, Klaus Gölldenbot was also appointed. Biographies of the Committee members can be found on pages 76 to 78 and in the Notice of Annual General Meeting.

The Board considers that the members of the Committee are competent in the business sector within which Essentra operates.

The Committee supports the Board and reports to it following each of its meetings. No member of the Committee has a connection with the current External Auditor.

The Committee has independent access to both the Head of Risk Assurance, who leads the Internal Audit team, and the External Auditors and may obtain outside professional advice if required. Risk Assurance and the External Auditor have direct access to the Chair of the Committee who held a number of meetings with the Head of Risk Assurance and the External Auditor during the year outside formal Committee meetings. The Chair of the Committee also liaises with the CFO, and other senior members of the finance function, as well as the

Company Secretary, as necessary, to ensure there is robust oversight and challenge in relation to financial control, risk management and compliance.

An evaluation of the Committee is carried out annually, the last review being performed in 2025 and concluding that the Committee continued to a well-run committee, operating in line with the 2024 Code and with the opportunity for all members to contribute and fully consider issues.

The Committee agenda covers an annual cycle of items that addresses the requirements of the external audit and any other relevant matters, as detailed in the Committee's Terms of Reference. The agenda cycle is reviewed annually to ensure that the Committee remains proactive and relevant. Ensuring the integrity of the Financial Statements and associated announcements is a fundamental responsibility of the Committee. In recommending to the Board, with regard to the approval of the 31 December 2024 Annual Report and the 30 June 2025 half year report, the Committee reviewed, examined and challenged the CFO and External Auditor on their respective assessments on such items as:

- the estimate and disclosure of final disposal consideration for the Filters business
- the adequacy and appropriateness of inventory provisioning calculations;
- the valuation of certain investment properties
- the modelling and review of impairment for the Company's investments in subsidiaries
- hyperinflationary accounting for the business in Turkey
- the presentation of discontinued operations and adjusting items in the Financial Statements
- the appropriateness of disclosures to ensure the financial statements are fair, balanced and understandable.



The Committee supports the Board in monitoring and maintaining dependable risk management and internal control systems. The effectiveness of those systems is challenged regularly.

The Committee also challenged the External Auditor on the appropriateness of their audit coverage and their measure of materiality.

During the year, the Committee also considered the adequacy of the Group's Long-Term Viability Statement and going concern, and challenged the risk scenarios, the range of sensitivities applied and the potential impacts considered in line with FRC guidance. The risk scenarios used for the year end 2025 reflected the need to deliver complex strategic initiatives and sustainability improvements in the challenging global macroeconomic environment in which the Company operates, alongside areas regularly monitored by the business, such as operational and supply chain disruption across our three regions.

Following consideration of these assessments, the Committee confirmed that the application of the going concern basis for the preparation of the Financial Statements continued to be appropriate.

Tax and Treasury

During the year, presentations were made to the Committee on the subjects of Tax and Treasury.

Particular attention in the presentations was drawn to:

- the Company's underlying tax rate for the year ended 31 December 2025, was 15.8% and the assumptions and judgements used to forecast the effective tax rate during the year
- the underlying tax rate of 22.4% at half year 2025
- the status of tax assets and liabilities held on the balance sheet
- the provisions in place for uncertain and central tax items
- the status of pooling cash in EMEA and the Americas
- a review of FX exposures, which confirmed the business was operating in line with the Treasury Policy.

The Committee considered the matters presented and were satisfied with the approach being taken.

Compliance

The Company's commitment to conducting its business activities in accordance with all applicable laws and regulations remains a core priority and keystone of our governance. The delivery of the Company's Compliance programme is a fundamental part of this commitment.

A focus on awareness and training for key compliance and regulatory matters continues to be a core element of the plan with specific additional emphasis on regulatory and sanctions compliance, third-party due diligence, insider dealing and data privacy.

The global compliance programme was refreshed including the delivery of Ethics, Compliance and Values Workshops together with training for the Economic Crime and Corporate Transparency Act 2023,

which introduced a new offence for corporates of failure to prevent fraud, which came into effect on 1 September 2025.

The GEC receives regular reports monitoring compliance training whilst the Committee continues to receive broad compliance reports from the Global Compliance & Controls Officer on key compliance risks and the status of the programme of activities designed to mitigate exposure.

Right to Speak and whistleblowing

The Company's "Right to Speak" whistleblowing process is a fundamental component of its compliance programme. The Committee receives updates at its meetings on Right to Speak issues raised and seeks assurance from management on the nature of these issues and the Company's response

The Right to Speak process is closely monitored by management through a monthly triage process, reviewing cases and agreeing next steps with regional HR teams as appropriate

During the year, the issues raised related predominantly to specific HR concerns and where there were particular concerns expressed, the Committee had oversight of the actions taken in response, which it found to be appropriate.

Internal audit

The Committee is supported in this work by the Risk Assurance team, who are responsible for internal audits and are independent of management.

The Risk Assurance team has continued its approach to providing effective assurance by partnering with the business to provide insightful value-adding observations and reports. The Committee supports the Risk Assurance function in continuing with an agile and adaptable mindset with reviews continually prioritised against current risk exposures and alignment with longer-term strategic objectives.

This approach ensures that Risk Assurance meets its core function as well as providing support to the Company where it is needed the most. It accomplishes these objectives through a systematic approach to the evaluation, assurance and improvement in the effectiveness of the organisation's risk management, internal control and governance processes. It provides independent assessments of key processes and controls across the Company in support of its business objectives and strategies.

In order to achieve this the Committee reviews:

- the internal audit plan and its achievement of the approved internal audit plan's activities
- the level and skills of the resource available to the Risk Assurance function in line with the budget
- the effectiveness of the Risk Assurance function, including its structure and how it supports the business
- internal audit activities with a focus on unsatisfactory audit results

- the adequacy of management's response and the necessary actions taken to address and rectify any weaknesses identified in a timely manner.

At Committee meetings, Risk Assurance has provided a report on the latest position with regards to the Company's systems of internal control, its effectiveness in managing Principal Risks and identifying any control failings or weaknesses. Recommendations made this year to the business included implementing adequate and effective internal controls and procedures aimed at improving existing processes around business continuity management and inventory management.

Internal controls

During the year, the Company initiated an internal controls project, which is driving focus across the business to ensure the Company will comply with key elements of the 2024 UK Governance Code, in particular the need for the Board to make a declaration on the effectiveness of the Company's material internal controls for the year ending 31 December 2026 (Provision 29 of the Code).

The project is developing the Company's existing Minimum Control Standards to meet the new requirements and ensure the framework is linked to risk-management processes. The Committee will monitor the delivery of this project.

Risk management

The Committee's discussions and considerations and oversight of the risk-management process continued throughout the year, working closely with the GEC. In 2025, the continuing focus was on ensuring that the Company's Principal and Emerging Risks remained appropriate in the light of a worsening macroeconomic and geopolitical climate.

In addition to considering the adequacy of Principal and Emerging Risks, the existing risk management process continued to enable the Committee to assess the quality of existing practices and processes used to identify, assess and mitigate responses to existing and evolving risks to the Company achieving its long-term strategic objectives. This approach, combined with the risk-management approach supported the Committee's



Our state-of-the-art Monterrey, Mexico location

challenge of the effectiveness of the Company's response, its actions and the process used to consider the effectiveness of the mitigations. The Committee concluded that the process had been very thorough and remained fit for purpose and that the risks had been reviewed and challenged thoroughly, with appropriate resilience testing of assumptions also having been undertaken. The Committee's work, in turn, supported the Board by providing it with the assurance it needed as to the robust nature of the process used by the Company to identify risk. The Committee concluded at half year 2025 that the Principal and Emerging risks were appropriate. More information on Principal and Emerging Risks can be found on pages 65 to 67, the Long-Term Viability Statement on page 136 and the Risk-management process on page 64.

External Auditor

During the year the Committee:

- performed a debrief on the 2024 external audit process with PwC
- agreed the terms of engagement and fees to be paid to the External Auditor
- reviewed and agreed the scope of the audit work to be undertaken
- reviewed the qualifications, resources and independence of the External Auditor and assessed its performance with particular regard to the overall quality of the external audit
- reviewed the level of non-audit work carried out by the External Auditor, which, during 2025, was limited to an interim review of the half-year financial statements and subscription to access PwC's accounting and corporate reporting guidance.

The Chair of the Committee met with the External Auditor frequently outside of the meeting schedule.

Assessment of the External Auditor

The Committee ensures that the Company receives a high-quality and effective external audit.

Throughout the year, the Committee is provided with reports, reviews, information and advice, as set out in the terms of the External Auditor's engagement and performance is formally assessed by the Committee in conjunction with the GEC. The Committee assesses the External Auditor's independence annually and remains satisfied that the External Auditor is effective and provided appropriate independent challenge to the Company's management.

Independence of the External Auditor

The Committee believes that it is important to maintain the objectivity and independence of the External Auditor by minimising their involvement in projects of a non-audit nature. The Company policy complies with the FRC Revised Ethical Standard 2019, which provides an allowed list of services that may be provided to public interest entities and reflects best practice in relation to the engagement of the External Auditor to supply non-audit services in compliance with the allowed list, with defined parameters and approval requirements.

The Committee Chair, without the approval of the Committee, is authorised by the Company to engage the External Auditor on non-audit-related work where the service is in compliance with the allowed list of services under the Revised Ethical Standard 2019, and the fees per project are not considered to be significant, provided that the annual aggregate of non-audit-related fees shall not exceed 10% of the average of the audit fees paid in the last three consecutive financial years.

Details of the fees paid to PwC up to 31 December 2025 can be found in Note 2 to the Consolidated Financial Statements, which includes fees paid to the External Auditor and its network firms for audit services, audit-related services and non-audit services. PwC provided a letter confirming that it believes it remains independent within the meaning of the regulations on this matter and in accordance with their professional standards. PwC identified accounts preparation services were provided to an overseas subsidiary in respect of a previous period. Such services are prohibited under FRC Ethical Standard 2024. PwC confirmed this did not affect their professional judgement in connection with the Group audit. The Committee formally reviewed the independence letter and confirmed that this activity did not affect PwC's professional judgement in connection with the Group audit and agreed that PwC remained independent throughout the period.

Effectiveness of the External Auditor

The Committee assessed the effectiveness of the External Auditor by reviewing:

- the External Auditor's fulfilment of the agreed audit plan and the quality of their work, including the depth and appropriate challenges of management
- feedback highlighting any major issues that arose during the course of the audit
- feedback from the businesses and management evaluating the performance of each assigned audit team.

Engagement of the External Auditor

The External Auditor was originally engaged by the Company in 2017 following a competitive tendering process. The External Auditor is engaged to express an audit opinion on the truth and fairness of the Financial Statements. The external audit includes the review of the system of internal financial controls and the data contained in the Financial Statements to the extent necessary. In order to protect independence and objectivity and provide fresh challenge to the business, the External Auditor periodically changes the audit partners at a Group, regional and country level, in accordance with professional and regulatory standards. Gillian Hinks became the new Group audit partner during 2025. Such changes are carefully planned to ensure that the Group benefits from staff continuity without incurring undue risk of inefficiency.

The Committee has been kept up to date with the development of regulations concerning audit tenure and the longevity of audit firm relationships with companies they audit. In 2016, a comprehensive competitive tender was undertaken for the external audit and, subsequently, the appointment of PwC to replace the Company's previous auditors was approved by the shareholders at the 2017 AGM.

As detailed above, the Committee is satisfied with the External Auditor's effectiveness and independence and, accordingly, has recommended to the Board that PwC be reappointed as the Company's External Auditor at the 2026 AGM.

The Company continues to consider, on a regular basis, any potential benefits from tendering the audit process, having regard, in particular, to the importance of audit quality or the continued independence of the External Auditor. There are no contractual obligations in place that restrict the Company's choice of statutory auditor. In accordance with the requirements of the FRC Ethical Standard, which requires a mandatory tender every ten years, the Company currently intends to tender for the role of External Auditor during 2026 to ensure that, if a change is deemed appropriate, the new External Auditor is able to familiarise themselves with the business. The Company believes this timeline will best serve the interests of shareholders by minimising disruption to the business. The Company will provide an update if this approach changes.

The Company has complied throughout the year with the Statutory Order 2014 issued by the Competition and Markets Authority.

Significant accounting matters

The Committee challenged management and the External Auditor on their judgement and the application of relevant financial reporting standards for certain significant accounting matters. These included the following:

Adjusting items

The Financial Statements include certain items that are disclosed as adjusting items. The nature of these items is explained within the Group Accounting Policy, and includes transaction costs and gains or losses relating to acquisitions and disposals of businesses, acquisition-related integration and restructuring costs.

Following an extensive review, the Committee is satisfied that the Company's definition of adjusting items remains clear and the appropriate level of disclosure is included. The Committee challenged the CFO about the appropriateness of items presented, including costs relating to major Software as-a-Service ("SaaS") projects, acquisition and restructuring costs to ensure they are one-off material items, rather than incurred in the ordinary course of business, to allow a better understanding of the Company's ongoing activities. Further details can be found in Note 2 of the Notes to the Consolidated Financial Statements.

Critical Accounting Judgements and Estimates

The preparation of the Consolidated Financial Statements requires Directors and management to make judgements and estimates in respect of certain items where the choice of accounting policy and assumptions applied in determining



The Committee's oversight of risk management is continuous and requires working closely with the GEC.

the judgement or estimate could materially affect the Group's financial position, results or cash flows at the reporting date.

The critical accounting judgements and estimates that significantly impact the amounts recognised in the Consolidated Financial Statements are reviewed regularly.

Going concern and long-term viability assessment

The Committee reviewed the assumptions applied for going concern and long-term viability assessment. At half year and full year 2025, an extensive process was applied to the going concern assessment that assessed the outcome of a range of scenarios.

The Company has considered a downside scenario that includes reasonably plausible changes in macroeconomic conditions and is considered to represent a severe but plausible scenario.

The results of this downside scenario show that there is sufficient liquidity in the business for a period of at least 15 months from the date of approval of these Financial Statements, and do not indicate any covenant breach during the test period.

The External Auditor challenged the Committee on the process used to make the assessment and the outcome of the scenarios. The Committee, on behalf of the Board, also challenged management on the assumptions and sensitivities used within the scenarios to ensure they captured sufficient macro and micro environmental factors, as well as where judgement had been applied. Management provided assurance and explained to the Committee that the scenarios had been carefully calculated with dedicated resource provided to test the range of outcomes. The Committee was satisfied that the process used to

assess the Company's going concern position was appropriate and made a recommendation to the Board in line with this view.

MORE INFORMATION ON GOING CONCERN CAN BE FOUND ON PAGE 135

The Committee reviewed the long-term viability assessment for the period to 31 December 2028, which considered a range of scenarios based on an assessment of four risks: Environmental risks, Operational and Supply Chain Disruption, Macroeconomic Environment and Delivery of key growth initiatives, which were selected from the Principal Risks. The Committee considered the process used to assess the long-term viability against these risks and challenged management on the assumptions. The External Auditor, in turn, challenged the Committee on the process that had been adopted and was satisfied that the process used was robust and thorough.

The Committee was satisfied that they could make a recommendation to the Board on the Group's long-term viability. The Committee also reviewed the information supporting the Critical Accounting Judgements and Estimates section of the Financial Statements starting on page 159.

Other matters

The Committee also considered the following significant matters during the course of the year:

Retirement benefit assets and obligations

The Committee reviewed management's judgement in recognising a retirement benefit asset within the UK defined benefit pension scheme, focusing on the conclusion that the Group has right to the surplus through a gradual settlement of the plan's obligations. The Committee considered the basis for this assessment and was satisfied that the accounting treatment was appropriate. The Committee also

assessed the significant estimation uncertainty involved in valuing the Group's defined benefit obligations for the US and UK schemes. This included reviewing the key actuarial assumptions for discount rates, inflation and mortality, and the process used by management, with input from the Group's actuaries, to determine appropriate assumptions within a reasonable range. Given the sensitivity of the valuation to changes in these inputs, the Committee focused on the robustness of the methodology applied and the results of the related sensitivity analysis disclosed in the Financial Statements.

Investment in subsidiary undertakings

The Committee reviewed management's assessment of the Company's investment in subsidiary undertakings, focusing on the key judgements and estimation uncertainty involved in identifying indicators of impairment and determining recoverable amounts. This included consideration of the methodology applied, the principal assumptions used in value-in-use calculations, such as discount rates, growth expectations and forecast cash flows, and the limited availability of observable market data.

The Committee also reviewed the sensitivity analysis performed to assess the impact of changes in critical assumptions and noted management's annual review of potential impairment triggers. Overall, the Committee was satisfied that the processes, assumptions and conclusions reached were appropriate and that the related disclosures in the financial statements were clear.



The Committee reflected on remuneration outcomes in 2025 and believes they reflect the performance both of the Company and the wider stakeholder experience.

KATH DURRANT
Committee Chair



Dear shareholder,

On behalf of the Remuneration Committee, I am pleased to present the Directors' Remuneration Report for the year ended 31 December 2025. This year has, again, highlighted the resilience and agility required of businesses operating in a highly changeable global environment. Against this backdrop, the Committee has remained focused on ensuring that our remuneration framework continues to support Essentra's long-term strategic ambitions, align leadership reward with performance and reflect the expectations of shareholders, employees and wider stakeholders.

Our Remuneration Principles

Our approach to setting executive remuneration continues to be guided by the following set of principles:

- **Supporting sustainable long-term value creation:** Our framework encourages leadership decisions that create long-term, sustainable value rather than short-term gains.
- **Aligning reward with strategy:** Incentive structures are designed to reinforce the delivery of our strategic priorities and both financial and non-financial performance goals.

- **Attracting and retaining high-calibre global talent:** As a global business with diverse operational needs, we require leaders with broad capabilities and cultural agility. Our reward structure is designed to ensure competitiveness in key talent markets.
- **Reflecting stakeholder interests:** The Committee considers the experience of shareholders, employees, customers and other stakeholders when making decisions on pay.
- **Retaining flexibility:** Given the pace of change across global markets, our policy must allow appropriate discretion to ensure outcomes remain fair and reflective of reality.

In principle, our reward policy for our wider workforce is closely aligned with our Directors' Remuneration Policy (the "Policy"), reflecting our commitment to fairness and consistency in compensation practices throughout the organisation. However, it is essential to note that there are some differences, primarily in the treatment of variable and non-variable pay components.

This means that the variable and non-variable pay structures for our workforce may diverge from those of our Directors to accommodate the diverse needs and roles within our organisation. While our Policy may include specific provisions tailored to the unique roles and responsibilities of our executive team, our strategic drivers and objectives flow throughout the organisation.

These key differences are carefully considered to ensure that our pay policy remains equitable and relevant across all employee levels, effectively addressing the specific requirements of each group whilst adhering to the overarching principles of fairness, performance-based incentive and competitive remuneration.

Business performance in 2025

As the Chief Executive outlined in his review, Essentra navigated ongoing macro-economic headwinds, regional demand variability and inflationary cost pressures. Despite these challenges, the business continued to strengthen its operational foundations, progress strategic initiatives and maintain financial discipline.

Specific performance highlights are discussed below.

- In 2025, the Group achieved revenue of £302.0m, representing growth of 2.5% on a constant currency basis. Foreign exchange impacted Group revenue by 2.6%, with reported Group revenue flat compared to the prior year. Adjusted operating profit was £32.0m and whilst lower than 2024, reflects the market softness in the second half of the year. The adjusting operating cash conversion improved from 91% to 138%. The Group continues to retain a disciplined approach to costs.
- All three regions returned to growth in 2025 under the guidance of our experienced Managing Directors. Although each region delivered year on year growth, recovery varied across markets.
- Cost remained a key focus in 2025, particularly with the introduction of the tariffs. The management team reacted and implemented measures to mitigate the impact including action on customer pricing and redirection of the flow of manufacturing goods across Essentra's network. Internally there has been a focus on discretionary spend with the implementation of greater controls.

- Colleagues at all levels continued to show exceptional commitment throughout 2025, working hard to deliver high-quality outcomes despite a demanding environment. That dedication was reflected in our employee engagement score, which remained excellent and firmly industry leading at 81% (2024: 85%). This result demonstrates the strength of our culture, the resilience of our teams, and the continued pride people take in contributing to the organisation's success.
- Customer relationships remained stable across all regions with a Net Promoter Score of 40 and our focus remains on expanding our product offering and targeting new product capabilities. In December, the Group announced the acquisition of Device Technologies, a US designer and manufacturer of specialty cable protection devices. This deepens our manufactured product capability and broadens our product offer to customers.

Executive remuneration

During 2025, the Committee's agenda followed its usual cadence of activities and made the following key decisions ensuring remuneration outcomes are fair, transparent and aligned with the sustainable success of the business. Given Essentra's global footprint and exposure to external market conditions, the Committee remains mindful of the cyclical nature of trading when considering remuneration matters.

Base Salary and Benefits – These were reviewed in the context of market benchmarks, business performance and workforce pay increases. Both the CEO and CFO will receive a 3% increase from April 2026 and this is broadly in line with the wider UK workforce.

Annual Bonus Outturn – The formulaic outturn for the 2025 bonus was 42% of maximum for

both Executive Directors, reflecting particularly strong performance against the operating cash flow metric and individual strategic objectives. However, the bonus design included a "gate" whereby no bonus in relation to financial and environmental measures was payable unless the Committee determined that the Company's financial performance was satisfactory. As Adjusted Operating Profit was below the Entry performance point, the Committee concluded that this "gate" had not been satisfied and accordingly no bonus was payable in relation to financial and environmental measures. Actual bonus outturn post application of the "gate" was 17% of maximum for both Executive Directors. The Committee reviewed this outcome against the wider business context before concluding that the final outturn was appropriate.

Long-Term Incentive Awards

Outturn – The 2023 LTIP awards vested at 10% of maximum based on performance over the three-year period, reflecting Essentra's multi-year financial and strategic achievements. In determining the final vesting outcome, the Committee evaluated performance holistically, considering long-term financial delivery, capital discipline, shareholder experience and employee outcomes.

2026 performance measures –

As the structure of the Policy operated broadly as intended in 2025, we have retained the same financial performance measures for 2026 as summarised in the table below. The Committee was satisfied that these metrics continued to be strategically aligned, were fair and delivering the right level of expectation for the business to deliver value to shareholders. To enhance annual focus on core financial performance, ESG will not be a bonus metric in 2026, although will continue to feature in the LTIP.

KPI	2025	2026	Strategic rationale
Annual Bonus: One-year performance			The metrics are designed to provide a balanced alignment with our goals of generating sustainable, profitable growth and strong cash generation.
Adjusted Operating Profit	50%	50%	The ESG metric for 2026 has been removed to ensure that annual measures remain focused on core financial performance.
Adjusted Operating Cash Flow	20%	30%	
ESG	10%	n/a	
Personal	20%	20%	
LTIP: three-year performance			The measures are designed to provide a balanced alignment with our goals of delivering shareholders a superior return on their investment and generating sustainable, profitable growth.
Relative TSR	30%	30%	The committee has spent considerable time considering the targets for all these metrics, reflecting extremely challenging market conditions that continue to prevail, expected Company plans and balancing need for incentivisation and reasonable expenditure. Full details can be found on page 124.
Adjusted EPS	50%	50%	
Environmental & Social	20%	20%	
			Our environmental targets align to SBTi standards whilst the social aspect of the ESG measure focuses on our commitment to diversity.

Wider workforce considerations

In reviewing pay structures across the organisation, the Committee:

- considered regional pay norms and cost-of-living factors;
- assessed pay progression and equity;
- monitored gender and diversity pay outcomes;
- ensured alignment between the remuneration of Executive Directors and the wider organisation; and
- monitored how remuneration supports the culture and values we aspire to.

Despite the challenging business and external market environment, our attrition remains stable year on year and colleague engagement is tracking over 80%. We continue to engage and listen to our colleagues and have extended our dedicated resource groups, which are forums where colleagues from different backgrounds can feedback items of focus with management. Our consultation with employees, which

is covered in more detail in the ESG and Corporate Governance chapters, periodically includes explanations of how executive remuneration aligns with our wider Company pay policy. During 2025, our Board Champions met with employees, giving them the opportunity to raise remuneration as a topic with them.

Linking the performance of the Company to all colleagues' own performance and pay, continues to be a focus. The majority of our colleagues are eligible for an incentive bonus and annual review of their pay uplift that is performance linked.

During 2025, colleagues received a base pay uplift across 26 markets that reflect the local market conditions and individuals' personal performance. We will be reviewing colleagues pay for 2026 and continue to respond to dynamic markets, such as Turkey, where inflation continues to be high.

Where budgets are constrained, our focus for 2025 has been to optimise non-monetary benefits and apply globally, where possible. This has

Our people are key to our success. Keeping our colleagues safe and working in a thriving workplace is essential to everything we do.

led to several initiatives, including all colleagues having a day's special leave for their birthday, introduction of a Holiday Buy Scheme in the UK where colleagues can buy up to five days holiday, expanding our salary sacrifice scheme so employees can purchase a car (UK) and other benefits that are launching for 2026, including the opportunity for North American colleagues to participate in Share Save and a global Employee Assistance Programme.

Looking ahead to 2026

As we look to 2026, the Committee will continue to ensure that our remuneration framework:

- supports Essentra's next phase of strategic development, including growth at regional level and operational excellence;
- further embeds sustainability and digitalisation into our performance metrics;
- remains competitive in key global talent markets;

- aligns with evolving regulatory expectations and investor perspectives; and
- reinforces our cultural ambition and leadership behaviours.

Despite the challenging trading environment and the limited bonus payouts in recent years, both the Board and the Committee remain fully committed to retaining key talent and skills. The Committee is focused on ensuring that Essentra has a sustainable pathway back to paying out bonus payouts that are at target to maximum levels, whilst underpinned by a return to profitability. This will be achieved by implementing a balanced performance framework through KPIs at both Group and regional level.

Ahead of the next Policy renewal in 2027, we will continue to engage with our shareholders to ensure our remuneration approach remains transparent, balanced and closely aligned with long-term value creation.

Closing Remarks

The Committee remains firmly committed to promoting a remuneration framework that supports Essentra's sustainable success, aligns the interests of executives and shareholders, and reflects the experience of the wider workforce. I would like to thank my fellow Committee members, our management team, and our advisors for their thoughtful support and contribution throughout the year.

I look forward to reporting on our progress in next year's Annual Report.



KATH DURRANT
Chair of the Remuneration Committee

17 March 2026

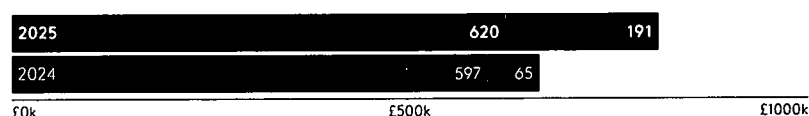


2025 remuneration structure for Executive Directors

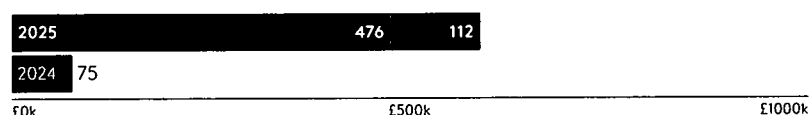
Our reward strategy is designed to drive sustainable, long-term performance by aligning pay with value creation for shareholders. We offer market-competitive remuneration to incentivise the successful delivery of our business strategy, attract top talent suited to the complexities of a global organisation and drive future growth.

2025 total remuneration

Scott Fawcett (£000)



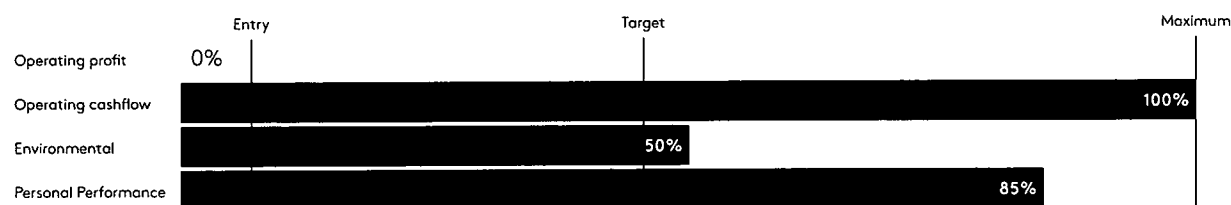
Rowan Baker (£000)



- Fixed pay – salary, benefits and pension allowance
- Performance pay – annual bonus and LTIPs earned in respect of the three-year performance period

2025 Annual Bonus

Outturn 17% of maximum

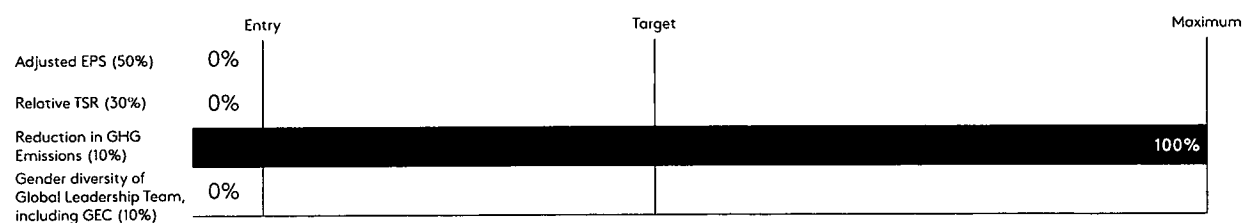


Notes:

The formulaic outturn was 42% of maximum; however, after the application of the financial performance "gate", the personal metric was only triggered.

Performance conditions for LTIP Awards made in 2023

Outturn 10% of maximum



Notes:

Only the GHG emissions metric satisfied the performance conditions, resulting in a 10% overall vesting.

This section of the Remuneration Report will be subject to an advisory vote at the 2026 AGM, together with the Annual Statement from the Remuneration Committee Chair.

Membership and attendance



MORE INFORMATION ABOUT THIS CAN BE FOUND ON PAGE 74

Other attendees

In the past year, the Remuneration Committee engaged with the Board Chair, CEO, CFO, CPO, and Reward Director, for insights and advice. Notably, none participated in discussions about their own remuneration. The Company Secretary serves as the secretary and attends all meetings.

The Committee consistently oversees the Company's relationships with independent advisers. Independent advice was sought from Deloitte LLP, a member of the Remuneration Consultants Group. Deloitte, adhering to the Group's Code of Conduct, provided counsel on executive and senior staff remuneration. The Remuneration Committee reviewed Deloitte's performance as part of the December Rem Co and continues to be appointed based on expertise and experience in executive remuneration. The fees for the year for advice to the Committee amounted to £52,000, charged based on time and expenses.

Deloitte also offered additional tax services to the Company in 2025.

Key activities

H1 2025

- Approved the Remuneration Report
- Approved 2024 Management Bonus Outturn
- Approved 2024 deferred bonus share awards
- Approved targets, participation and grant of the 2025 LTIP
- Approved 2025 Management Bonus targets and rules
- Approved personal objectives for GEC for 2025
- Approved SAYE invitation for UK staff

H2 2025

- Reviewed 2026 Executive Director Personal Objectives
- Reviewed 2025 Executive Director Personal Objective out-turns
- Reviewed 2026 LTIP structure, measures and targets
- Review of Remuneration Committee's Terms of Reference following Corporate Governance code changes
- Consideration of application of Employee Share Purchase Plan ("ESPP") for US staff



Colleagues at all levels continued to show exceptional commitment throughout 2025, working hard to deliver high-quality outcomes despite a demanding environment. That dedication was reflected in our employee engagement score, which remained excellent and firmly industry-leading at 81%.

Total Single Figure of Remuneration Table for 2025 (audited)

The remuneration received by Executive Directors and Non-Executive Directors for the year ended 31 December 2025 (and the 31 December 2024 comparative) was as follows:

	Year	Salary and fees for the year or from the date of appointment £000	Taxable benefits ¹ £000	Pension ² £000	Total fixed remuneration £000	Bonus (cash and deferred shares) £000	Long-Term Incentive Plan £000	Other ⁹ £000	Total variable remuneration £000	Total £000
Executive Directors										
Scott Fawcett	2025	571	20	29	620	147	44 ⁸	–	191	811
	2024	554	15	28	597	–	65 ⁷	–	65	662
Jack Clarke ³	2025	–	–	–	–	–	–	–	–	–
	2024	359	13	18	390	–	73 ⁷	3 ⁹	76	466
Rowan Baker ⁴	2025	440	14	22	476	112	–	–	112	588
	2024	70	2	3	75	–	–	–	–	75
Non-Executive Directors										
Steve Good ⁵	2025	230	–	–	230	–	–	–	–	230
	2024	115	8	–	123	–	–	–	–	123
Paul Lester ⁶	2025	–	–	–	–	–	–	–	–	–
	2024	192	1	–	193	–	–	–	–	193
Mary Reilly	2025	93	–	–	93	–	–	–	–	93
	2024	90	2	–	92	–	–	–	–	92
Ralf K. Wunderlich ¹⁰	2025	2	1	–	3	–	–	–	–	3
	2024	83	10	–	93	–	–	–	–	93
Adrian I. Peace	2025	70	21	–	91	–	–	–	–	91
	2024	67	12	–	79	–	–	–	–	79
Dupsy Abiola	2025	60	–	–	60	–	–	–	–	60
	2024	57	1	–	58	–	–	–	–	58
Kath Durrant	2025	73	–	–	73	–	–	–	–	73
	2024	65	1	–	66	–	–	–	–	66
Klaus Göltenbot ¹¹	2025	20	4	–	24	–	–	–	–	24
Totals	2025	1,559	60	51	1,670	259	44	–	303	1,973
Totals	2024	1,652	65	49	1,766	–	138	3	141	1,907

Notes:

- 1 Taxable benefits comprise car allowance, private medical insurance and life insurance cover for Executive Directors and for Non-Executive Directors covers travel allowance under the Travel Policy.
- 2 None of the Executive Directors are entitled to any benefit under the Essentra Defined Benefit Pension Scheme. The amount stated above is the employer pension contribution (either paid into the Company pension scheme or paid as a pension supplement).
- 3 Jack Clarke stepped down as Chief Financial Officer on 31 December 2024.
- 4 Rowan Baker joined the Board in October 2024.
- 5 Steve Good joined the Board as Paul Lester's replacement on 1 July 2024.
- 6 Paul Lester left the Board on 1 November 2024.
- 7 The value has been updated to reflect the true vested value of the 2022 LTIP (published in the 2024 Annual Report with an approximate value of £84,000 for Scott Fawcett and £95,000 for Jack Clarke).
- 8 2023 LTIP vesting approximate value based on vesting of 10% and average share price over the last three months of 2025 of 100.6p. Value includes £2,463 (Scott Fawcett) relating to dividends accruing on vested shares since grant. The values include zero share price appreciation since grant.
- 9 2024 SAYE discount (15%).
- 10 Ralf K. Wunderlich stepped down as Remuneration Committee Chair in May 2024, but remained a Non-Executive Director until 8 January 2025.
- 11 Klaus Göltenbot joined the Board on 1 September 2025.

CEO pay ratio (unaudited)

This marks the seventh year of publishing our CEO pay ratio. We have opted for Option A in the regulations, utilising full-time equivalent pay and benefits for all UK employees in 2025. This choice ensures a more accurate portrayal of the Chief Executive's compensation relative to the broader UK workforce.

	25th percentile	50th percentile	75th percentile
Salary	£27,444	£37,992	£56,720
Total pay	£29,275	£39,809	£60,103
FY25	28:1	20:1	13:1
FY24*	23:1	16:1	10:1
FY23	38:1	26:1	17:1
FY22	57:1	40:1	25:1
FY21	68:1	54:1	34:1
FY20	38:1	30:1	19:1
FY19	67:1	50:1	36:1

* The CEO pay ratio for 2024 has been updated to reflect the vested value of the 2022 LTIP.

The salaries for employees at specified percentiles represent typical compensation for operational roles, including Warehouse Operative, Maintenance Engineer and Product Compliance Manager. Primarily fixed, these roles have minimal performance-linked components. Ratios are calculated using the Chief Executive's total remuneration for 2025, outlined in the Single Figure Table.

The day by reference to which the Company determined the date for the three percentile employees was 31 December 2025. The Company believes the median pay ratio for the relevant financial year is consistent with the pay, reward and progression policies for the Company's UK employees taken as a whole.

The CEO pay ratio for 2025 has slightly increased to 20:1 at the median, reflecting the slightly higher level of variable remuneration for the Chief Executive compared with 2024. The ratio will naturally vary each year due to the Chief Executive's higher variable remuneration, which is closely linked to Essentra's performance and share price. Consequently, the Remuneration Committee does not set a specific target for the CEO pay ratio. Instead, the Remuneration Committee will yearly evaluate if the ratio's fluctuations align with Company performance and employee reward decisions.

Malus and clawback (unaudited)

Annual bonus and LTIP awards will be subject to malus and clawback provisions as set out in the Remuneration Policy. The potential time periods within which these provisions can be applied have been set by the Remuneration Committee to be consistent with the risk profile of the business and in line with UK market practice. There has been no application of malus and clawback provisions in respect of the Executive Directors during the year.

Annual bonus (audited)

Under the terms of the annual bonus arrangements for 2025, Scott Fawcett and Rowan Baker were potentially entitled to a maximum bonus of up to 150% of basic salary. 50% of bonus earned is deferred in shares for three years and is usually dependent on continued employment.

As outlined in last year's Remuneration Report, the balance of the performance measures for the 2025 annual bonus were intended to align with the Essentra growth strategy. In particular, the metrics were designed to provide a balanced alignment with our goals of generating sustainable, profitable growth and strong cash generation.

As the "gate" for financial performance of the Company was not met in the Committee's determination (as referenced in Committee Chair's letter on page 108), there was no payout in respect of financial or environmental measures and only the element of the bonus based on personal objectives remained eligible for payout.

2025 Annual bonus outturn

Performance measure	Weighting	Entry performance ¹	Target performance ¹	Maximum performance ¹	Actual performance	% of overall bonus payable
Adjusted Operating Profit ²	50%	£33.3m	£37.0m	£40.7m	£32.0m ²	0%
Adjusted Operating Cash Flow ²	20%	£28.3m	£31.45m	£34.6m	£44.0m ²	20%
Environmental-Waste reduction target	10%	3%	6%	10%	6%	5%
Personal objectives	20%					CEO – 17% CFO – 17%
Total formulaic outturn						CEO – 42% CFO – 42%
Bonus after application of operating profit gate						CEO – 17% CFO – 17%

Notes:

- ¹ 10%, 50% and 100% of the relevant portion of the bonus was payable for achieving Entry, on-Target and Maximum performance, respectively.
² As in prior years, outturn was adjusted to be consistent with plan FX rates in order to align with the targets.

Personal objectives 2025

2025 has been a challenging year with the lack of movement in the external market, meaning we were not able to deliver the level of growth anticipated at the start of the year. Whilst we are optimistic about the future, given the adjustment of the adjusted full-year operating profit outturn, we remain vigilant and focused on our strategic growth accelerators. Whilst Health and Safety measures are not explicitly referenced in the below objectives, a safe working environment, both physically and mentally is essential and at the heart of the Management Team's ethos. This is further underpinned by constantly reviewing operational and strategic risks and having mitigations in place.

The following table sets out a summary of the Remuneration Committee's assessment in each of the key areas of strategic performance identified for 2025, as well as the Committee's overall assessment of the outcome for each objective. Generally, the Committee assessed a high level of successful delivery against the personal objectives, which should provide a strong base for future Company growth.

Scott Fawcett – CEO

Strategic area and associated performance target	Weighting	Outturn	Scoring
Execution of strategic roadmap – Defining critical top 10 projects, milestones and delivery	5%	The CEO led the Board through an informed and instructive strategy process. As a consequence, a series of further enhancements to strategy have been developed that received positive Board endorsement. Key milestones achieved within the strategic roadmap included the rollout of the D365 ERP programme across Europe, the implementation of procurement efficiencies that generated cost savings across multiple sites, and the development of our new website enabling offline customers to access our product range across different countries.	Fully met
Growth – Deliver £0.8m in revenue from newly launched products	5%	We are pleased to report strong progress against the growth objective to deliver £0.8m in revenue from newly launched products. Across EMEA and AMERS, new Product Groups were successfully introduced and, collectively, these launches contributed £2.3m of new product sales to the end of October 2025, demonstrating meaningful momentum in expanding our product offering.	Fully met

Strategic area and associated performance target	Weighting	Outturn	Scoring
Growth – Increase in categories per customer and win new business by 5%	5%	Performance against this objective fell short, with a reduction in categories per customer and a modest 2% increase in total new business won.	Partially met
Develop M&A pipeline to enable one executable transaction in 2025	5%	We have made meaningful progress during the year on this objective and acquired Device Technologies in the Americas during Q4 2025. We are continuing to explore other acquisition opportunities and a further bolt-on acquisition was at an advanced stage by the end of the year, with final due diligence findings to be restored before closure.	Fully met
	20%	Outturn	17%

Rowan Baker

Strategic area and associated performance target	Weighting	Outturn	Scoring
Development and implementation of Internal Control Framework aligned to UK Governance Code to enable a successful December 2025 trial declaration	5%	The development and implementation of the Internal Control Framework, aligned to the UK Governance Code, remains on track. The CFO has led the finance team in driving this work, ensuring strong progress towards the December 2025 trial declaration, ahead of the formal declaration required the following year.	Fully met
Growth – Increase in categories per customer and win new business by 5%	5%	Performance against this objective fell short, with a reduction in categories per customer and a modest 2% increase in total new business won.	Partially met
Investor Relations – Successfully re-establish mid-term guidance	5%	The mid-term guidance has been successfully re-established, providing improved visibility for investors. However, the Company's rating has declined since the start of the year, and further engagement with the investment community remains a priority.	Partially met
Develop M&A pipeline to enable one executable transaction in 2025	5%	We have made meaningful progress during the year on this objective and acquired Device Technologies in the Americas during Q4 2025. We are continuing to explore other acquisition opportunities and a further bolt-on acquisition was at an advanced stage by the end of the year, with final due diligence findings to be restored before closure.	Fully met
	20%	Outturn	17%

Equity incentives (audited)

Details of the awards granted and outstanding during the year to the Executive Directors under the LTIP, DASB and SAYE are as follows:

	Date of grant	At 1 Jan 2025	Awarded in 2025	Exercised / transferred in 2025	Lapsed in 2025	At 31 Dec 2025	Share price at date of grant	Earliest vesting date	Expiry date
Scott Fawcett									
LTIP ^{1,5}	04/10/2022	48,021	-	-48,021	-	-	210.5p	04/10/2025	04/10/2027
LTIP ¹	31/03/2023	413,687	-	-	-	413,687	195.8p	31/03/2026	31/03/2028
LTIP ¹	05/04/2024	446,036	-	-	-	446,036	181.6p	05/04/2027	05/04/2029
LTIP ¹	31/03/2025	-	807,815	-	-	807,815	103.8p	31/03/2028	31/03/2030
DASB ^{2,4}	04/10/2022	42,261	-	-42,261	-	-	210.5p	04/10/2025	04/10/2025
DASB ²	31/03/2023	30,519	-	-	-	30,519	195.8p	31/03/2026	31/03/2026
DASB ²	31/03/2024	66,906	-	-	-	66,906	181.6p	05/04/2027	05/04/2029
SAYE2023	01/07/2023	24,042	-	-	-6,364 ³	17,678	169.7p	01/07/2028	01/07/2028
SAYE2024	01/07/2024	4,897	-	-	-4,897 ³	-	151.5p	01/07/2027	01/07/2027
Rowan Baker									
LTIP ¹	31/03/2025	-	635,961	-	-	635,961	103.8p	31/03/2028	31/03/2030

Notes:

- Subject to a two-year holding period post vesting and is calculated as a percentage of base salary.
- DASB is deferred for three years from grant and not subject to any performance conditions and is calculated as 50% of annual bonus awarded.
- SAYE options held by spouse cancelled April 2025.
- In addition, there was an award to the CEO of 9,280 shares relating to accrued dividends in respect of the DASB granted in October 2022.
- LTIP was awarded with a face value at time of grant of £398k for the CEO and saw a total value depreciation of c.30% and vested at 25.38%. The vesting amount includes an additional award of shares relating to accrued dividends of 10,365 shares for the CEO.

LTIP awards (audited)

Performance conditions for LTIP awards made in 2023

Condition	Threshold ¹	Maximum	Actual outturn	Vesting
Compound Annual Growth in Adjusted EPS (50%)	7%	12.50%	-15.00%	0%
Relative TSR versus FTSE 250 ² (30%)	Median	Upper quartile	Below median	0%
ESG comprised of				
Reduction in GHG emissions (10%)	11.50%	17%	42.2%	10.0%
Diversity of gender in Group Leadership Team, including GEC (10%)	28.00%	40%	27.59%	0.0%
Overall vesting				10.0%

Notes:

- 25% vests at threshold, with the exception of the Diversity measure, where 0% vests at threshold.
- FTSE 250, excluding companies in the following industries: basic materials, energy, financial services, real estate, utilities, and travel and leisure.

LTIP awards (audited)

Performance Conditions for LTIP awards made in 2025

Measures	Weighting	Threshold	Maximum
Adjusted EPS growth	50%	If 9.2p is achieved, 25% of the EPS vests	10.9p is achieved, 100% of the EPS vests
Relative TSR versus comparator group of the FTSE 250 index excluding the following industries: basic materials, energy, financial services, real estate, utilities, and travel and leisure	30%	If median rank is achieved, 25% of the TSR element vests	If upper quartile rank is achieved, 100% of the TSR element vests
ESG comprised of GHG reduction comprised of scope 1 and 2 emissions – (10%) Diversity of gender in our Group Leadership team, including the GEC – (10%)	20%	11.5% reduction for 25% of the GHG reduction to vest 30% female representation for 0% of the Diversity target to vest.	17% reduction for 100% of the GHG reduction to vest 40% female representation for 100% of the Diversity target to vest

Share awards granted during the year (audited)

The following conditional share awards were granted to Executive Directors on 31 March 2025.

Executive	Type of award	Number of awards granted	Share price used to determine award	Face value ²	Percentage which vests at threshold
Scott Fawcett	Conditional share award ¹	807,815	103.78p	£838,350 (150% of salary)	25% (EPS, TSR & GHG Measures)
					(0% Diversity metric)
Rowan Baker	Conditional share award ¹	635,961	103.78p	£660,000 (150% of salary)	25% (EPS, TSR & GHG Measures)
					(0% Diversity metric)

Note:

- The performance period for these awards is three financial years to 31 December 2027 plus an additional two-year holding period following vesting. The vesting takes place on the third anniversary of the grant.
- Face value is based on the mid-market share price for dealing day prior to grant date (28 March 2025).

Directors' shareholdings (audited)

The beneficial interests of the current Directors in office and their connected persons at the end of the year, in the issued Ordinary Share capital of the Company were as follows:

There have been no changes in the Directors' interests between 31 December 2025 and the date of this Report.

	Beneficially owned ^{1,4}		LTIP	DASB ³	SAYE Options
	31 Dec 2024	31 Dec 2025	Unvested	Unvested	Unvested
Executive Directors					
Scott Fawcett	123,408	176,043²	1,667,538	97,425	17,678
Rowan Baker		30,009	635,961		
Non-Executive Directors					
Stephen Good	70,000	105,000			
Mary Reilly	16,423	16,423			
Adrian I. Peace	6,630	6,630			
Dupsy Abiola	2,011	2,011			
Kath Durrant	7,500	7,500			
Ralf K. Wunderlich ⁵	180,230	–			
Klaus Göltenbot	n/a	–			

Notes:

- Beneficially owned includes the vested after-tax shares as at 31 December 2024 and 31 December 2025.
- 52,131 shares were sold to cover tax in 2025 (27,858 LTIP + 24,273 DASB).
- The DASB share awards are subject to continued service; however, they are not performance related, but can be counted towards the post-employment shareholding requirements.
- Beneficially owned shares held by Scott Fawcett as at 31 December 2025 include 413 vested LTIP shares that are yet to be exercised.
- This is the number of shares Ralf K. Wunderlich owned when he stepped down as Director.

Scott Fawcett and Rowan Baker are required to build up a shareholding worth 300% and 200% of salary, respectively. Beneficially owned shares include the vested DASB awards and shares held directly. The shareholding guidelines are to be achieved by retaining 50% of post-tax vested shares. The current holdings (which include the vested and unvested DASBs) as a percentage of salary for salary for Scott Fawcett is 325.7% and Rowan Baker is 146.2%.

Salary used is the prevailing annual salary for the year ended 31 December 2025.

The Executive Directors are regarded as being interested in a portion of the 365,793 Ordinary Shares in Essentra plc that are held by the Essentra Employee Benefit Trust ("EBT") as they are, together with other Essentra employees, potential beneficiaries of the EBT.

Year-on-year change in pay for Directors compared to the average of employees (unaudited)

In line with the requirements in The Companies (Directors' Remuneration Policy and Directors' Remuneration Report) Regulations 2019, which implement Articles 9a and 9b of the European Directive 2017/828/EC1 (commonly known as the Revised Shareholder Rights Directive), the table below shows the percentage change in Directors' remuneration and average remuneration of employees from the year ended 31 December 2021 to the year ended 31 December 2025. Given that the Essentra plc entity has no employees, as a voluntary disclosure, data for all employees of the Essentra Group has been included.

	2025			2024		
	Salary	Bonus ¹⁴	Benefits ¹⁵	Salary	Bonus ¹⁴	Benefits
Average employee ¹	-3.53%	-82.54%	-12.56%	1.40%	-35.60%	0.90%
Directors						
Scott Fawcett	3.07%	100%	13.95%	2.60%	-100%	3.90%
Jack Clarke ¹¹	n/a	n/a	n/a	2.60%	-100%	1.40%
Rowan Baker ¹²	528.57%	100%	620.00%	n/a	n/a	n/a
Paul Forman ²	n/a	n/a	n/a	n/a	n/a	n/a
Lily Liu ³	n/a	n/a	n/a	n/a	n/a	n/a
Steve Good	100%	n/a	-100%	n/a	n/a	n/a
Paul Lester ^{4,13}	n/a	n/a	n/a	-14.80%	n/a	n/a
Dupsy Abiola ^{5,13}	5.26%	n/a	n/a	9%	n/a	n/a
Ralf K. Wunderlich ^{6,7,13}	-97.59%	n/a	-90%	-3.90%	n/a	-28.60%
Mary Reilly ^{8,13}	3.33%	n/a	-100%	5.50%	n/a	-33.30%
Kath Durrant ^{9,13}	12.31%	n/a	-100%	24.40%	n/a	-75%
Adrian I. Peace ^{10,13}	4.48%	n/a	75%	7.50%	n/a	-40%
Klaus Göltenbot	n/a	n/a	n/a	n/a	n/a	n/a

Notes:

- ¹ The average employee salary is based on all global employees. The average employee benefits and bonus are based on global employee data located in the UK and USA. The differing approach reflects the information held in global systems and can be subject to foreign exchange differences year on year.
- ² Paul Forman stepped down in 2022.
- ³ Lily Liu stepped down in 2022.
- ⁴ Paul Lester received a reduction in salary reflective 1 January 2023. Paul Lester stepped down on 1 November 2024.
- ⁵ Dupsy Abiola joined in March 2022. 2023 was the first full-year fees paid.
- ⁶ Ralf K. Wunderlich had an increase in fees in May 2022 as a result of taking on additional responsibility. The increase shown relates to a full year on the new fees for 2023.
- ⁷ Ralf K. Wunderlich has significant increase in travel as a Board Champion, and the benefits relate to a taxable travel allowance. Ralf stepped down as Rem Co Chair in May 2024, but remained a Non-Executive Director until 8 January 2025.
- ⁸ Mary Reilly was paid a taxable travel allowance in 2024 but no travel allowance was paid in 2025.
- ⁹ Kath Durrant was paid a taxable travel allowance in 2024 but no travel allowance was paid in 2025.
- ¹⁰ Adrian I. Peace's benefits relate to a taxable travel allowance.
- ¹¹ Jack Clarke joined in 2022, so the perceived increase is due to a partial years data in 2022. Jack did not receive a pay increase in 2023. Jack stepped down on 31 December 2024.
- ¹² Rowan Baker joined on 5 November 2024, so comparison reflects a partial year to a full year.
- ¹³ All NEDS received an increase in June 2024 as noted on page 132 of the 2023 Annual Report.
- ¹⁴ Employee bonus data reflects what was paid within the year, whereas Executive Director "ED" bonuses are reported based on the performance year they relate to. No bonuses were paid in 2025 (relating to 2024); however, bonuses relating to 2025 will be paid in 2026. This results in a 100% change and the timing difference, explains the differing figures shown for Directors and employees in 2025.
- ¹⁵ At the beginning of 2025, the US changed its healthcare benefit provider from Aetna to Blue Cross, resulting in a reduction in premiums.

2023			2022			2021		
Salary	Bonus	Benefits	Salary	Bonus	Benefits	Salary	Bonus	Benefits
17.60%	2.20%	31.00%	-6.30%	17.60%	-7.30%	4.60%	-7.30%	14.60%
n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
34.10%	-27.20%	34.80%	n/a	n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	3.40%	-17.30%	-0.60%	6.30%	n/a	-9.00%
n/a	n/a	n/a	-82.20%	n/a	-47.80%	8.10%	n/a	-9.00%
n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
-10%	n/a	n/a	0%	n/a	n/a	4.80%	n/a	n/a
23.80%	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
7.50%	n/a	133.3% ⁷	15.10%	n/a	16.70%	5.50%	n/a	n/a
0%	n/a	n/a	4.70%	n/a	n/a	12.30%	n/a	n/a
n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
0%	n/a	n/a	58.7%	n/a	n/a	n/a	n/a	n/a
n/a	n/a	53.8%	n/a	n/a	n/a	n/a	n/a	n/a

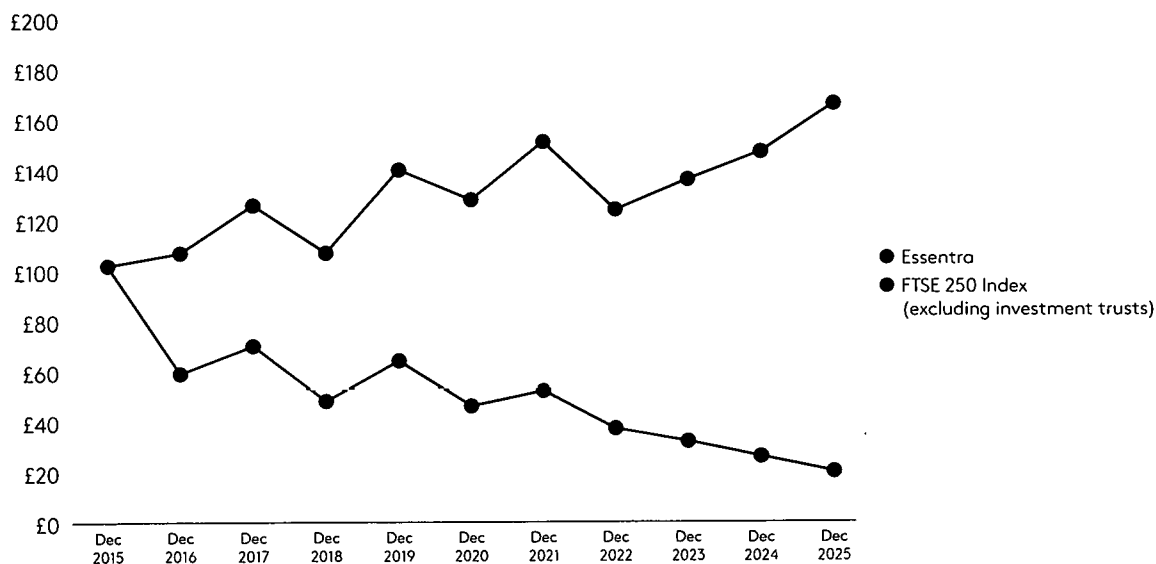
Performance graph (unaudited)

The graph represents the comparative Total Shareholder Return ("TSR") performance of the Company versus the FTSE 250 (excluding investment trusts) index for the last ten years.

This index has been selected as it is considered the most appropriate published general index of which the Company was a constituent for part of this period.

This graph shows the value, by 31 December 2025, of £100 invested in Essentra on 31 December 2015, compared with the value of £100 invested in the FTSE 250 (excluding investment trusts) index.

The other points plotted are the values at intervening financial year ends.



Chief Executive remuneration table (unaudited)

	Colin Day	Paul Forman						Scott Fawcett		
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total remuneration (£000)	876	1,267	1,420	1,296	800	1,483	1,410	1,031	662	811
Annual bonus (% maximum)	-	48	64.2	30.2	-	67	54.9	30	-	17
LTIP vesting (% maximum)	-	-	-	13.5	-	-	-	63.5	25.38	10

Colin Day retired as Chief Executive on 31 December 2016. Paul Forman was appointed as Chief Executive on 1 January 2017 and stepped down on 31 December 2022. Scott Fawcett was appointed as Chief Executive on 1 January 2023. The total remuneration value for Scott Fawcett 2024 has been updated to reflect the true value of the 2022 LTIP (published in the 2024 Annual Report with a total remuneration of £681,000).

Relative importance of spend on pay (unaudited)

	2025 £m	2024 £m	% change
Wages and salaries ¹	83.5	91.7	-9.0
Distributions to shareholders	6.7	10.5	-36.2
Revenue – total ²	302.0	302.4	0.0
Adjusted Operating Profit – total ²	32.0	40.1	-20.2

¹ Wages and salary costs are as per Note 5 of the Consolidated Financial Statements.

² Revenue and Adjusted Operating Profit are included in this analysis as indicators of the continuing operations of the business performance and can be found on page 144 of the Annual Report.

Payments for loss of office (audited)

Payments have been determined by the Remuneration Committee taking into account the Director's contractual entitlements, the rules of the Company's incentive plans and the provisions of the Company's Remuneration Policy (the "Policy") as approved by shareholders at the Company's Annual General Meeting held in May 2024.

As outlined in last year's Remuneration Report, Jack Clarke retired and stepped down as a Director on 31 December 2024 and ceased employment at the end of his notice period on 31 March 2025. As an employee, basic salary and contractual benefits, including pension, continued to be paid as normal to Jack until 31 March 2025 (total of £98,457 for the period) and he remained eligible for a prorated bonus. The Company paid a capped contribution of £3,000 excluding VAT towards legal fees incurred in connection with his departure and no other subsequent termination payments were made.

Payments to past Directors (audited)

As outlined in last year's Remuneration Report, Jack Clarke was treated as a "good leaver" by the Remuneration Committee in relation to his outstanding LTIP awards. In respect of his 2023 LTIP award, the shares are set to vest at 10%, with an estimated value including dividend of £21,395 (the share price used is based on the average share price over the last three months of the financial year).

Executive Director contracts and NED letters of appointment

The Executive Directors have open-ended contracts containing 12 months' notice periods with their reappointment being confirmed annually at the AGM.

The Chair and Non-Executive Directors do not have service contracts; instead, they have letters of appointment for an initial period of three years, which may be terminated at three-months' notice.

Implementation of Remuneration Policy for 2026 (unaudited)

When considering the implementation of the Policy for 2026, the Remuneration Committee was mindful that the executive remuneration framework appropriately addresses the following factors:

Clarity	We provide open and transparent disclosures both internally and externally in relation to our executive remuneration arrangements.
Simplicity	Variable remuneration arrangements for our Executives and our wider workforce are simple in nature with individuals eligible for a bonus and, at more senior levels, a single long-term incentive plan. These are well understood by both participants and shareholders.
Predictability	Our executive remuneration framework contains maximum opportunity levels for each component of remuneration with variable incentive outcomes varying depending on the level of performance achieved against specific measures.
Alignment to culture	The performance measures used for annual bonus and LTIP awards are KPIs, which drive behaviours that are closely aligned to our strategy and Company values.
Proportionality and risk	The Remuneration Committee believes that our variable pay structures provide a fair and proportionate link between Company performance and reward. In particular, the use for Executive Directors of annual bonus deferral, LTIP holding periods and shareholding requirements provide a clear link to the ongoing performance of the Company and, therefore, long-term alignment with stakeholders. For example, the shareholding guideline for Executive Directors continues two years after leaving Essentra. We are also satisfied that the variable pay structures do not encourage inappropriate risk taking. Notwithstanding this, the Remuneration Committee retains an overriding discretion that allows it to adjust formulaic outcomes from incentive plans to guard against disproportionate out-turns. Malus and clawback provisions also apply to both the annual bonus and LTIP.

Salary

Basic salary for each Executive Director is determined by the Remuneration Committee, taking into account the role, responsibilities, performance, experience of the individual and market movement. Any salary change is normally effective in April each year.

We are awarding the CEO and CFO a 3% increase, in line with the wider UK workforce.

Measures	Scott Fawcett £	Rowan Baker £
Annual salary effective from 1 April 2026	592,937	453,200
Annual salary effective from 1 April 2025	575,667	440,000

Benefits

Executive Directors are provided with the following benefits:

- Car allowance
- Private medical insurance with family level cover
- Life assurance cover of four times basic salary.

Pension

In line with best practice, our Executive Directors' pension contributions are aligned with the wider workforce at 5% of salary from appointment.

2026 Annual bonus

Under the terms of the annual bonus arrangements for 2026, the CEO & CFO are potentially entitled to a maximum bonus of up to 150% of basic salary.

The metrics used in the 2026 annual bonus (table below) are intended to align with the strategy of Essentra plc. In particular, the metrics are designed to provide a balanced alignment with our goals of generating sustainable, profitable growth and strong cash generation.

Measures	2025 Weighting %	2026 Weighting %
Adjusted Operating Profit	50%	50%
Adjusted Operating Cash Flow	20%	30%
Strategic Objectives	20%	20%
Environmental targets	10%	n/a

In 2026, we have made adjustments to build back a level of bonus payment, and appropriately incentivise and reward both profit and cash flow performance, whilst ensuring controls are in place to meet business profitability. Those controls will comprise of a 50% cap on payments for the Adjusted Operating Cash Flow metric unless the threshold for Adjusted Operating Profit is met as well as the Committee's overriding discretion to amend the formulaic outturn if it does not consider it appropriate in the context of overall performance. For achieving threshold Adjusted Operating Profit and Adjusted Operating Cash Flow, 10% of the relevant portion of the bonus will be payable. Progress against strategic objectives will be reviewed by the Committee.

Targets are considered to be commercially sensitive so will be disclosed retrospectively in next year's Remuneration Report.

2026 LTIP

An award granted under the LTIP consists of a conditional right to receive shares in the Company, subject to satisfaction of performance conditions over a three-year period. An additional two-year holding period applies. Malus and clawback provisions also apply to LTIP awards for three years from vesting.

The EPS targets for 2028 (which represent a CAGR range of 9.5% to 21.3% relative to 2025) have been set at a level that is considered appropriately challenging following an assessment of a range of relevant factors including the three-year business plan, current consensus and the broader medium-term market outlook. The ESG targets were set with reference to our medium-term aspirations for the relevant metrics.

Prior to vesting, the Remuneration Committee will consider if discretion should be applied, which would include an assessment of whether windfall gains have arisen during the vesting period. The following LTIP awards are intended to be granted to the CEO and CFO during 2026.

	Scott Fawcett	Rowan Baker
Condition		
LTIP awards as a percentage of salary	150%	150%
Condition	Threshold⁴	Maximum
Adjusted EPS in 2028 ¹ (50%)	8p	10.9p
Relative TSR versus FTSE 250 ² (30%)	Median	Upper Quartile
ESG		
GHG ³ – reduction in GHG emissions over the three-year LTIP (10%)	11.50%	17%
Social – Diversity of gender in our Leadership teams both GEC and the GEC-1 (10%)	30%	40%

Note:

- Adjusted EPS is subject to adjustment from portfolio management charges.
- FTSE 250 excluding companies in the following industries: basic material, energy, financial services, real estate, utilities, and travel and leisure.
- Externally audited scope 1 and 2 GHG emissions consistent with our publicly stated commitment to be carbon neutral by 2040.
- 25% vests at threshold, with the exception of the Diversity measure, where 0% vests at threshold.

Non-Executive Director fees

The fees for the Chair are set by the Remuneration Committee, whilst fees for the Non-Executive Directors are determined by the Chief Executive and the Chair. Fee reviews take into account a range of relevant factors, including time commitment and responsibilities for individual Non-Executive Director roles and relevant market data. There is no change to the Non-Executive Directors and Chair fees for 2026.

Annual fee effective £	Chair	Non-Executive Director	Additional fee for Senior Independent Director	Additional fee for Audit and Remuneration Committee Chairs	Additional fee for sustainability Committee Chair	Additional fee for Employee Champions
From 1 Jan 2025	230,000	60,000	10,000	13,000	11,000	10,000

Statement of shareholder voting (unaudited)

The results of shareholder voting in relation to the approval of the Directors' Remuneration Policy at the 2024 AGM and the Directors' Remuneration Report at the 2025 AGM, respectively, were as follows:

	Annual Report on Directors Remuneration excluding the Policy (2025 AGM)		Remuneration Policy Report (2024 AGM)	
	No. of votes	%	No. of votes	%
In favour	232,916,156	99.83	224,694,046	92.79
Against	405,168	0.17	17,470,356	7.21
Total votes	233,321,324		242,164,402	
Abstentions	19,019	–	7,079	–

THE DIRECTORS' REMUNERATION POLICY REPORT

Summary

The Directors' Remuneration Policy Report (the "Policy Report") sets out the policies under which the Executive and Non-Executive Directors are remunerated.

The current Directors' Remuneration Policy was approved by our shareholders at the AGM in 2024. The current Policy Report, as approved, can be found in full in the Essentra Annual Report 2023, a copy of which can be downloaded from [essentraplc.com](https://www.essentraplc.com).

The following pages contain a summary of the Policy.

1. Overview

The role of the Remuneration Committee is to ensure that the Remuneration Policy and practices of the Company are designed to support strategy and promote long-term sustainable success, reward fairly and responsibly with a clear link to corporate and individual performance, having regard to statutory and regulatory requirements.

The Remuneration Committee determines and recommends to the Board the framework for the remuneration of the Executive Directors and the Chair of the Board. The remuneration of the Non-Executive Directors is the responsibility of the Board as a whole. No Director is involved in determining or voting on their own remuneration.

The Chief Executive's remuneration proposals for the other members of the GEC, including the Company Secretary, are reviewed by the Remuneration Committee, and the Remuneration Committee's recommendations with regards to those proposals are made to the Board.

The Remuneration Committee also takes note of the Remuneration Policy as detailed by the Chief Executive in respect of other levels of management in the Company and makes such recommendations to the Chief Executive as the Remuneration Committee deems appropriate. The Remuneration Committee has regard to the proposed Remuneration Policy for other management and employees across the Group, when determining recommendations on remuneration for the Executive Directors and other senior executives. The Remuneration Committee places significant focus on, and spends considerable time reviewing, the risks surrounding the Company's existing remuneration policies on an annual basis and has determined that there are currently no significant concerns with the structure or operation of the Remuneration Policy.

The Remuneration Committee's main responsibilities are to:

- develop the Company's Remuneration Policy for the Chair, Executive Directors, the members of the GEC and other senior executives, covering basic salary, bonus, long-term incentives, retirement provisions and other benefits;

- strike an appropriate balance between:
 - the fixed and variable; and
 - the cash and equity-related components of total remuneration packages.
- review and determine the terms of employment and remuneration of the individual Executive Directors and nominated senior management, including any specific retirement or severance terms;
- determine the remuneration of the Chair of the Board;
- establish and review the operation of any employee share plans, including the granting of awards, the setting and testing of performance conditions and exercising of any awards under long-term incentive plans;
- review the workforce remuneration and related policies and the alignment of incentives and reward with the Company culture; and
- select, appoint and determine the Terms of Reference for independent consultants to advise the Remuneration Committee on remuneration matters.

In determining the Policy for the Executive Directors, the Remuneration Committee's key objectives are to:

- ensure that senior executives' remuneration is designed so as to attract, retain and motivate high-quality executives in a manner that aligns their remuneration with the interests of shareholders and other stakeholders, particularly in the design of the performance-related elements of their remuneration packages and their shareholding guidelines;
- promote the achievement of both the Company's annual and longer-term strategic objectives. The Remuneration Committee considers the alignment of Company performance and the remuneration of its senior executives, including the Executive Directors, to be an important element of driving shareholder value. It believes that senior executives should be highly rewarded (on a market-competitive basis) for the delivery of stretching goals, but should also receive reduced rewards when the business does not perform to expectations; and

- encourage Executive Directors to act in a fair and responsible manner without unnecessary risk taking, having regard to the long-term performance of the Company.

The Remuneration Committee considers all elements of the remuneration package as a whole. It looks to ensure that an appropriate balance is maintained between them so that the need for both short-term success and long-term sustainable growth is recognised. The Remuneration Committee also ensures that non-financial business measures and individual objectives reflect adequately the Company's Environmental, Social and Governance ("ESG") responsibilities.

2. Summary of components of Executive Directors' remuneration

The Remuneration Committee structures Executive Directors' remuneration in two distinct parts:

- Fixed remuneration of basic salary, pension provision and benefits
- Variable performance-related remuneration in the form of cash bonuses, deferred share bonuses and long-term incentive arrangements

Remuneration for Executive Directors is structured so that the variable performance-related pay element forms a significant portion of each package.

A significant portion of total remuneration at the maximum performance level will derive from the Company's long-term incentive arrangements. All incentives are designed to be aligned to the delivery of Essentra's strategic priorities.

3. Policy table

Basic salary

Purpose and link to strategy

To reflect the particular skills and experience of an individual and to provide a competitive basic salary.

Operation

Generally reviewed annually with any increase normally taking effect from 1 April, although the Remuneration Committee may award increases at other times of the year if it considers it appropriate.

The review takes into consideration a number of factors, including (but not limited to):

- the individual Director's role, experience and performance;
- business performance;
- pay and conditions elsewhere in the Group;
- market data for comparable roles in appropriate pay comparators;
- overall external climate around the cost of living.

Opportunity

No absolute maximum has been set for Executive Director base salaries.

Any annual increase in salaries is at the discretion of the Remuneration Committee, taking into account the factors stated in this table and the following principles:

- Salaries would typically be increased at a rate consistent with the average salary increase (in percentage of salary terms) for the relevant workforce.
- Larger increases may be considered appropriate in certain circumstances (including, but not limited to, a change in an individual's responsibilities or in the scale of their role or in the size and complexity of the Group).
- Larger increases may also be considered appropriate if a Director has been initially appointed to the Board at a lower-than-typical salary.

Performance measure

Not applicable.

3. Policy table CONTINUED

Bonus

Purpose and link to strategy

To ensure the delivery of Company performance-related objectives, aid retention and to align Directors' interests with those of the Company's shareholders.

Operation

One half of the total bonus is usually paid in cash shortly after the announcement of the annual results.

The other half is usually deferred into shares in the Deferred Annual Share Bonus Plan (the "DASB"), which will normally vest after three years subject to continued service.

Performance is assessed against measures and targets, which are established by the Remuneration Committee. As performance increases so does the percentage payable up to the maximum.

The bonus is subject to malus and clawback provisions for a period of three years following the determination of the bonus. Circumstances in which these provisions could be applied by the Remuneration Committee include material misstatement in the Company's Financial Statements, error in assessing the performance conditions, a material failure in risk management, serious misconduct or material error by an individual, business failure or serious reputational damage to the Company, or a relevant business unit.

An additional payment (in the form of cash or shares) may be made in respect of shares that vest under deferred awards to reflect the value of dividends that would have been paid on those shares during the deferral period (this payment may assume that dividends had been reinvested in Company shares on a cumulative basis).

Opportunity

150% of basic salary.

Performance measure

The bonus will be based on performance using appropriate financial, strategic and individual performance measures.

The majority of the bonus will normally be determined by measure(s) of the Company's financial performance. The remainder of the bonus will be based on financial, strategic, ESG, operational or other suitable business measures appropriate to the individual Director.

No more than 20% of each financial measure will be payable at threshold performance.

Long-Term Incentive Plan ("LTIP")

Purpose and link to strategy

To drive the long-term delivery of the Company's strategic objectives, aid retention and to align Directors' interests with those of the Company's shareholders.

Operation

An annual grant of performance share awards, usually with a three-year performance and additional two-year holding period.

Awards are subject to the LTIP plan rules, including malus and clawback provisions for a period of three years following the vesting of the awards. Circumstances in which these provisions could be applied by the Remuneration Committee include material misstatement in the Company's Financial Statements, error in assessing the performance conditions, a material failure in risk management serious misconduct or material error by an individual, business failure or serious reputational damage to the Company or a relevant business unit.

An additional payment (in the form of cash or shares) may be made in respect of shares that vest under LTIP awards to reflect the value of dividends that would have been paid on those shares during the period up to the release of the shares (this payment may assume that dividends had been reinvested in Company shares on a cumulative basis).

Opportunity

An award to any Executive Director would be limited to a maximum of 300% of salary.

Performance measure

Vesting will be subject to performance conditions as determined by the Remuneration Committee on an annual basis.

The performance conditions will usually be some combination of relative TSR, adjusted EPS, adjusted cumulative operating cash flow, ESG and a capital return measure, although the Remuneration Committee will retain discretion to use alternative performance measures that are aligned to the corporate strategy.

The Remuneration Committee may adjust the weightings of the performance conditions for each award, although, usually, each condition would have a weighting in the range of 10% to 40% of the award.

Performance will usually be measured over a three-year period.

Up to 25% of each element vests at threshold performance, usually rising on a straight-line basis for performance up to the maximum level for full payment. If below threshold performance, that element of the award will not vest.

Employment and Post-Employment Shareholding guideline

Purpose and link to strategy

To align the interests of Executive Directors and shareholders, encourage a focus on long-term performance and risk management.

Operation

Whilst in employment, Executive Directors are expected to build up a shareholding worth 300% of salary for the Chief Executive and 200% for the Chief Financial Officer. The shareholding is to be built up by retaining a minimum of 50% of post-tax vested shares (subsequent to the 2021 AGM).

The Remuneration Committee will review progress towards the guidelines on an annual basis and has the discretion to adjust the guidelines in what it feels are appropriate circumstances.

Executive Directors will also be expected to remain compliant with the above guideline for a period of two years post-employment. This guideline applies to shares from incentive awards released subsequent to the 2021 AGM. The Remuneration Committee would retain discretion to waive this guideline if it is not considered appropriate in the specific circumstances.

Non-Executive Directors are encouraged to hold a minimum of 7,500 shares.

Opportunity

Not applicable.

Performance measure

Not applicable.

Pension

Purpose and link to strategy

To provide cost-effective long-term benefits comparable with similar roles in similar companies.

Operation

A contribution to a defined contribution plan or paid as a cash supplement.

Opportunity

The Executive Directors have a pension provision in line with the relevant workforce. This is currently 5% of base salary.

Performance measure

Not applicable.

Employee Plans – Sharesave

Purpose and link to strategy

To create alignment of employees' interests with those of shareholders.

Operation

Under the UK Sharesave, employees (including Executive Directors) are invited to enter a savings contract of three years or five years, whereby the proceeds can be used towards the exercise of an option granted at the time they choose to participate. The Remuneration Committee has the discretion to set the option price up to a 20% discount on the share price in line with HMRC legislation.

An equivalent US plan is operated under applicable US tax legislation, with options granted at up to a 15% discount on the share price.

Opportunity

For the UK plan, shares worth up to the value of the savings an Executive Director makes over the saving period at the previously agreed option price may be purchased. The savings amount is subject to the HMRC limit, currently £500 per month.

The US Plan is usually limited to the monthly dollar equivalent of the UK Sharesave plan.

Performance measure

The Remuneration Committee agrees the annual discount to be applied to the Sharesave schemes. No performance conditions apply to All-Employee Plans.

3. Policy table CONTINUED

Other benefits

Purpose and link to strategy

To provide cost-effective benefits comparable with similar roles in similar companies.

Operation

Other benefits include family medical expenses, life insurance and car allowance.

The Remuneration Committee may vary these benefits from time to time to suit business needs, but they will usually be provided on broadly similar terms to those offered to other Group employees.

Executive Directors are entitled to the reimbursement of reasonable expenses plus any associated tax thereon.

Opportunity

There is no overall maximum, as the level of benefits depends on the annual cost of providing individual benefits in the relevant local market and the individual's specific role.

Performance measure

Not applicable.

Chair and Non-Executive Directors – Fees

Purpose and link to strategy

To attract a high-calibre Chair and Non-Executive Directors with the relevant experience and skills.

Operation

A basic fee is payable to the Chair and Non-Executive Directors ("NEDs") with supplementary fees for those NEDs with additional responsibilities, such as acting as Senior Independent Director, chairing a Board Committee, an additional defined role, such as a Board Champion, or for a significantly increased time commitment.

Additional payments may be made to NEDs for time spent travelling on Company business.

Fees are reviewed periodically with reference to market levels in companies of a comparable size or complexity, and taking account of the responsibilities and time commitment of each role.

The Chair and the NEDs do not participate in the Group's incentive arrangements or pension plan.

Where travel to the Company's registered office is recognised as a taxable benefit, the Chair or NEDs may receive the grossed-up costs of travel as a benefit. The Company may also meet the costs (including tax thereon) of providing tax advice and tax return assistance for international NEDs.

The Chair and NEDs are entitled to reimbursement of reasonable expenses plus any associated tax thereon.

Opportunity

Fees for the current year are stated in the Annual Report on Remuneration.

Fee increases may be greater than those of the wider workforce in any particular year as they reflect changes to responsibilities and time commitments and the periodic nature of any increases.

Performance measure

Not applicable.



KATH DURRANT
Chair of the Remuneration Committee

17 March 2026

The Directors present their Report prepared in accordance with the Companies Act 2006, which requires the Company to provide a fair review of the business of the Group during the financial year ended 31 December 2025 and audited Financial Statements of the Company and its subsidiary undertakings for the year ended 31 December 2025.

The Company is a public company limited by shares, which are traded on the London Stock Exchange. Its Registered Office is Langford Locks, Kidlington, Oxford OX5 1HX.

In accordance with the UK Financial Conduct Authority's Listing Rules (LR 9.8.4C), the information to be included in the Annual Report and Accounts, where applicable, under LR 9.8.4, is set out in the Directors' Report.

The Directors' Report comprises pages 72 to 137, and where information has been included in the Strategic Report sections of the Annual Report this has been incorporated by reference and set out as per the below:

	Page/s
Membership of the Board during 2025 financial year	76 to 78
Financial instruments and financial risk management	30 to 32
CO₂ emissions	43
Corporate Governance Report	82 to 86
Future developments of the business of the Group	18 to 25
Employee diversity	48 to 49
Stakeholder engagement and s172 Report	68 to 71
TCFD disclosures	54 to 60

Results and dividends

The adjusted profit after tax for the year ended 31 December 2025, was £20.2m (2024: £27.6m).

Reported profit after tax for the year ended 31 December 2025, was £2.1m (2024: £10.6m).

Adjusted basic earnings per share from continuing operations was 6.1p (2024: 8.5p).

Reported basic earnings per share from continuing operations was 0.7p (2024: 4.0p).

As at 17 March 2026, the Company has paid the following dividend in respect of the year ended 31 December 2025.

	Per share p	Total £m
Interim dividend paid 24 October 2025	0.8	2.3

The Directors recommend that a final dividend of 1.2p (2024: 1.55p) per share be paid, making a total dividend distribution for the year of 2.0p (2024: 2.8p).

The final dividend, subject to shareholders approval at the AGM, will be paid on 3 July 2026 to shareholders on the register on 15 May 2026. The ex-dividend date will be 14 May 2026.

The Company announced a Special Dividend and Share Buyback Programme on 2 February 2023, using the proceeds of the sale of the Filters and Packaging businesses. The Share Buyback Programme commenced on 29 March 2023 and remains ongoing.

As at 31 December 2025, the Company has purchased 18,501,728 shares for a total consideration of £31,124,379 and retained 3,127,057 shares in Treasury.

Directors

As at 31 December 2025 the Board of Directors comprised:

Steve Good	Non-Executive Chair
Scott Fawcett	Chief Executive
Rowan Baker	Chief Financial Officer
Dupsy Abiola	Non-Executive Director
Kath Durrant	Non-Executive Director
Mary Reilly	Non-Executive Director
Klaus Gölldenbot	Non-Executive Director
Adrian I. Peace	Non-Executive Director

The Company requires all Directors appointed since the last AGM to be elected at the following AGM and for all other Directors to be re-elected at each AGM.

Klaus Gölldenbot was appointed to the Board on 1 September 2025 as a Non-Executive Director and will, therefore, stand for election at the AGM in 2026.

None of the Non-Executive Directors have service contracts. In accordance with the Company's Conflicts of Interest Policy, Directors are required to review their potential conflicts of interest at least on an annual basis and to notify any changes to the Company Secretary as soon as possible.

During 2025, the current register of conflicts was approved at each Board meeting. At no time during the year was a Director considered to have a conflict with a matter under consideration by the Board.

At no time during the year has any Director had any material interest in a contract with the Group, being a contract of significance in relation to the Group's business. A statement of Directors' interests in shares of the Company, as at 31 December 2025 and as at the date of this Report, is shown on page 119.

Share capital

The issued share capital of the Company is shown in Note 20 of the Notes to the Financial Statements.

On 31 December 2025, there were 288,264,801 Ordinary Shares of 25p each in issue including 3,127,057 Ordinary Shares of 25p each held in treasury. The rights and obligations attaching to the Company's Ordinary Shares, and the provisions governing the appointment and replacement of, as well as the powers of, the Company's Directors, are set out in the Company's Articles of Association, copies of which can be obtained from Companies House in the UK or by writing to the Company Secretary.

There are no restrictions on the voting rights attaching to the Company's Ordinary Shares or on the transfer of securities in the Company, except, in the case of transfers of securities:

- that certain restrictions may from time to time be imposed by laws and regulations (for example, insider trading laws); and
- whereby, pursuant to the Listing Rules of the Financial Conduct Authority, certain employees of the Company require approval of the Company to deal in the Company's Ordinary Shares

No persons hold securities in the Company carrying special rights with regard to control of the Company. The Company is not aware of any agreements between holders of securities that may result in restrictions on the transfer of securities or on voting rights.

Unless expressly specified to the contrary in the Articles of Association of the Company, the Company's Articles of Association may be amended by special resolution of the Company's shareholders.

Articles of Association

There are no rules relating to the amendment of the Articles of Association other than the usual tabling of proposed amendments through resolutions tabled at the AGM.

Substantial shareholders

The Company has received notification that the following were interested in voting rights representing 3% or more of the Company's issued share capital at 31 December 2025:

	% holding
FIL Limited	13.14%
SFM UK Management LLP	10.42%
FMR LLC	8.66%
Ninety One UK Limited	5.27%
Artisan Partners Limited Partnership	5.11%
Invesco	5.05%
Kambiz Nourbakhsh	5.05%
Blackrock Inc	5.01%
Heronbridge Investment Management LLP	4.96%
Massachusetts Financial Services Company	4.90%

Employees

As at 31 December 2025, the Company employed 2,998 people, globally, including 442 people in the UK. Information on the Company's policies on employee recruitment, engagement and the employment of disabled persons can be found on pages 48 to 49.

Political contributions

In line with Group policy, the Company made no political contributions (2024: £nil).

Environmental

The disclosures concerning CO₂ emissions required by law are included in ESG section on page 43. The Company's approach to ESG forms a key element of its strategy.

The Company minimises its carbon footprint where possible, which includes using public transport and has never operated or used private aeroplanes.

Directors' indemnities

During the year, and as at the date of signing of the Financial Statements and this Report, qualifying third-party indemnities are in force under which the Company has agreed to indemnify the Directors and the Company Secretary, in addition to other senior executives who are Directors of subsidiaries of the Company, to the extent permitted by law and the Company's Articles of Association, in respect of all losses arising out of or in connection with the execution of their powers, duties and responsibilities as a Director or Officer of the Company or any of its subsidiaries, including the pension scheme trustee companies. The scope of the indemnities extends to include liabilities to third parties.

Significant agreements

The Company has a multi-currency revolving credit facility ("RCF") of which £24.0m was drawn from a facility of £200.0m as at 31 December 2025. The RCF has a maturity date of July 2030 (the Company, in June 2025, exercised a one-year extension to the RCF). The RCF is based on the same terms and size and is provided by a group of five banks, including four from the original RCF facility.

The Company holds \$102.5m of medium-and long-dated debt in unsecured private placement ("USPP") notes.

Change of control

As at 3 March 2026, Computershare Trustees (Jersey) Limited (Computershare) was the trustee of an Employee Benefit Trust ("EBT") for the Company's share incentive plans.

Computershare holds shares under the trust deed constituting the EBT. In the event of a takeover offer, which could lead to a change of control of the Company, the trustee would abstain from voting in line with the Investment Association Guidelines (formerly the ABI guidelines) and in accordance with clause 3.3 of the trust deed.

The rights of employees under share incentive plans regarding the control of the Company are typically exercisable through the exercise of the options granted under the plan. These options can be contingent on meeting certain performance targets aligned with Company objectives. When an employee exercises an option, they become a shareholder in the Company.

Annual General Meeting

The AGM of the Company will be held at Langford Locks, Kidlington, Oxford OX5 1HX on 20 May 2026 at 13:00. The meeting will be held in person with a virtual, non-voting link, for shareholders who may wish to join.

Details of how to join virtually are available in the AGM Notice.

In addition to the ordinary business of the AGM, resolutions in respect of the following matters of special business are included in the Notice of Annual General Meeting, which cover the matters that follow.

Authority to allot unissued shares

At the 2025 AGM, the Directors were granted authority to allot relevant securities up to a nominal amount of £23,632,351, which expires at the end of the forthcoming AGM.

At this year's AGM, shareholders will be asked to grant the Directors' authority to allot shares or grant rights to subscribe for, or convert, any security into shares:

- i. up to an aggregate nominal amount of £23,738,478 representing approximately one-third of the Company's issued share capital, excluding treasury shares, at 2 March 2026 (such an amount to be reduced by the nominal amount allotted or granted under section below in excess of such sum); and
- ii. comprising equity securities up to an aggregate nominal amount of £47,476,957 representing approximately two-thirds of the issued share capital (excluding treasury shares) at 2 March 2026 (such an amount to be reduced by any allotments or grants made under section (i) above) in connection with an offer by way of a rights issue.

The proposal conforms to the guidelines issued by the institutional investment protection bodies to ensure that existing shareholders' interests are safeguarded. The Directors have no present intention of exercising either of these authorities, which will expire at the end of next year's AGM (or, if earlier, the close of business on 20 August 2027), except in relation to share options.

Allotment of shares for cash

At the 2025 AGM, shareholders approved a special resolution to enable the Directors to allot shares for cash without first offering them to existing shareholders in proportion to their existing shareholdings. That approval expires at the end of the forthcoming AGM and resolutions 14 and 15 in the Notice of AGM seek to renew it.

Following changes in the Pre-Emption Group's Statement of Principles, made in November 2022, and the updated guidance on Share Capital Management Guidelines, which was issued by the Investment Association in February 2023, the Company intends to, again, seek a resolution that authorises the disapplication of pre-emption rights in respect of up to an aggregate nominal amount of £7,121,543 (representing 28,486,172 Ordinary Shares).

This aggregate nominal amount represents approximately 10% of the issued Ordinary Share capital of the Company (excluding treasury shares). The Board did not use this authority last year.

In addition to the above Resolution, the Company seeks a Resolution that authorises the disapplication of pre-emption rights in respect of up to an aggregate nominal amount of £7,121,543 (representing 28,486,172 Ordinary Shares) in connection with acquisitions and other capital investments, which is in line with the Pre-emption Group's Statement of Principles and the guidance of The Investment Association. This aggregate nominal amount represents an additional 10% of the issued Ordinary Share capital of the Company (excluding treasury shares).

The Board did not use this authority last year and does not currently intend to make use of these resolutions. The Board continues

to believe the flexibility that the increased levels to which pre-emption rights may be disappplied, provides the Company flexibility for future opportunities; however, the Board intends to only issue any amount in excess of one-third on a fully pre-emptive basis. The Board, therefore, supports both these resolutions, which seek authority to disapply pre-emption rights at the amount of 10% of the Ordinary Share capital (excluding treasury shares).

These authorities will expire at the conclusion of the following AGM or, if earlier, on 20 August 2027. The proposal conforms to the guidelines issued by the institutional investment protection bodies to ensure that existing shareholders' interests are safeguarded.

Purchase of own shares

The Company announced on 2 February 2023, the intention to launch a share buyback programme of approximately £60m ("Share Buyback Programme"), which commenced following the Company's Full-Year results on 29 March 2023. The Share Buyback Programme returns funds to shareholders following the sale of the Filters and Packaging businesses.

The purpose of the Share Buyback Programme is to return funds to shareholders following the divestment of the Filters and Packaging businesses during 2022 and this has reduced the share capital of the Company. The Directors consider the Share Buyback Programme to be in the best interests of the Company and of its shareholders generally, and it is expected over the long term that the implementation of the Share Buyback Programme will enhance earnings per share.

To support the ongoing Share Buyback Programme, the Board have proposed a resolution, which would

authorise the Company to purchase 10% (excluding any treasury shares) of its own shares, which will be put to shareholders at the 2026 AGM.

Under the arrangements for the Share Buyback Programme, shares once purchased, will be cancelled or held in treasury. The power would apply until the end of next year's AGM (or if earlier, 20 August 2027).

Other than the Share Buyback Programme, the Directors have no immediate plans to exercise this authority, but will keep under review the need to do so in light of business and investment opportunities. Purchases of the Company's own shares, where made, would be in the best interests of the Company and of its shareholder generally and could generally be expected to result in an increase in earnings per share.

In accordance with the requirements of the Listing Rules of the Financial Conduct Authority, the minimum price (exclusive of expenses), which may be paid for a share, is its nominal value and the maximum price (exclusive of expenses) for shares that may be paid is the highest of: (i) an amount equal to 105% of the average market value for a share for the five business days immediately preceding the date of the purchase; and (ii) the higher of the price of the last independent trade and the highest current independent bid on the trading venues where the purchase is carried out.

During the financial year ending

31 December 2025, 500,000 Ordinary Shares were transferred out of Treasury by the Company to satisfy share options under the Company's share incentive plans.

No dividends have been paid on shares while held in Treasury and no voting rights attach to the treasury shares.

External Auditor

PricewaterhouseCoopers LLP have expressed their willingness to continue to be appointed as External Auditor of the Company. Upon the recommendation of the Audit and Risk Committee, resolutions to appoint them as External Auditor and to authorise the Directors to determine their remuneration will be proposed at the AGM.

Recommendation

The Directors believe that the resolutions in the Notice of Annual General Meeting are in the best interests of the Company and its shareholders as a whole, and unanimously recommend that shareholders vote in favour of each resolution.

Derivatives

Information related to derivatives is included in the Accounting Policies on page 156 and in Note 15 and Note 19 to the Notes of the Consolidated Financial Statements.

Going concern

The Directors have prepared the Consolidated Financial Statements for the year ended 31 December 2025 on a going concern basis. In adopting the going concern basis, the Directors have considered the Group's balance sheet position, forecast earnings and cash flows for a period of at least 15 months from the date of approval of these Consolidated Financial Statements.

Information regarding the financial position of the Group, its cash flows, liquidity position and borrowing facilities are described in the Financial Review on pages 30 to 32. In addition, Note 19 to the Consolidated Financial Statements includes the Group's objectives, policies and processes for managing its capital, its financial risk-management objectives, details of its financial instruments and hedging activities and exposures to credit, market and liquidity risk. Cash balances and borrowings are detailed

in Note 22 to the Consolidated Financial Statements.

At 31 December 2025, the Group's external financing arrangements amounted to £275.9m, comprising United States Private Placement Loan Notes ("USPP") of US\$102.5m (with a range of expiry dates from July 2028 to July 2033) and a multi-currency revolving credit facility ("RCF") of £200.0m (expiring in July 2030).

£24.0m (2024: £26.1m) was drawn under the RCF as at 31 December 2025 with the available undrawn balance amounting to £176.0m (2024: 173.9m). The facility is subject to two covenants, which are tested semi-annually: net debt to EBITDA ("leverage") and EBITA to net finance charges. Despite the significant economic and operational challenges in recent years, the Group has not sought to change either of the two covenants. The Directors believe that the Group is well placed to manage its business risks and, after making enquiries, including a review of forecasts and predictions, taking account of reasonably possible changes in trading performances and considering the existing borrowing facilities, including the available liquidity, have a reasonable expectation that the Group has adequate resources to continue in operational existence for at least the next 15 months following the date of approval of the Financial Statements, and no breaches of covenants are expected.

As part of the going concern assessment, the Board has considered a downside scenario that includes severe, but reasonably plausible changes in macro-economic conditions. The results of this scenario show that there is sufficient liquidity in the business for a period of at least 15 months from the date of approval of these Financial Statements and does not indicate any covenant breach during the test period. The downside scenario assumes a period of prolonged market decline in 2026, and subsequently delays in market

recovery to 2027. The downside scenario also assumes a market environment in which the business cannot win market share to the extent included in the strategic plan, and incorporates the transition risks associated with a "middle of the road scenario" without the inclusion of any opportunities from the climate change quantitative analysis. These opportunities include reduced energy costs through the implementation of renewable energy and increased revenue from sales of components into renewable energy sectors.

The financial impact of the severe but plausible downside scenario in 2026 and H1 2027 is a reduction in adjusted operating profits by 14% and 22%, respectively, compared to the Group strategic plan. There is no break in covenants with £71m and £92m of net debt headroom in 2026 and H1 2027 respectively.

The overall level of liquidity (defined as available undrawn borrowing facility plus cash and cash equivalent) at 31 December 2025 was £212.2m. Capital expenditure, sales and general overhead, and working capital will continue to be managed closely to ensure sufficient liquidity. Substantial liquidity remains within the severe but plausible downside scenario.

The scenarios, including assessment of risk relating to cyber events, do not indicate a material uncertainty that may cast significant doubt over the Company's and Group's ability to continue as a going concern. Based on these and taking into consideration the risks detailed in Note 19 to the Consolidated Financial Statements, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future, and accordingly, have adopted the going concern basis in preparing the Consolidated Financial Statements. This disclosure has been prepared in accordance with the Financial Reporting Council's UK Corporate Governance Code.

Long-term viability statement

In accordance with provision 31 of the 2024 Code, the Directors have assessed the long-term viability of the Company over the three-year period to December 2028.

The assessment has been based on the Company's strategic plan, balance sheet and financing position, and the potential impact of the key risks and uncertainties described as part of the Financial Statements.

The Company strategy has been translated into a three-year strategic plan comprising a one-year detailed budget and a financial forecast for the following two years. The plan will be subject to annual updates by management and review by the Board.

As a consequence, the Directors have chosen a three-year time horizon for the Long-Term Viability Statement ("LTVS") as being an appropriate timeframe for assessing the viability of the Company, as this is the period reviewed by the Board in its strategic planning process.

The Directors believe that this presents a reasonable degree of confidence over this longer-term outlook. However, the Directors have also given due consideration to any potential significant risks beyond this time horizon.

Scenario 1	Level of severity tested
Environment, Social and Governance (low)	Transition risks assumed, without opportunities from the climate change quantitative analysis, and a "middle-of-the-road" scenario, leading to an increase in operating profit of £0.3m, for 2026, 2027 and 2028.
Operational and Supply Chain disruption (low)	n/a
Macroeconomic environment (low)	£0.6m reduction in 2026, with a subsequent reduction in operating profit of £2.3m in 2027 and £2.4m in 2028.
Delivery of key growth initiatives (low)	£1.7m reduction in 2026, with a subsequent reduction in operating profit of £1.8m in 2027 and £1.8m in 2028.
Scenario 2	Level of severity tested
Environment, Social and Governance Environment, Social and Governance (severe)	Transition risks from the climate change quantitative analysis, and middle-of-the-road scenario, leading to a reduction in operating profit of £0.9m in 2026, 2027 and 2028.
Operational and Supply Chain disruption (severe)	Net impact of business disruption to operating profit of £10.0m in 2026.
Macroeconomic environment (low)	£0.6m reduction in 2026, with a subsequent reduction in operating profit of £2.3m in 2027 and £2.4m in 2028.
Delivery of key growth initiatives (low)	£1.7m reduction in 2026, with a subsequent reduction in operating profit of £1.8m in 2027 and £1.8m in 2028.
Scenario 3	Level of severity tested
Environment, Social and Governance (severe)	Transition risks from the climate change quantitative analysis, and middle of the road scenario, leading to a reduction in operating profit of £0.9m in 2026, 2027 and 2028.
Operational and Supply Chain disruption (severe)	Net impact of business disruption to operating profit of £10.0m in 2026.
Macroeconomic environment (severe)	£3.9m reduction in 2026, with a subsequent reduction in operating profit of £5.8m in 2027 and £5.9m in 2028.
Delivery of key growth initiatives (severe)	£3.4m reduction in 2026, with a subsequent reduction in operating profit of £3.4m in 2027 and £3.5m in 2028.

This assessment includes the potential financial impact of the following Principal Risks materialising over the three-year period:

- Climate change-related transition risks and opportunities
- Business disruption, including operational impacts as a result of a cyber-related event
- Macroeconomic environment uncertainty
- Delivery of growth initiatives

In order to support the assessment of the viability, the Directors have considered three realistic and plausible scenarios. The Directors have assumed that the Principle Risks in each scenario would crystallise simultaneously. In Scenario 3, the Directors have considered the worst case events from each of the selected Principal Risks. In all of the scenarios assessed, there is no indication of potential breaches of banking covenants, and there remains sufficient liquidity headroom from the Group's current borrowing facilities. In making the assessment, the Directors have assumed that capital markets and bank funding will continue to be available over the period. Furthermore, management would be in a position to implement effective mitigation actions to reduce the impact from a potential risk event and to preserve cash resources.

Mitigating actions considered by management include the availability of alternative sources of funding, cost rationalisation measures, working capital and capital expenditure management and potential disposal of non-core assets.

Based on the viability assessment undertaken, the Directors have a reasonable expectation that the Group will be able to continue in operational existence and meet its liabilities as they fall due over the period of the assessment.

Directors' statement as to the disclosure of information to the External Auditor

As required by Section 418 of the Companies Act 2006, the Directors who were members of the Board at the time of approving this Report, having made enquiries of fellow Directors and of the External Auditor, confirm that:

- as far as each Director is aware, there is no relevant audit information of which the Company's External Auditor is unaware;
- each Director has taken all reasonable steps that they ought to have taken as a Director to ascertain any relevant audit information, and to ensure that the Company's External Auditor is aware of that information; and
- the Strategic Report and Directors' Report, including the Report of the Remuneration Committee, were approved by the Board on 17 March 2026.

By order of the Board



SCOTT FAWCETT
Chief Executive

17 March 2026

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

The Directors are responsible for preparing the Annual Report and the Financial Statements in accordance with applicable law and regulation.

Company law requires the Directors to prepare Financial Statements for each financial year. Under that law, the Directors have prepared the Group Financial Statements in accordance with UK-adopted International Accounting Standards and the Company Financial Statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 Reduced Disclosure Framework, and applicable law).

Under company law, Directors must not approve the Financial Statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company and of the profit or loss of the Group for that period.

In preparing the Financial Statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable UK-adopted international accounting standards have been followed for the Group Financial Statements and United Kingdom Accounting Standards, comprising FRS 101 have been followed for the Company Financial Statements, subject to any material departures disclosed and explained in the Financial Statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the Group and Company will continue in business.

The Directors are responsible for safeguarding the assets of the Group and Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

The Directors are responsible for the maintenance and integrity of the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of Financial Statements may differ from legislation in other jurisdictions.

Directors' confirmations

Each of the Directors, whose names and functions are listed in the Directors' Report confirm that, to the best of their knowledge:

- the Group Financial Statements, which have been prepared in accordance with UK-adopted international accounting standards, give a true and fair view of the assets, liabilities, financial position and profit of the Group;
- the Company Financial Statements, which have been prepared in accordance with United Kingdom Accounting Standards, comprising FRS 101, give a true and fair view of the assets, liabilities and financial position of the Company; and

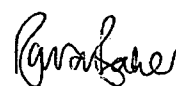
- the Strategic Report includes a fair review of the development and performance of the business and the position of the Group and Company, together with a description of the Principal Risks and uncertainties that it faces.

In the case of each Director in office at the date the Directors' report is approved:

- so far as the Director is aware, there is no relevant audit information of which the Group's and Company's Auditors are unaware; and
- they have taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Group's and Company's Auditors are aware of that information.

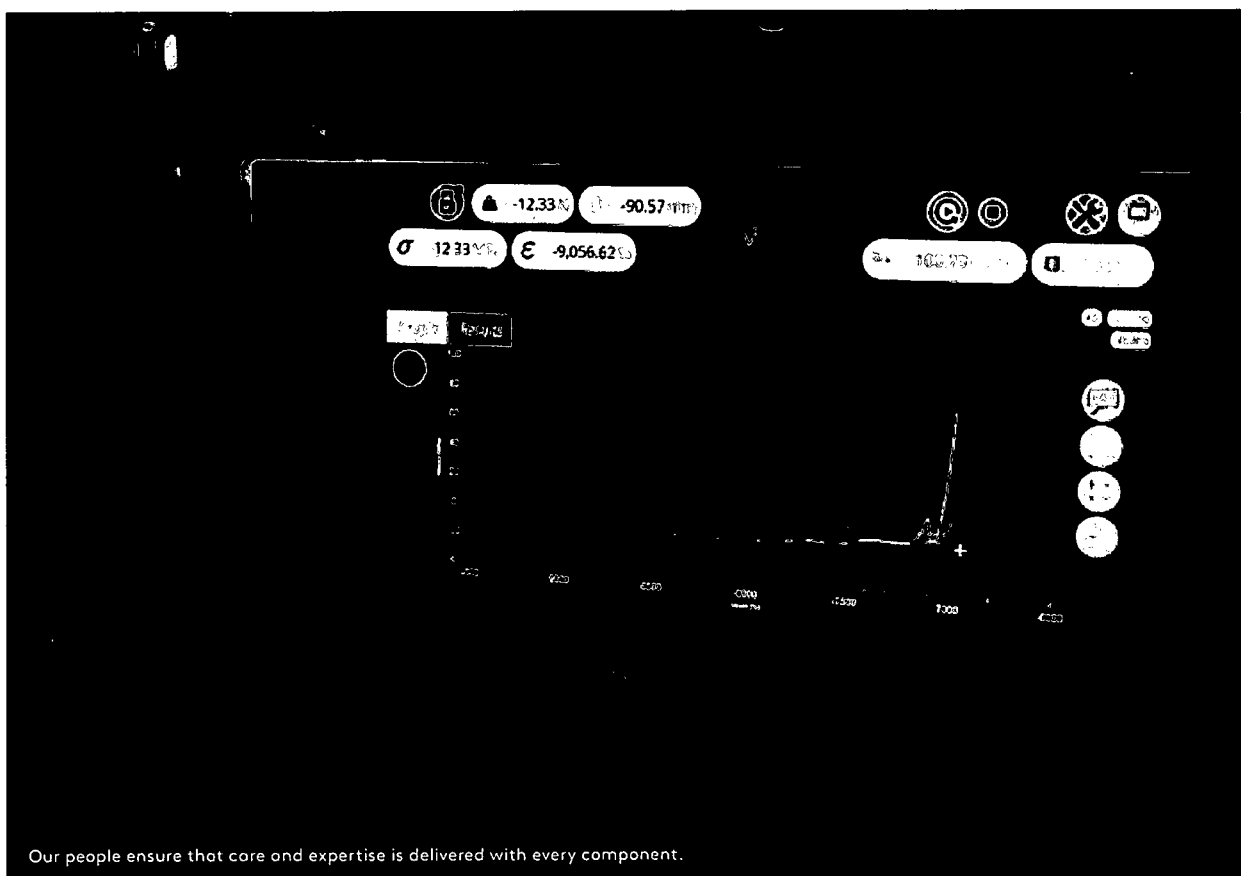
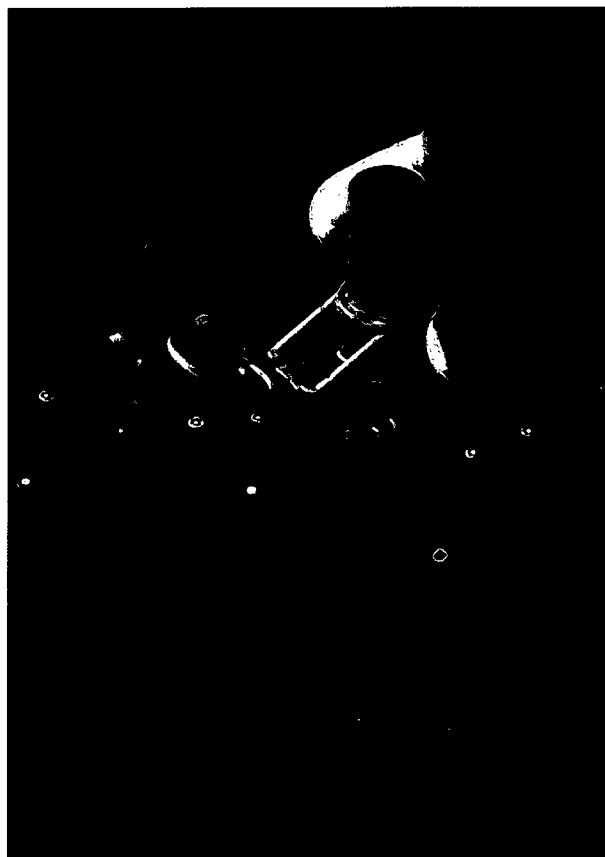


SCOTT FAWCETT
Chief Executive



ROWAN BAKER
Chief Financial Officer

17 March 2026



Our people ensure that core and expertise is delivered with every component.

INDEPENDENT LIMITED ASSURANCE REPORT TO ESSENTRA PLC

ERM Certification and Verification Services Limited ("ERM CVS") was engaged by Essentra plc ("Essentra") to provide limited assurance in relation to the Selected Information set out below and presented in Essentra's 2025 Annual Report (the "Report").

Engagement summary	
Scope of our assurance engagement	Whether the following Selected Information for 2025, as indicated in Essentra's 2025 Annual Report is fairly presented, in all material respects, in accordance with the reporting criteria. Our assurance engagement does not extend to information in respect of earlier periods or to any other information included in the Report.
Selected Information	• Total Scope 1 GHG emissions [metric tonnes CO₂e] • Total Scope 2 GHG emissions (location-based) [metric tonnes CO₂e] • Total Scope 2 GHG emissions (market-based) [metric tonnes CO₂e] • Total Scope 3 GHG emissions from the following categories [metric tonnes CO₂e]: – Category 1: Purchased goods and services – Category 4: Upstream transportation and distribution • Total solid hazardous and non-hazardous waste by destination (Recycling, Recovery, Incineration, Landfill) [metric tonnes] • Zero waste to landfill sites [number] • Percentage of raw materials from sustainable sources in polymer ranges [percentage] • Recycled content in packaging materials [percentage]
Reporting period	1 January 2025 to 31 December 2025
Reporting criteria	• Essentra's Basis of Reporting 2025 (available at essentraplc.com/esg/reporting-centre) • GHG Protocol Corporate Accounting and Reporting Standard (WBCSD/WRI Revised Edition 2015) for Scope 1 and Scope 2 GHG emissions • GHG Protocol Scope 2 Guidance (An amendment to the GHG Protocol Corporate Standard (WRI 2015) for Scope 2 GHG emissions • GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (WBCSD/WRI 2011) for Scope 3 GHG emissions
Assurance standard and level of assurance	We performed a limited assurance engagement, in accordance with the International Standard on Assurance 3000 (Revised) 'Assurance Engagements other than Audits or Reviews of Historical Financial Information' issued by the International Auditing and Assurance Standards Board. The procedures performed in a limited assurance engagement vary in nature and timing from and are less in extent than for a reasonable assurance engagement and consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.
Respective responsibilities	Essentra is responsible for preparing the Report and for the collection and presentation of the information within it, and for the designing, implementing and maintaining of internal controls relevant to the preparation and presentation of the Selected Information. ERM CVS' responsibility is to provide a conclusion to Essentra on the agreed assurance scope based on our engagement terms with Essentra, the assurance activities performed and exercising our professional judgement.

Our conclusion

Based on our activities as described below, nothing has come to our attention to indicate that the Selected information for 2025, together with the related explanatory notes, are not fairly presented, in all material respects, in accordance with the reporting criteria.

Our assurance activities

Considering the level of assurance and our assessment of the risk of material misstatement of the Selected Information a multi-disciplinary team of sustainability and assurance specialists performed a range of procedures that included, but was not restricted to, the following:

- Evaluating the appropriateness of the reporting criteria for the Selected Information;
- Interviewing management representatives responsible for managing the Selected Information;

- Interviewing relevant staff to understand and evaluate the management systems and processes (including internal review and control processes) used for collecting and reporting the Selected Information;
- Reviewing of a sample of qualitative and quantitative evidence supporting the Selected Information;
- Performing an analytical review of the year-end data submitted by locations included in the consolidated 2025 group data for the Selected Information which included testing the completeness and mathematical accuracy of conversions and calculations, and consolidation in line with the stated reporting boundary;
- Conducting in-person and virtual site visits to three Essentra facilities in Thailand, France and the UK to review source data and local reporting systems and controls;

- Evaluating the conversion and emission factors and assumptions used; and
- Reviewing the presentation of information relevant to the assurance scope in the Report to ensure consistency with our findings.



17 March 2026
London, United Kingdom

ERM Certification and
Verification Services Limited

www.ermcvs.com
post@ermcvs.com

The limitations of our engagement

The reliability of the Selected Information is subject to inherent uncertainties, given the available methods for determining, calculating or estimating the underlying information. It is important to understand our assurance conclusions in this context.

Our independence, integrity and quality control

ERM CVS is an independent certification and verification body accredited by UKAS to ISO 17021:2015. Accordingly,

we maintain a comprehensive system of quality control, including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements. Our quality management system is at least as demanding as the relevant sections of ISQM-1 and ISQM-2 (2022).

ERM CVS applies a Code of Conduct and related policies to ensure that its employees maintain integrity, objectivity, professional competence and high ethical standards in their work. Our processes are designed and implemented to ensure that the work we undertake is objective, impartial and free

from bias and conflict of interest. Our certified management system covers independence and ethical requirements that are at least as demanding as the relevant sections of the IESBA Code relating to assurance engagements.

ERM CVS has extensive experience in conducting assurance on environmental, social, ethical and health and safety information, systems and processes, and provides no consultancy related services to Essentra in any respect.

FINANCIAL STATEMENTS

In this section

Consolidated Income Statement	144
Consolidated Statement of Comprehensive Income	145
Consolidated Balance Sheet	146
Consolidated Statement of Changes in Equity	147
Consolidated Statement of Cash Flows	148
Accounting Policies and Notes to the Financial Statements	149
Company Balance Sheet	201
Company Statement of Changes in Equity	202
Notes to the Company Financial Statements	203
Independent Auditors' report to the members of Essentra plc	211
Shareholder Information	218

CONSOLIDATED INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2025

	Note	2025 £m	2024 £m
Revenue	1	302.0	302.4
Gross profit	1	131.9	137.1
Operating profit	1	8.5	14.6
Finance income	3	7.0	3.6
Finance expense	3	(15.0)	(12.5)
Profit before tax		0.5	5.7
Income tax credit	4	1.6	5.9
Profit for the year from continuing operations		2.1	11.6
Loss from discontinued operations	24	–	(1.0)
Profit for the year		2.1	10.6
Attributable to:			
Equity holders of Essentra plc		2.1	10.6
Profit for the year		2.1	10.6
Earnings per share attributable to equity holders of Essentra plc:			
Basic	6	0.7p	3.7p
Diluted	6	0.7p	3.7p
Earnings per share from continuing operations attributable to equity holders of Essentra plc:			
Basic	6	0.7p	4.0p
Diluted	6	0.7p	4.0p
Adjusted profit measure: continuing operations	Note	2025 £m	2024 £m
Operating profit		8.5	14.6
Amortisation of acquired intangible assets		11.0	11.5
Adjusting items	2	12.5	14.0
Adjusted operating profit	28	32.0	40.1

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2025

FINANCIAL STATEMENTS

145

	Note	2025 £m	2024 £m
Profit for the year		2.1	10.6
Other comprehensive income/(expense):			
Items that will not be reclassified to profit or loss in subsequent periods:			
Remeasurement of defined benefit pension schemes	18	5.7	8.0
Deferred tax on remeasurement of defined benefit pension schemes	4,16	(1.7)	(2.1)
		4.0	5.9
Items that may be reclassified to profit or loss in subsequent periods:			
Net change in fair value of cash flow hedges transferred to the income statement	15	1.9	(0.5)
Effective portion of changes in fair value of cash flow hedges	15	(1.7)	0.7
Foreign exchange translation differences:			
Attributable to equity holders of Essentra plc:			
Arising on translation of foreign operations		(9.4)	(7.1)
Arising on effective net investment hedges		2.0	0.1
Net income tax credit/(expense)	4	2.5	(0.1)
		(4.7)	(6.9)
Total other comprehensive income/(expense) for the year, net of tax		(0.7)	(1.0)
Total comprehensive income for the year		1.4	9.6
Attributable to equity holders of Essentra plc:			
Continuing operations		1.4	10.6
Discontinued operations		-	(1.0)
Total comprehensive income for the year		1.4	9.6

CONSOLIDATED BALANCE SHEET AT 31 DECEMBER 2025

	Note	31 December 2025 £m	31 December 2024 £m
Assets			
Property, plant and equipment	7	64.5	68.6
Lease right-of-use assets	9	24.1	24.2
Intangible assets	8	194.3	205.0
Long-term receivables	19	0.5	0.5
Derivative assets	15, 19	1.6	5.8
Deferred tax assets	16	16.7	14.0
Retirement benefit assets	18	14.1	10.6
Total non-current assets		315.8	328.7
Inventories	10	68.7	67.9
Income tax receivable		1.4	2.4
Trade and other receivables	11, 19	52.6	56.2
Cash and cash equivalents	12, 19, 22	36.2	33.7
Total current assets		158.9	160.2
Assets held for sale	26	–	5.1
Total assets		474.7	494.0
Equity			
Share capital	20	72.1	72.6
Capital redemption reserve	20	3.6	3.1
Other reserve	21	(132.8)	(132.8)
Cash flow hedging reserve		0.2	–
Translation reserve		(82.5)	(77.6)
Retained earnings	21	405.4	405.5
Attributable to equity holders of Essentra plc		266.0	270.8
Total equity		266.0	270.8
Liabilities			
Interest-bearing loans and borrowings	14, 19, 22	98.5	106.7
Lease liabilities	19, 22	20.8	21.2
Retirement benefit obligations	18	9.1	12.6
Other financial liabilities		0.9	–
Deferred tax liabilities	16	7.3	10.2
Total non-current liabilities		136.6	150.7
Interest-bearing loans and borrowings	14, 19, 22	–	1.0
Lease liabilities	19, 22	7.5	7.7
Income tax payable		6.5	7.6
Trade and other payables	13, 19	57.6	51.7
Other financial liabilities	19	–	0.8
Provisions	17	0.5	3.7
Total current liabilities		72.1	72.5
Total liabilities		208.7	223.2
Total equity and liabilities		474.7	494.0

The Consolidated Financial Statements on pages 144 to 200 were approved by the Board of Directors on 17 March 2026 and were signed on its behalf by:


SCOTT FAWCETT
Chief Executive


ROWAN BAKER
Chief Financial Officer

Company registration no: 05444653

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2025

FINANCIAL STATEMENTS

147

Note	Share capital £m	Capital redemption reserve £m	Other reserve £m	Cash flow hedging and cost of hedging reserves (Note 15) £m	Translation reserve £m	Retained earnings £m	Total equity £m
At 1 January 2025	72.6	3.1	(132.8)	-	(77.6)	405.5	270.8
Profit for the year	-	-	-	-	-	2.1	2.1
Other comprehensive (expense)/income	-	-	-	0.2	(4.9)	4.0	(0.7)
Total comprehensive income/(expense) for the year	-	-	-	0.2	(4.9)	6.1	1.4
Share option expense	-	-	-	-	-	1.7	1.7
Tax relating to share-based incentives	-	-	-	-	-	0.1	0.1
Net impact of hyperinflation	-	-	-	-	-	1.3	1.3
Purchase of own shares	-	-	-	-	-	(2.6)	(2.6)
Cancellation of shares	(0.5)	0.5	-	-	-	-	-
Dividends paid	25	-	-	-	-	(6.7)	(6.7)
At 31 December 2025	72.1	3.6	(132.8)	0.2	(82.5)	405.4	266.0

Note	Share capital £m	Capital redemption reserve £m	Other reserve £m	Cash flow hedging and cost of hedging reserves (Note 15) £m	Translation reserve £m	Retained earnings £m	Total equity £m
At 1 January 2024	73.3	2.4	(132.8)	(0.2)	(70.5)	401.0	273.2
Profit for the year	-	-	-	-	-	10.6	10.6
Other comprehensive income/(expense)	-	-	-	0.2	(7.1)	5.9	(1.0)
Total comprehensive income/(expense) for the year	-	-	-	0.2	(7.1)	16.5	9.6
Share option expense	-	-	-	-	-	1.1	1.1
Tax relating to share-based incentives	-	-	-	-	-	(0.2)	(0.2)
Net impact of hyperinflation	-	-	-	-	-	2.5	2.5
Purchase of own shares	-	-	-	-	-	(4.9)	(4.9)
Cancellation of shares	(0.7)	0.7	-	-	-	-	-
Dividends paid	25	-	-	-	-	(10.5)	(10.5)
At 31 December 2024	72.6	3.1	(132.8)	-	(77.6)	405.5	270.8

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2025

	Note	2025 £m	2024 £m
Operating activities			
Profit for the year from:			
Continuing operations		2.1	11.6
Discontinued operations		–	(1.0)
Profit for the year		2.1	10.6
Adjustments for:			
Income tax credit	4	(1.6)	(6.1)
Net finance expense	3	8.0	8.9
Intangible amortisation	2,8	12.8	13.5
Adjusting items	2	12.5	15.8
Loss on business disposals	24	–	1.2
Depreciation of property, plant and equipment	7	9.9	9.6
Lease right-of-use assets depreciation	9	6.2	6.3
Profit on sale of property, plant and equipment		(1.0)	–
Reversal of impairment of fixed assets	2	–	(1.8)
Share option expense	5,18	1.7	1.1
(Increase) in inventories		(3.0)	(5.8)
(Increase)/decrease in trade and other receivables		(6.7)	3.3
Increase/(decrease) in trade and other payables		7.3	(7.4)
Cash outflow in respect of adjusting items	28	(19.3)	(18.4)
Cash generated from operations		28.9	30.8
Income tax paid		(3.5)	(5.1)
Net cash inflow from operating activities		25.4	25.7
Investing activities			
Interest received		0.3	0.5
Acquisition of property, plant and equipment		(10.6)	(11.9)
Proceeds from sale of property, plant and equipment		6.8	–
Proceeds from sale of investment properties		5.2	–
Payments for intangible assets		(0.4)	(0.9)
Acquisition of businesses net of cash acquired	23	(5.2)	(4.1)
Net cash inflow/(outflow) from cost of business disposals ¹		10.0	(14.8)
Net cash inflow/(outflow) from investing activities		6.1	(31.2)
Financing activities			
Interest paid		(9.3)	(8.6)
Dividends paid to equity holders	25	(6.7)	(10.5)
Arrangement fee paid for financing activities		(0.3)	(1.2)
Repayment of short-term loans		(1.0)	–
Repayments of long-term loans		(42.6)	(56.3)
Proceeds from short-term loans		–	1.0
Proceeds from long-term loans		41.2	67.6
Lease liability principal repayments		(6.0)	(5.5)
Purchase of own shares		(2.6)	(4.9)
Net cash outflow from financing activities		(27.3)	(18.4)
Net increase/(decrease) in cash and cash equivalents		4.2	(23.9)
Net cash and cash equivalents at the beginning of the year		33.7	59.7
Net increase/(decrease) in cash and cash equivalents		4.2	(23.9)
Net effect of currency translation on cash and cash equivalents		(1.7)	(2.1)
Net cash and cash equivalents at the end of the year	12,22	36.2	33.7

Notes:

- ¹ In 2025, the inflow related to £10m received for the settlement of deferred consideration receivable. In 2024, net cash outflow from cost of business disposals includes £24.8m on the settlement of deferred consideration payable on the Filters business and £10.0m received for the settlement of deferred consideration receivable.

Basis of Preparation

Essentra plc is a public company limited by shares which is incorporated and domiciled in England and Wales (registration no 05444653). The address of its registered office is Langford Locks, Kidlington, Oxford OX5 1HX, United Kingdom. The Company's ordinary shares are publicly traded on the London Stock Exchange. For the purposes of these consolidated financial statements "Essentra" or "the Group" means Essentra plc ("the Company") and its subsidiaries.

The Group's principal activities are focused on the manufacture and distribution of a comprehensive range of components used in diverse industrial applications and end-markets.

The Group's Consolidated Financial Statements for the year ended 31 December 2025 have been prepared in accordance with UK-adopted International Accounting Standards and comply with the requirements of the Companies Act 2006.

These consolidated financial statements are prepared under the historical cost convention unless otherwise stated.

The principal accounting policies used in the preparation of the Consolidated Financial Statements for the year ended 31 December 2025 are detailed below. These policies have been consistently applied to all periods presented.

In preparing the Consolidated Financial Statements, management have taken into account the potential effects of climate changes, including medium- to longer-term transitional risks resulting from the relative uncertainty created by the global shift towards a more sustainable, net-zero economy, which include regulatory, geopolitical and social pressures that may impact the operations of the business in future. Management have considered the potential effects of climate-related changes in its assessment of going concern, and longer-term viability of the business, in preparing the Group's future cash flow forecasts underpinning impairment testing, and in its assessment of the residual values of property, plant and equipment. Management have determined that, other than the expected capital expenditure due to the future spend on machine replacement and efficiency upgrades factored into the Group's cash flow forecasts, there is no material impact on these financial statements.

Going concern

The Directors have prepared the Consolidated financial statements for the year ended 31 December 2025 on a going concern basis. In adopting the going concern basis, the Directors have considered the Group's balance sheet position, forecast earnings and cash flows for a period of at least 15 months from the date of approval of these consolidated financial statements.

Information regarding the financial position of the Group, its cash flows, liquidity position, and borrowing facilities are described in the Financial Review on pages 30 to 32. In addition, Note 19 to the Consolidated Financial Statements includes the Group's objectives, policies and processes for managing its capital, its financial risk management objectives, details of its financial instruments and hedging activities, and exposures to credit, market and liquidity risk. Cash balances and borrowings are detailed in Note 22 to the Consolidated Financial Statements.

At 31 December 2025, the Group's external financing arrangements amounted to £275.9m, comprising United States Private Placement Loan Notes ("USPP") of US\$102.5m (with a range of expiry dates from July 2028 to July 2033) and a multi-currency revolving credit facility ("RCF") of £200.0m (expiring in July 2030).

£24.0m (2024: £26.1m) was drawn under the RCF as at 31 December 2025 with the available undrawn balance amounting to £176.0m (2024: 173.9m). The facility is subject to two covenants, which are tested semi-annually: net debt to EBITDA (leverage) and EBITA to net finance charges. Despite the significant economic and operational challenges in the recent years, the Group has not sought to change either of the two covenants. The Directors believe that the Group is well placed to manage its business risks and, after making enquiries including a review of forecasts and predictions, taking account of reasonably possible changes in trading performances and considering the existing borrowing facilities, including the available liquidity, have a reasonable expectation that the Group has adequate resources to continue in operational existence for at least the next 15 months following the date of approval of the financial statements, and no breaches of covenants are expected.

As part of the going concern assessment, the Board has considered a downside scenario that includes severe, but reasonably plausible, changes in macro-economic conditions. The results of this scenario show that there is sufficient liquidity in the business for a period of at least 15 months from the date of approval of these financial statements, and does not indicate any covenant breach during the test period. The downside scenario assumes a period of prolonged market decline in 2026, and subsequently delays in market recovery to 2027. The downside scenario also assumes a market environment in which the business cannot win market share to the extent included in the strategic plan, and incorporates the transition risks associated with a "middle of the road scenario" without the inclusion of any opportunities from the climate change quantitative analysis. These opportunities include reduced energy costs through the implementation of renewable energy and increased revenue from sales of components into renewable energy sectors.

ACCOUNTING POLICIES AND NOTES TO THE FINANCIAL STATEMENTS

Basis of Preparation CONTINUED

The financial impact of the severe but plausible downside scenario in 2026 and H1 2027 is a reduction in adjusted operating profits by 14% and 22%, respectively, compared to the Group strategic plan. There is no break in covenants with £71m and £92m of net debt headroom in 2026 and H1 2027 respectively.

The overall level of liquidity (defined as available undrawn borrowing facility plus cash and cash equivalent) at 31 December 2025 was £212.2m. Capital expenditure, sales and general overhead, and working capital will continue to be managed closely to ensure sufficient liquidity. Substantial liquidity remains within the severe but plausible downside scenario.

The scenarios, including assessment of risk relating to cyber events, do not indicate a material uncertainty that may cast significant doubt over the Company's and Group's ability to continue as a going concern. Based on these and taking into consideration the risks detailed in Note 19, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future and, accordingly, have adopted the going concern basis in preparing the Consolidated Financial Statements. This disclosure has been prepared in accordance with the Financial Reporting Council's UK Corporate Governance Code.

Changes in accounting policies

New pronouncements

The Group adopted the following new pronouncements during 2025, which did not have a material impact on the Group's financial statements:

- Amendments to IAS 1 – *classification of Liabilities as Current or Non-current*
- Amendments to IFRS 16 – *Lease Liability in a Sale and Leaseback*
- Amendments to the Classification and Measurement of Financial Instruments – *Amendments to IFRS 9 and IFRS 7*

The following amendment with an effective date on or after 1 January 2026 is not mandatory for 31 December 2025 reporting periods and has not been early adopted by the Group where the option exists. The amendment is not expected to have a material impact on the entity in the current or future periods and on foreseeable future transactions.

- Amendments to IAS 21 – *Lack of Exchangeability*.

IFRS 18 – Presentation and Disclosure in Financial Statements

With an effective date on or after 1 January 2027, IFRS 18 introduces new requirements relating to the structure of profit or loss, including defined categories of income and expenses, new subtotals and enhanced disclosures relating to management-defined performance measures. It also introduces additional guidance on the aggregation and disaggregation of information in the financial statements.

An initial impact assessment has been performed and the Group does not anticipate the standard to have a material impact on its reported profit, net assets or cash flows. The Group anticipates the primary impact to relate to presentation and disclosure changes within the financial statements, including the classification of income and expenses and enhanced disclosures relating to alternative performance measures.

The Group continues to assess the detailed implications of the new requirements, including the design and implementation of changes to financial reporting processes and controls, and is on track to implement in 2026.

Impact of Pillar Two rules

The Organisation for Economic Cooperation and Development ("OECD") Global Anti-Base Erosion Model Rules (Pillar Two rules) were initially introduced by the OECD in December 2021 and adopted by the UK in Finance Act (no. 2) Act 2023. The rules came into effect for the Essentra Group in relation to the year ended 31 December 2024 and require the Group to pay a minimum level of tax across each of the territories in which it operates.

The Group has undertaken a detailed review of the enacted legislation and applied this to the results for the year. The result of this review is that no top-up taxes are expected to be payable under Pillar Two in any jurisdiction in respect of the year ended 31 December 2025, as the Group is already paying more than the minimum level of tax required in each territory.

The Group is outside the scope of Pillar Two after 2025 and hence will not be required to consider top-up taxes unless the Group results exceed the relevant thresholds again in the future.

Basis of consolidation

(i) Subsidiaries

Subsidiaries are entities controlled by Essentra. Control exists when Essentra is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The financial statements of subsidiaries are included in the Consolidated Financial Statements of the Group from the date that control commences until the date that control ceases. The Group's subsidiaries (including dormant entities) at 31 December 2025 are set out within the Essentra plc Company Financial Statements on pages 208 to 210.

(ii) Transactions eliminated on consolidation

Intragroup balances and any unrealised gains and losses or income and expense arising from intragroup transactions are eliminated in preparing the Consolidated Financial Statements.

Foreign currency

With the exception of the financial statements of the Group's foreign operations in hyperinflationary economies (see "Adjustments for hyperinflation" below), items included in the financial statements of the Group's subsidiaries are measured using the currency of the primary economic environment in which the subsidiary operates ("functional currency"). The Consolidated Financial Statements are presented in sterling (the functional currency of the Company). On disposal of a foreign operation, the deferred cumulative amount recognised in equity relating to that particular operation is recognised in the Consolidated Income Statement as part of the gain/loss on disposal.

(i) Foreign currency transactions

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated into sterling at the exchange rate ruling at that date and recognised in the income statement unless hedge accounting criteria apply (see policy for financial instruments).

(ii) Financial statements of foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on consolidation, are translated from their functional currency into sterling at the exchange rate ruling at the balance sheet date. The revenues and expenses of foreign operations are translated into sterling at average exchange rates.

(iii) Net investment in foreign operations

Exchange differences on retranslation at the closing rate of the opening balances of overseas entities are taken to other comprehensive income, as are exchange differences arising on related foreign currency borrowings and derivatives designated as net investment hedges, to the extent that they are effective. Other exchange differences are taken to the income statement. Differences arising prior to 1 January 2004 are included in retained earnings.

(iv) Adjustments for hyperinflation

The Group applies hyperinflationary accounting to the financial statements of foreign operations that meet the requirements to be designated a hyperinflationary economy, as specified in IAS 29 *Financial Reporting in Hyperinflationary Economies*. In accordance with IAS 21 *The Effects of Changes in Foreign Exchange Rates*, comparative amounts are not restated.

Under IAS 29, the results and non-monetary asset and liability balances are revalued to present value-equivalent local currency amounts, based on an inflation index, before translation to sterling at the reporting-date exchange rates. The gain or loss on net monetary assets resulting from the application of IAS 29 is recognised in the Consolidated income statement within net finance expense. Subsequent IAS 29 equity restatement effects, and the impact of currency movements, are presented under amounts arising on the translation of foreign operations within other comprehensive income.

The Group also presents the gain or loss on cash and cash equivalents as monetary items, together with the effect of inflation as operating, investing and financing cash flows in the Consolidated statement of cash flows.

The Group's foreign operations in Turkey, whose functional currency is the Turkish Lira, were designated as hyperinflationary during the year ended 31 December 2022. For the year ended 31 December 2025, the Turkish economy continued to be designated as hyperinflationary and therefore the Group has continued to apply hyperinflationary accounting using the historic cost approach to its Turkish operations for the reporting year ended 31 December 2025. The price index used to apply IAS 29 is the Turkish Consumer Price Index. At 31 December 2025, the price index was 3,513.87 (31 December 2024: 2,684.55; 31 December 2023: 1,860.90; 31 December 2022: 1,128.45).

ACCOUNTING POLICIES AND NOTES TO THE FINANCIAL STATEMENTS

Basis of Preparation CONTINUED

Alternative performance measures

The Consolidated Financial Statements provide further disclosures and measures of financial performance, including adjusted operating profit and adjusted earnings per share, which are not defined or specified in accordance with UK-adopted International Financial Reporting Standards. The presentation of alternative performance measures enables management to reflect the underlying performance of the continuing operations of the Group and provides investors with a more meaningful comparison of how the business is managed and measured on a periodic basis.

Adjusting items are separately presented from other items by virtue of their nature, size and/or incidence. They are identified separately in order for the reader to obtain a clearer understanding of the underlying results of the Group's ongoing operations, by excluding items which, in management's view, do not form part of the Group's underlying operating results, such as gains, losses or costs arising from business acquisition and disposal activities, significant restructuring and closure costs, costs of major Software as a Service ("SaaS") projects, defined benefit pension scheme charges that no longer pertain to the continuing operations of the Group and items which are non-recurring or one-off in nature (such as impairment of acquired intangible assets, impairment of investment property, historic indemnity claims and the costs of fundamental strategic review and reorganisation). Operating profit before adjusting items and acquired intangible amortisation is called adjusted operating profit, which forms the primary basis for management's review and assessment of the operational performance of the Group's businesses.

Definition of adjusted earnings per share

Adjusted earnings per share is provided to reflect the underlying performance of the Group and excludes both adjusting items and the tax expense associated with those items. It excludes the effect of material movements in the Group's derecognition and recognition of deferred tax assets on tax losses where they are not driven by the underlying performance of the business.

(i) Costs/(credits) relating to transactions including acquisitions, disposals, business structuring and related advisory and integration costs

In 2025 and 2024, Essentra incurred advisory and reorganisation costs in relation to restructuring activities to "right size" the continuing operations of the business as well as the closure of sites in Japan and Costa Rica. This also included any adjustments to deferred consideration receivable or payment relating to acquisitions and disposals.

In 2025, Essentra acquired Device Technologies LLC, incurring one-off acquisition-related costs (refer to Note 23).

The business also incurred costs relating to the integration of acquired businesses and restructuring associated with acquisitions and included within this are corporate advisory fees.

(ii) Customisation and configuration costs of significant Software as a Service ("SaaS") arrangements

These relate to costs incurred on implementation (customisation and configuration) of significant SaaS arrangements. In the view of management, these are investments to upgrade the Group's technical capabilities and therefore, the costs are excluded from adjusted operating profit.

(iii) Defined benefit pension scheme charges (from 2022)

These relate to costs incurred in relation to defined benefit pension scheme charges which, following the completion of the strategic review, no longer pertain to employees of the continuing Group and are therefore excluded from adjusted operating profit.

(iv) (Reversal of impairment)/impairment of non-current assets

In 2024, this comprised a reversal of impairment of investment property following a revision to its valuation. This was due to a change in use in the year. The valuation was based on the fair value less costs to sell using updated market data.

(v) Other adjusting items

In 2025 this composed of credits of £0.5m relating to a provision for property related claims and obligations that were no longer required and £0.2m gain on the disposal of the investment property that was held for sale at 31 December 2024.

In 2024, this comprised of a £1.6m provision raised relating to a historic indemnity claim as well as £0.3m for other property-related claims.

Further details of the Group's adjusting items are included in Note 2. The Group has also provided a reconciliation of its adjusted performance measures in Note 28 to the Consolidated Financial Statements.

Discontinued operations

A disposal group qualifies as a discontinued operation if it is a component of an entity that either has been disposed of, or is classified as held for sale, and:

- represents a separate major line of business or geographical area of operations; or
- is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations; or
- is a subsidiary acquired exclusively with a view to resale.

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the income statement.

Segment reporting

A segment is identified on the basis of internal reports that are regularly reviewed by the Board of Directors (identified as the Chief Operating Decision Maker) in order to allocate resources to the segment and assess its performance.

Revenue

Revenue from the sale of component parts is recognised in the income statement with reference to the amount invoiced to the customer, net of expected discounts, rebates, refunds, credits, price concessions or other similar items, when the associated performance obligation has been satisfied, and control of the goods has been transferred to the customer. Customer volume discounts and right to return goods purchased are calculated by estimating the expected discount percentage that will be achieved for the contractual period using historical data adjusted for current experience and those obligations are included in other payables.

The substantial majority of the Group's revenue is generated through sale of component parts which results in revenue being recognised at a point where control has been transferred to the customer as opposed to over a performance obligation period.

The Group's revenue is generated through a combination of both non-ex-works and ex-works. Ex-works is where the Group, as seller, makes its goods ready for collection at its premises on an agreed-upon sales date and the buyer incurs all transportation and handling costs and bears the risks for bringing the goods to their chosen destination.

Where the Group operates non ex-works terms with customers, revenue is recognised when the control of the goods has been transferred to the customer. Each customer arrangement/contract is assessed to identify the performance obligations being provided to the customer.

Finance income and expense

Finance income is recognised in the Consolidated income statement as it accrues by reference to the principal outstanding and at the effective interest rate applicable.

Finance expense consists of interest and other expenses that are incurred in connection with the Group's external financing arrangements and is recognised in the Consolidated income statement as it accrues. Prepaid facility fees are amortised over the term of the related debt financing using the effective interest method. Finance expense includes the interest portion of lease liabilities.

Income tax

Income tax in the Consolidated income statement comprises current and deferred tax. Income tax is recognised in the income statement except to the extent that it relates to items recognised in equity or other comprehensive income.

Current tax is the expected tax payable on the taxable income for the year using the applicable tax rates enacted, or substantively enacted, at the balance sheet date and any adjustment to tax payable in prior years. Where a tax position is uncertain, a current tax liability is held for anticipated taxes that are considered probable based on the information available.

Deferred tax is provided, using the balance sheet liability method, on temporary differences arising between the tax bases and the carrying amounts of assets and liabilities in the financial statements. The following temporary differences are not provided for: goodwill not deductible for tax purposes; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit or loss; and differences relating to investments in subsidiaries to the extent that they will not reverse in the foreseeable future.

Deferred tax is determined using tax rates that are expected to apply when the related deferred tax asset or liability is settled, using the applicable tax rates enacted, or substantively enacted, at the balance sheet dates.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profit will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefits will be realised.

ACCOUNTING POLICIES AND NOTES TO THE FINANCIAL STATEMENTS

Basis of Preparation CONTINUED

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against liabilities, and when they relate to income taxes levied by the same tax authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Business combinations

Business combinations are accounted for using the acquisition method. Goodwill arising in a business combination represents the difference between the fair value of the assets given in consideration and the fair value of identifiable assets, liabilities and contingent liabilities assumed of the acquiree, at the date of acquisition.

Costs attributable to acquisitions are expensed in the Consolidated income statement. Given their one-off nature, these costs are generally presented within adjusting items.

Where consideration for an acquisition includes any assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration amount is measured at fair value at the acquisition date. Subsequent changes in the fair value of such contingent consideration is adjusted against the cost of acquisition where they result from additional information, obtained within one year from the acquisition date, about facts and circumstances that existed at the acquisition date. All other subsequent changes in the fair value of contingent consideration classified as an asset or liability are recognised in the Consolidated income statement.

Intangible assets

(i) Goodwill

Goodwill is initially recognised as an intangible asset at cost and subsequently measured at cost less accumulated impairment. Goodwill is allocated to the cash-generating unit ("CGU") or group of CGUs expected to benefit from the synergies related to the business combination.

(ii) Research and development

Research costs are expensed to the income statement in the year in which they are incurred.

Development costs relating to new products are capitalised when the Group is able to demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the asset and the ability to measure reliably the expenditure during development.

(iii) Acquired intangible assets

An intangible asset acquired in a business combination is recognised at fair value to the extent it is probable that the expected future economic benefits attributable to the asset will flow to the Group and that its cost can be measured reliably.

Intangible assets principally relate to customer relationships, which are valued using discounted cash flows based on historical customer attrition rates, and developed technology, which is valued using an income approach. The cost of intangible assets is amortised through the income statement on a straight-line basis over their estimated useful economic life.

(iv) Other intangible assets

Other intangible assets which are not acquired through a business combination ("non-acquired intangible assets") are recognised at cost to the extent it is probable that the expected future economic benefits attributable to the asset will flow to the Group and that its cost can be measured reliably, and amortised on a straight-line basis over their estimated useful economic life.

SaaS arrangements are service contracts providing the Group with the right to access the cloud provider's application software over the contract period. Costs incurred to configure or customise, and the ongoing fees to obtain access to the cloud provider's application software, are recognised as operating expenses when the services are received. Where costs incurred for the development of software code enhances, modifies, or creates additional capability to existing on-premise systems, and meets the definition of and recognition criteria for an intangible asset, these costs are recognised as intangible software assets and amortised over the useful life of the software on a straight-line basis.

Intangibles are amortised over their estimated remaining useful lives on a straight-line basis at the following annual rates:

Customer relationships	6–12%
Other intangibles – research and development	7–20%
Other intangibles – development of e-commerce	10–20%
Other intangibles – software and software development	10–20%

Impairment

All assets are reviewed regularly to determine whether there is any indication of impairment. Goodwill is tested for impairment annually.

An impairment loss is recognised whenever the carrying amount of a non-financial asset or the CGU to which it belongs exceeds its recoverable amount, being the greater of value in use and fair value less costs to sell, and is recognised in the income statement. Value in use is estimated based on future cash flows discounted using a pre-tax discount rate based upon the Group's weighted average cost of capital.

Financial assets are assessed for impairment using the expected credit loss model which requires expected credit losses and changes to expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. Changes to the expected credit loss are recognised in the income statement.

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Previously revalued properties were treated as being held at deemed cost upon transition to adopted IFRS.

Where parts of an item of property, plant and equipment or other assets have different useful lives, they are accounted for as separate items. The carrying values of property, plant and equipment and other assets are periodically reviewed for impairment when events or changes in circumstances indicate that the carrying values may not be recoverable.

Property, plant and equipment are depreciated over their estimated remaining useful lives on a straight-line basis at the following annual rates:

Land and buildings – Freehold land	Not depreciated
Land and buildings – Buildings	2% or life of lease if shorter
Plant and machinery	7–20%
Fixtures, fittings and equipment	10–33%

The assets' useful lives and residual values are reviewed, and adjusted if appropriate, at each balance sheet date.

Inventories

Inventories are valued at the lower of standard cost and net realisable value. Costs are assigned to individual items based on first-in first-out, which is approximated using a standard cost methodology in valuing inventory. For work-in-progress and finished goods, standard cost includes an appropriate proportion of direct production labour costs and overheads attributable to bringing inventory items to their present location and condition, allocated by rates based upon a budgeted level of normal activity. Net realisable value is based on the estimated selling price net of the expected costs to sell. Provision is made for slow-moving, defective and obsolete items where appropriate.

Assets held for sale

Non-current assets classified as assets held for sale are measured at the lower of carrying value and fair value less costs to sell. They are classified as held for sale if their carrying value will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as having been met only when the sale is highly probable and the asset is available for immediate sale. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and fixed-term investments whose maturities are three months or less from the date of acquisition. Bank overdrafts repayable on demand, where there is a right to offset, form an integral part of Essentra's cash management and are included as part of cash and cash equivalents in the statement of cash flows.

Loans and other borrowings

Loans and other borrowings are initially recorded at cost (which is equal to fair value at inception plus interest cost) and are subsequently measured at amortised cost using the effective interest method.

Trade and other receivables

Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost, which is generally equivalent to recognition at nominal value less impairment loss calculated using the expected loss model.

ACCOUNTING POLICIES AND NOTES TO THE FINANCIAL STATEMENTS

Basis of Preparation CONTINUED

The Group applies the simplified model to recognise lifetime expected credit losses for its trade and other receivables, including those due in greater than 12 months, by making an accounting policy election. The expected loss rate estimated for each ageing period for trade receivables is as follows: Current 0.2%; Overdue 1–30 days 0.5%; Overdue 31–60 days 1%; Overdue 61–90 days 5%; Overdue 91–180 days 10%; Overdue 181–360 days 50%; and Overdue over 360 days 100%.

Trade other payables

Trade payables are non-interest bearing and are recognised initially at fair value and subsequently at amortised cost.

Deferred consideration

Deferred consideration is recognised and held at fair value. Changes in its fair value are recognised in profit or loss, within adjusting items.

Financial instruments

(i) Financial assets

Financial assets comprise trade and other receivables, cash and cash equivalents, deferred consideration receivable and derivative financial instruments.

(ii) Financial liabilities

Financial liabilities comprise trade and other payables, deferred consideration payable and financing liabilities.

Interest-bearing loans and borrowings and other financial liabilities (excluding derivatives) are initially measured at cost (which is equal to fair value at inception plus issuance cost) and are subsequently measured at amortised cost using the effective interest method, unless they are included in a hedge accounting relationship. See Note 15 for separate disclosure of hedge types.

(iii) Derivative financial instruments and hedge accounting

Derivatives are measured initially at fair value with any related transaction costs expensed as incurred. Subsequent measurement in the financial statements depends on the classification of the derivative as follows:

Fair value hedges

Where a derivative is used to hedge the foreign exchange exposure of a monetary asset or liability, any gain or loss on the derivative is recognised in the income statement.

Cash flow hedges

Where a derivative is designated as a hedging instrument in a cash flow hedge, the change in fair value is recognised in other comprehensive income to the extent that it is effective and any ineffective portion is recognised in the income statement. Where the underlying transaction results in a financial asset, accumulated gains and losses are recognised in the income statement in the same period as the hedged item affects profit or loss. Where the hedged item results in a non-financial asset, the accumulated gains and losses previously recognised in other comprehensive income are included in the initial carrying value of the asset.

Hedges of net investment in foreign operations

The gain or loss on an instrument used to hedge a net investment in a foreign operation that is deemed effective is recognised in other comprehensive income. Any ineffective portion is recognised in the income statement.

Unhedged derivatives

The movements in the fair value of derivatives which are not designated as effective hedge relationships are charged/credited to the profit or loss.

Lease liabilities and lease right-of-use assets

Leases greater than 12 months in length, and those not of low-value, are recognised as lease right-of-use assets with the associated future lease payment terms recognised as a lease liability. The right-of-use assets and the associated lease liabilities are recognised by discounting the future lease payments at the rate implicit to the lease or, if the rate implicit to the lease cannot be readily determined, at the relevant incremental borrowing rate.

Determining the incremental borrowing rate incorporates three key elements: risk-free rate (reflecting specific country and currency); credit spread (reflecting the specific risk for each subsidiary within the Group); and an asset class adjustment (reflecting the variation in risk between asset categories).

The Group has leases of certain equipment (e.g. printing and photocopying machines) that are considered of low-value. Rentals associated with leases that are of low-value or less than 12 months in length are expensed to the income statement on a straight-line basis. The associated lease incentives are amortised in the income statement over the life of the lease.

(i) The Group's leasing activities

The Group leases various properties, equipment and cars. Rental contracts are typically made for fixed periods of one to 20 years, but might have extension options as described below. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets cannot be used as security for borrowing purposes.

The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use assets are depreciated over the shorter of the useful life and the lease term on a straight-line basis.

Assets and liabilities arising from a lease are initially measured on a present-value basis. Lease liabilities include the net present value of the following lease payments:

- Fixed payments (including in-substance fixed payments), less any lease incentives receivable
- Variable lease payments that are based on an index or a rate
- Amounts expected to be payable by the lessee under residual value guarantees
- Payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option

Lease right-of-use assets are measured at cost comprising the following:

- The amount of the initial measurement of lease liability
- Any lease payments made at or before the commencement date less any lease incentives received
- Any initial direct costs
- Restoration costs

(ii) Variable lease payments

The Group has certain assets which may include variable lease payments based on usage, although this is a small proportion of the Group's assets. These include vehicles, with variable lease payments based on mileage or equipment, such as printers, of which the lease payments vary based on their usage. The variable lease payments are not material for the Group.

Any future variable payment increase that requires either speculation or an estimate is not included. Future lease payments should then be applied only when they are known, with no change to the discount rate.

(iii) Extension and termination options

Extension and termination options are included in a number of property and equipment leases across the Group. These terms are used to maximise operational flexibility in terms of managing contracts. The majority of extension and termination options held are exercisable only by the Group and not by the respective lessor.

Provisions

A provision is recognised when there is a probable legal or constructive obligation as a result of a past event and a reliable estimate can be made of the outflow of resources that will be required to settle the obligation. The outflow is the present value of management's best estimate of the expenditure required to settle the present obligation at the balance sheet date.

Retirement benefit obligations

(i) Defined contribution schemes

Obligations for contributions to defined contribution pension schemes are expensed to the income statement as incurred.

(ii) Defined benefit schemes

The net obligations in respect of defined benefit pension schemes are calculated separately for each scheme by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any scheme assets is deducted.

The discount rate is the yield at the balance sheet date on AA credit-rated bonds that have maturity dates approximating to the terms of Essentra's obligations. The calculation is performed by a qualified independent actuary using the projected unit credit method. Net interest on defined benefit assets is presented within finance income, and net interest on defined benefit liabilities is presented within finance expense.

Actuarial gains and losses that have arisen are recognised in full in the Consolidated statement of comprehensive income.

The amounts charged to operating profit are the current service cost, past service cost (including curtailments) and gains and losses on settlement.

The value of a net pension asset is the amount that may be recovered either through reduced contributions or agreed refunds from the scheme.

ACCOUNTING POLICIES AND NOTES TO THE FINANCIAL STATEMENTS

Basis of Preparation CONTINUED

Share-based payments

Essentra operates equity-settled, share-based incentive plans. A charge is made in the income statement based on the fair value of option awards using the Monte Carlo or binomial valuation models and relevant quoted share price information with a corresponding increase in equity. The fair value is measured at grant date and spread over the period between grant date and vesting date of the options. The amount recognised as an expense will be adjusted to reflect the actual number of share options that vest with the exception of options that fail to vest because market conditions are not met.

Dividends

Dividends are recognised as a liability in the period in which they are approved in a general meeting by the shareholders of the Company (final dividend) or paid (interim dividend).

Investment in own shares

The shares held in the Essentra Employee Benefit Trust for the purpose of fulfilling obligations in respect of share option plans are treated as belonging to the Company and are deducted from its retained earnings. The cost of shares held directly (treasury shares) are also deducted from retained earnings.

Net debt

Net debt is defined as cash and cash equivalents, short-term liquid investments and derivatives hedging against placement loans, net of lease liabilities and interest bearing loans and borrowings.

Investment properties

Properties that are either owned or leased by the Group that are held to earn rental income or for capital appreciation, or both, are accounted for as investment properties. Investment properties are measured initially at cost including directly related transaction costs, and subsequently, applying the cost model.

Under the cost model, the carrying value of investment properties, where the Group owns the freehold to the properties, is stated at cost less accumulated depreciation (on a straight-line basis) and impairment losses. The useful lives of investment properties, where the Group owns the freehold, are adjusted as appropriate at each balance sheet date.

Where an investment property is owned through a long leasehold arrangement under which the Group is a lessee rather than owning the freehold to the property, a right-of-use asset is recognised at the commencement date of the lease and accounted for as an investment property. The cost of leased investment properties recognised in right-of-use assets includes the present value of future lease payments recognised together with lease payments made before commencement of the lease, less any incentives received. A corresponding lease liability is recognised on the balance sheet.

The Group transfers a property to or from its classification of investment properties only when there is a change in use. For example, when it is the Group's intention to end or commence owner-occupation is the point at which the property respectively meets or ceases to meet the definition of an investment property, the determination of which, may require the application of management judgement.

Investment properties are classified as non-current assets in the Consolidated balance sheet. The carrying value of investment properties is periodically reviewed for impairment when events and circumstances indicate that the carrying amount may not be recoverable.

ACCOUNTING POLICIES AND NOTES TO THE FINANCIAL STATEMENTS

Critical Judgements and Estimates

The preparation of the Consolidated Financial Statements requires the Directors and management to make judgements and estimates in respect of certain items where the choice of accounting policy and assumptions applied in determining the judgement or estimate could materially affect the Group's financial position, results or cash flows at the reporting date.

Management regularly reviews the critical accounting judgements that significantly impact the amounts recognised in the Consolidated Financial Statements and the critical accounting estimates that, due to their significant estimation uncertainty, may give rise to a material adjustment in the next financial reporting period.

Although the determination of accounting estimates is based on management's best estimate considering its knowledge of the amount, event or actions, actual results may ultimately differ from those estimates. The estimates and underlying assumptions are reviewed on an ongoing basis and revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods if the revision affects both current and future reporting periods.

The Group's critical accounting judgements and estimates are detailed below.

Accounting Judgements

Adjusting items

Adjusting items are separately presented from other items of financial performance as this enables management to reflect the underlying performance of the continuing operations of the Group. Judgement is required to determine whether such items of financial performance should be included within adjusting items by virtue of their nature, size or incidence. The Group's accounting policy concerning adjusting items is detailed under alternative performance measures.

Adjusting items of £12.5m (2024: £14.0m) have been reported in continuing operations, which includes costs/(credits) relating to transactions including acquisitions, disposals, business structuring, related advisory and integration costs of net £2.2m (2024: £2.5m). £9.3m (2024: £9.6m) has been incurred in relation to the customisation and configuration costs of significant SaaS arrangements, which, in management's judgement, constitute material one-off charges to upgrade the Group's technical capabilities and meets the Group's policy for being categorised as adjusting items, £1.7m (2024: £1.8m) in relation to legacy defined benefit pension charges and £0.7m credits relating to the release of provisions in respect of historic claims from previous acquisitions and disposals.

In 2024 £1.6m was incurred in respect of indemnity provisions raised for historic claims on previous acquisitions, which has been settled in full for £2.2m. Also included is a £1.8m credit relating to the reversal of impairment on investment property less £0.3m of related provisions.

A complete analysis of the amounts included in adjusting items is detailed in Note 2.

"Software as a Service" ("SaaS") arrangements

The recognition of SaaS related customisation and configuration costs of £9.3m (2024: £9.6m) as an expense in the profit and loss involves a number of key judgements, including:

- whether a software arrangement is a SaaS arrangement: management considers the fact pattern of the software arrangement carefully to identify SaaS arrangements, distinguishing from other arrangements such as "platform as a service" or "infrastructure as a service";
- whether any cost incurred in customisation and configuration results in additional code from which the Group has the power to obtain the future economic benefits and restricts other third parties access to those benefits: management considered whether the code can be used in, or transferred to, another computing arrangement;
- whether the customisation and configuration service provided by the SaaS provider is distinct from the regular SaaS arrangement: management considers factors such as whether the Group can benefit from the service separately from the other elements of deliverables from the SaaS provider;
- whether a third party providing customisation and configuration service is in effect a subcontractor of the SaaS provider: management considers factors such as the nature of the contractual and working relationship between the SaaS provider and the third party and the obligations of the third party who has the primary responsibility for the services that it provides.

ACCOUNTING POLICIES AND NOTES TO THE FINANCIAL STATEMENTS

Critical Judgements and Estimates CONTINUED

Recognition of Retirement benefit assets

A key judgement when recognising a retirement benefit asset is whether the Company has an unconditional right to a refund on such a surplus. A retirement benefit asset of £14.1m (2024: £10.6m) has been recognised on the Group's European pension surplus. In forming this judgement, management assessed the scheme rules and concluded the Group has an unconditional right to the surplus through a gradual settlement of the plan's obligations.

Accounting estimates

Retirement benefit obligations

At 31 December 2025, the net retirement benefit surplus was £5.0m (2024: net liability of £2.0m). The measurement of defined benefit obligations requires the application of judgement in relation to the key assumptions used, particularly in determining the discount rate, inflation rate and mortality rates.

In consultation with Essentra's actuaries, management determines the point within the range of possible outcomes for those assumptions applied at the balance sheet date that most appropriately reflects Essentra's circumstances. Small changes to these assumptions can have a material impact on the valuation and consequently reported amounts. Accordingly, the Group performs a sensitivity analysis for the key assumptions applied in determining post-employment costs and liabilities, as detailed in Note 18.

ACCOUNTING POLICIES AND NOTES TO THE FINANCIAL STATEMENTS

Notes to the Financial Statements

1. Segment analysis

The Group has determined its operating segments based upon the information reported to the Board of Directors ("The Board"), which is the Group's Chief Operating Decision Maker. Segment information is reported on a geographical basis consistent with the basis upon which the Group manages its operations, allocates resources and assesses performance. Central corporate costs include executive and non-executive management, investor relations, corporate development, corporate reward, governance, risk and assurance, group finance, tax, treasury and related information technology costs.

Central corporate costs exclude certain costs that are regarded as attributable to the operating segments.

	2025				
	EMEA £m	Americas £m	APAC £m	Unallocated items ¹ £m	Total £m
Income statement information					
External revenue	163.8	97.6	40.6	–	302.0
Gross profit	79.2	37.5	15.2	–	131.9
Adjusted operating profit/(loss) before corporate costs	45.1	17.6	5.5	(24.4)	43.8
Central corporate costs ²				(11.8)	(11.8)
Adjusted operating profit/(loss)	45.1	17.6	5.5	(36.2)	32.0
Amortisation of acquired intangible assets	(4.7)	(4.6)	(1.7)	–	(11.0)
Adjusting items	(1.3)	(1.8)	(1.0)	(8.4)	(12.5)
Operating profit/(loss)	39.1	11.2	2.8	(44.6)	8.5
Balance sheet information					
Segment assets	106.9	71.4	28.4	3.7	210.4
Intangible assets	140.9	44.0	6.1	3.3	194.3
Unallocated items ¹				70.0	70.0
Total assets	247.8	115.4	34.5	77.0	474.7
Segment liabilities	45.3	21.8	9.5	10.7	87.3
Unallocated items ¹				121.4	121.4
Total liabilities	45.3	21.8	9.5	132.1	208.7
Other segment information					
Capital expenditure (cash spend)	4.6	3.7	1.0	1.7	11.0
Depreciation of plant, property and equipment	3.2	1.7	2.1	2.9	9.9
Average number of employees	1,213	681	889	207	2,990

ACCOUNTING POLICIES AND NOTES TO THE FINANCIAL STATEMENTS

Notes to the Financial Statements CONTINUED

1. Segment analysis CONTINUED

	2024				
	EMEA £m	Americas £m	APAC £m	Unallocated items ¹ £m	Total £m
Income statement information					
External revenue	163.3	98.8	40.3	–	302.4
Gross profit	84.0	38.0	15.1	–	137.1
Adjusted operating profit/(loss) before corporate costs	50.7	17.3	4.8	(21.8)	51.0
Central corporate costs ²				(10.9)	(10.9)
Adjusted operating profit/(loss)	50.7	17.3	4.8	(32.7)	40.1
Amortisation of acquired intangible assets	(5.1)	(4.7)	(1.7)	–	(11.5)
Adjusting items	(1.4)	(1.0)	(0.9)	(10.7)	(14.0)
Operating profit/(loss) ³	44.2	11.6	2.2	(43.4)	14.6
Balance sheet information					
Segment assets	101.8	72.4	30.0	18.3	222.5
Intangible assets	143.1	49.5	7.8	4.6	205.0
Unallocated items ¹				66.5	66.5
Total assets	244.9	121.9	37.8	89.4	494.0
Segment liabilities	35.4	24.8	10.0	14.9	85.1
Unallocated items ¹				138.1	138.1
Total liabilities	35.4	24.8	10.0	153.0	223.2
Other segment information					
Capital expenditure (cash spend)	5.1	3.7	1.6	2.4	12.8
Depreciation of plant, property and equipment	4.1	2.3	1.7	1.5	9.6
Average number of employees	1,206	702	928	204	3,040

Notes:

- Unallocated items include operating expenses related to the regions that are managed at a total trading level rather than by individual segment. Assets, liabilities and employees also managed at a total trading level are presented within Unallocated items. Central segment assets of £3.7m (2024: £18.3m) include investment property of £nil (2024: £5.1m). The unallocated assets relate to income and deferred tax assets, retirement benefit assets, derivatives, other financial assets and cash and cash equivalents. The unallocated liabilities relate to interest-bearing loans and borrowings, retirement benefit obligations, derivatives, deferred tax liabilities and income tax payable.
- Central corporate costs include executive and non-executive management, investor relations, corporate development, governance, risk and assurance, group finance, tax, treasury, and related information technology costs.
- In 2024 operating profit excludes the loss on disposal of discontinued operations of £1.2m.

Intersegment transactions are carried out on an arm's-length basis.

On a continuing basis, no customer accounted for more than 10% of revenue in either 2025 or 2024. Non-current assets in the UK (the Company's country of domicile) totalled £68.2m (2024: £74.4m), with the other significant location being the USA with £89.6m (2024: £95.2m). Total Group net finance expense of £8.0m (2024: £8.9m) and total Group income tax credit of £2.1m (2024: £6.1m) cannot be meaningfully allocated by segment. The Group revenue does not include any variable consideration which is constrained.

1. Segment analysis CONTINUED

Disaggregation of revenue

% of total Continuing External Revenue	2025	2024
Revenue by channel		
End users	71%	71%
Distributors	29%	29%
Revenue by offer type		
Standard	66%	69%
Configured	21%	21%
Custom	13%	10%
Revenue by customer segment		
Industrial manufacturers	68%	69%
Large consumer manufacturers	24%	19%
SME consumers	8%	12%

Revenue by geographical location

External revenue is presented in the table below, on a continuing basis, by location of the Group operation where the sales originated.

	2025 £m	2024 £m
UK (country of domicile)	26.7	28.0
US	87.0	88.1
China	28.9	28.6
Turkey	25.4	26.3
Germany	19.0	18.8
Italy	18.6	19.4
France	13.4	13.0
The Netherlands	12.4	12.3
Spain	11.6	11.3
Poland	11.1	10.3
Rest of World	47.9	46.3
Total continuing Group	302.0	302.4

ACCOUNTING POLICIES AND NOTES TO THE FINANCIAL STATEMENTS

Notes to the Financial Statements CONTINUED

2. Net operating expense

	Note	2025 £m	2024 £m
Changes in inventories of finished goods and work in progress		(1.3)	(2.4)
Raw materials and consumables		82.9	82.9
Personnel expense ¹	5	99.6	107.6
Depreciation of property, plant and equipment	7	9.9	9.6
Depreciation of lease right-of-use assets	9	6.2	6.3
Profit and loss on disposal of property, plant and equipment		(1.0)	–
Amortisation of intangible assets ³	8	12.8	13.5
Adjusting items	2	12.5	14.0
Exchange differences recognised in profit or loss		(0.5)	(0.2)
Other operating expenses ²		72.4	56.5
Net operating expenses		293.5	287.8

Notes:

- ¹ Excludes personnel expenses totalling £5.6m (2024: £4.9m) recognised within adjusting items.
- ² Other operating expenses includes manufacturing, selling, general and administrative overheads.
- ³ Includes amortisation of non-acquired intangible assets of £1.8m (2024: £2.0m).

Adjusting items from continuing operations

Adjusting items are separately presented from other items by virtue of their nature, size and/or incidence. They are identified separately in order for the reader to obtain a clearer understanding of the underlying results of the ongoing Group's operations, by excluding items which, in management's view, do not form part of the Group's underlying operating results, such as gains, losses or costs arising from business acquisition and disposal activities, significant restructuring and closure costs, and costs of major Software as a Service projects, items which are non-recurring or one-off in nature (such as the costs of fundamental strategic review and reorganisation), one-off impairments of non-current assets and charges relating to the Group's legacy defined benefit pension schemes, and the related tax effect.

	2025 £m	2024 (re-presented) ⁶ £m
Costs/(credits) relating to transactions including acquisitions, disposals, business structuring, related advisory and integration costs ¹	2.2	2.5
Customisation and configuration costs of significant Software as a Service ("SaaS") arrangements ²	9.3	9.6
Defined benefit pension scheme charges ³	1.7	1.8
Reversal of impairment ⁴	–	(1.8)
Other ⁵	(0.7)	1.9
Adjusting items before tax	12.5	14.0
Tax	(2.8)	(6.8)
Adjusting items after tax	9.7	7.2

2. Net operating expense CONTINUED

	2025 £m	2024 £m
Reconciliation of cash flows from adjusting items:		
Adjusting items	12.5	14.0
Non-cash credits/(expenses) in adjusting items	3.2	(1.3)
Pension contribution adjustment	0.6	-
Utilisation of prior year end acquired accruals and provisions	3.0	5.7
Cash outflow from adjusting items before tax	19.3	18.4
Tax received on adjusting items	-	(0.7)
Cash outflow from adjusting items	19.3	17.7

Notes:

- This comprises a credit of £0.7m for the reversal of a deferred consideration which is no longer payable and £0.4m credit for the uplift in valuation of deferred contingent consideration receivable on the disposal of the Filters business (disposed in 2022). These are offset by net costs of £3.3m associated with acquisitions, disposals and site closures (2024: £2.5m).
- Costs of significant SaaS arrangements which, in the view of management, represents investment in upgrading the Group's technological capability, were expensed as adjusting items in accordance with the Group's accounting policies. In 2025 costs of £9.3m (2024: £9.6m) were attributable to major SaaS projects and relate primarily to the costs of implementing a new cloud-based enterprise resource planning ("ERP") system within the Group.
- Costs of £1.7m (2024: £1.8m) were incurred in relation to defined benefit pension scheme charges which, following the outcome of the strategic review in 2022, no longer pertain to the continuing operations of the Group.
- In 2024 £1.8m credit was incurred for the reversal of impairment of investment property.
- Credits of £0.7m (2024: £1.9m expense) related to gains and provision releases associated with property no longer owned by the Group.
- The comparative has been re-presented to group the following categories: "Costs relating to restructuring following disposals of businesses", "Gains and transaction costs relating to acquisitions of businesses" and "Acquisition integration and restructuring costs" to be included within one category being "Costs/(credits) relating to transactions including acquisitions, disposals, business structuring, related advisory and integration costs". There is no impact to the financial result for the prior year or presentation of the primary statements. The re-presentation has been made to ensure the disclosure remains relevant in the current period.

Auditors' remuneration

Fees payable to the Company's external auditors, PricewaterhouseCoopers LLP and its associates, are analysed below:

	2025 £m	2024 £m
Fees payable for the audit of the Company and the Consolidated Financial Statements	1.4	2.0
Audit of the financial statements of the Company's subsidiaries pursuant to legislation	0.5	0.4
Total audit fees	1.9	2.4
Audit-related assurance services ¹	0.1	0.1
Other assurance services	-	-
Total non-audit fees	0.1	0.1
Total fees	2.0	2.5

Notes:

- Audit-related assurance services mainly comprise the review of the half-year financial statements and associated results announcement.

ACCOUNTING POLICIES AND NOTES TO THE FINANCIAL STATEMENTS

Notes to the Financial Statements CONTINUED

3. Net finance expense from continuing operations

	Note	2025 £m	2024 £m
Finance income			
Bank deposits		0.3	0.5
Other finance income ¹		6.1	2.8
Net interest on pension scheme assets	18	0.6	0.3
Total finance income		7.0	3.6
Finance expense			
Interest on loans and overdrafts		(7.0)	(6.4)
Amortisation of bank facility fees		(0.3)	(0.2)
Other finance expense ²		(4.9)	(2.6)
Net interest on pension scheme liabilities	18	(0.5)	(0.7)
Interest on leases	9	(2.3)	(2.6)
Total finance expense		(15.0)	(12.5)
Net finance expense		(8.0)	(8.9)

Notes:

- Included within other finance income is £nil (2024: £0.5m) relating to gains on derivative financial instruments, £4.9m (2024: £0.8m) relating to exchange gains on cash, borrowings and leases, £0.8m (2024: £1.5m) relating to monetary gains on Hyperinflationary economies and £0.4m (2024: £nil) relating to interest received on corporation tax.
- Included within other finance expense is £2.4m (2024: £nil) relating to loss on derivative financial instruments, £2.3m (2024: £2.6m) relating to exchange losses on cash, borrowings and leases and £0.2m (2024: nil) relating to interest on tax.

4. Income tax expense/(credit)

	Note	2025 £m	2024 £m
Amounts recognised in the Consolidated income statement			
Current tax		4.3	(0.4)
Adjustment in respect of prior years' tax		0.8	(0.1)
Deferred tax	16	(7.1)	(4.9)
Adjustment in respect of prior years' deferred tax	16	0.4	(0.7)
Income tax credit		(1.6)	(6.1)
Income tax expense/(credit) attributable to:			
Credit on profit/loss from continuing operations		(1.6)	(5.9)
Credit on loss from discontinued operations	24	–	(0.2)
Income tax credit		(1.6)	(6.1)
Amounts recognised in the Consolidated statement of comprehensive income			
Tax (credit)/expense in respect of taxable foreign exchange taxable losses		(1.7)	0.6
Tax credit in respect of fair value hedges		(0.8)	(0.5)
Net Tax (credit)/expense		(2.5)	0.1
Tax expense on remeasurement of defined benefit pension schemes		1.7	2.1
Net total tax (credit)/expense through Consolidated statement of comprehensive income		(0.8)	2.2

Uncertain tax provisions

At 31 December 2025, included in the tax payable is a liability of £2.1m (2024: £3.8m) for transfer pricing matters and £1.6m (2024: £1.7m) for other uncertain tax positions. The reduction in each provision is primarily due to the expiry of statute of limitations following the passage of time, favourable agreements reached with tax authorities on previous matters and part of the liability transferring with disposed entities. Adjustments for current year transactions and foreign exchange movements complete the movement in the year.

4. Income tax expense/(credit) CONTINUED

Factors affecting income tax for the year

The tax credit for the year ended 31 December 2025 is lower than (2024: lower than) the standard rate of corporation tax in the UK of 25.0% (2024: 25.0%). The differences are explained below:

	Note	2025 £m	2024 £m
Profit from continuing operations before income tax		0.5	5.7
Loss from discontinued operations before income tax	24	–	(1.2)
		0.5	4.5
Tax at UK statutory rate of 25.0% (2024: 25%)		0.1	1.1
Effects of:			
Permanent disallowable items (including adjusting items) ¹		(0.1)	(3.7)
Overseas state and local tax		0.2	0.1
Unrecognised tax attributes (arising)/utilised ²		0.5	(0.2)
Adjustments in respect of prior years		1.2	(0.8)
Withholding tax (including on unremitted earnings)		(0.7)	0.8
Difference between UK and overseas tax rates		(0.1)	(0.1)
Reassessment of deferred tax recognition ³		(2.7)	(3.3)
Income tax credit⁴		(1.6)	(6.1)

Notes:

- ¹ This is in relation to permanent differences arising on non-deductible expenses and the net of the releases of uncertain tax provisions of £1.9m (2024: £4.2m).
- ² See further information regarding deferred tax asset recognition in Note 16.
- ³ This reflects a change in the expected realisation of future tax benefits due to the updated forecasts and improved projections of future taxable profits in some jurisdictions, net of the de-recognition of deferred tax assets on tax losses and similar tax attributes where it is no longer probable that the related tax benefits will be realised in other jurisdictions. This has been excluded from adjusted earnings per share (Note 6).
- ⁴ The income tax credit in the UK is £1.2m (2024: £6.4m).

5. Personnel expense

Total personnel expense, including Directors, is analysed below:

	2025 £m	2024 £m
Wages and salaries	83.5	91.7
Social security expense	12.0	12.3
Pension expense (Note 18)	2.4	2.5
Share option expense (Note 18)	1.7	1.1
Total personnel expense	99.6	107.6

Additional personnel expenses totalling £5.6m (2024: £4.9m) were included within adjusting items, including: wages and salaries of £5.2m (2024: £4.3m); social security expense of £0.3m (2024: £0.5m); and pension contributions expense of £0.1m (2024: £0.1m).

The Annual Report on Remuneration on pages 112 to 127 sets out information on Directors' remuneration. For the average number of employees (including Executive Directors. See Note 1.

ACCOUNTING POLICIES AND NOTES TO THE FINANCIAL STATEMENTS

Notes to the Financial Statements CONTINUED

5. Personnel expense CONTINUED

Key management remuneration

	2025 £m	2024 £m
Short-term employee benefits	3.3	2.7
Post-employment benefits	0.2	0.1
Share-based payments	0.2	0.5
Termination benefits	–	0.1
	3.7	3.4

Essentra considers key management personnel to be the Directors and the members of the Group Management Committee. The amounts disclosed are on the same basis as those used to determine the relevant amounts disclosed in the Annual Report on Remuneration on pages 112 to 127.

6. Earnings per share

	Note	2025 £m	2024 £m
Earnings from continuing operations			
Profit attributable to equity holders of the Company		2.1	11.6
Adjustments:			
Amortisation of acquired intangible assets	1	11.0	11.5
Tax on amortisation of acquired intangible assets		(2.6)	(2.7)
Adjusting items	2	12.5	14.0
Tax on adjusting items	2	(2.8)	(6.8)
Adjusted earnings attributable to equity holders of the Company¹		20.2	27.6
Adjustment for recognition of deferred tax asset on tax losses ²		(2.7)	(3.3)
Total for calculation of adjusted earnings per share²		17.5	24.3
Earnings from discontinued operations			
Earnings attributable to equity holders of Essentra plc		–	(1.0)

Notes:

- ¹ Adjusted earnings per share from continuing operations is provided to reflect the underlying performance of the Group.
- ² This reflects the derecognition and recognition of deferred tax assets on tax losses where there is a change in probability that the related tax benefits will be realised

6. Earnings per share CONTINUED

	2025	2024
Weighted average number of shares		
Basic weighted average number of ordinary shares outstanding (million) ¹	285.7	287.3
Dilutive effect of employee share option plans (million)	2.6	2.4
Diluted weighted average number of ordinary shares (million)	288.3	289.7
Earnings per share from continuing operations (pence)		
Basic earnings per share from continuing operations	0.7p	4.0p
Adjustment	5.4p	4.5p
Basic adjusted earnings per share from continuing operations	6.1p	8.5p
Diluted earnings per share from continuing operations	0.7p	4.0p
Adjusting items	5.4p	4.4p
Diluted adjusted earnings per share from continuing operations	6.1p	8.4p
Earnings per share from discontinued operations (pence)		
Basic earnings per share	–	(0.3)p
Diluted earnings per share	–	(0.3)p
Total Earnings per share attributable to equity holders of the Company (pence)		
Basic earnings per share	0.7p	3.7p
Diluted earnings per share	0.7p	3.7p

Notes:

¹ The basic weighted average number of ordinary shares in issue excludes shares held in treasury and shares held by the employee benefit trust.

7. Property, plant and equipment

	2025			
	Land and buildings £m	Plant and machinery £m	Fixtures, fittings and equipment £m	Total Property, plant and equipment £m
Cost				
Beginning of year	38.1	117.0	68.8	223.9
Acquisitions ⁴	–	0.3	–	0.3
Additions	0.6	7.6	2.6	10.8
Disposals	(6.1)	(2.4)	(5.0)	(13.5)
Currency translation ²	(1.4)	(0.8)	(0.1)	(2.3)
End of year	31.2	121.7	66.3	219.2
Accumulated depreciation and impairment				
Beginning of year	16.6	82.5	56.2	155.3
Charge in year	1.2	6.3	2.4	9.9
Disposals	(1.6)	(2.4)	(5.0)	(9.0)
Currency translation ²	(0.2)	(0.7)	(0.6)	(1.5)
End of year	16.0	85.7	53.0	154.7
Net book value at end of year¹	15.2	36.0	13.3	64.5

ACCOUNTING POLICIES AND NOTES TO THE FINANCIAL STATEMENTS

Notes to the Financial Statements CONTINUED

7. Property, plant and equipment CONTINUED

	Note	Total Investment properties ⁴ £m	2024		
			Land and buildings £m	Plant and machinery £m	Fixtures, fittings and equipment £m
Cost					
Beginning of year		7.0	39.0	118.1	68.5
Additions		-	0.5	7.6	3.8
Disposals		-	(1.2)	(6.6)	(2.7)
Transferred to assets held for sale	26	(7.0)	-	-	-
Currency translation ²		-	(0.2)	(2.1)	(0.8)
End of year		-	38.1	117.0	68.8
Accumulated depreciation and impairment					
Beginning of year		3.7	16.4	84.5	56.6
Charge in year		-	1.3	5.7	2.6
Disposals		-	(1.2)	(6.6)	(2.7)
Transferred to assets held-for-sale	26	(1.9)	-	-	-
Reversal of impairment in year ³		(1.8)	-	-	-
Currency translation ²		-	0.1	(1.1)	(0.3)
End of year		-	16.6	82.5	56.2
Net book value at end of year¹		-	21.5	34.5	12.6

Notes:

- ¹ Included within land and buildings, plant and machinery and fixtures, fittings and equipment are assets in the course of construction of £1.9m (2024: £3.6m), which were not depreciated during the year.
- ² Currency translation movement for the year includes an increase of £1.3m (2024: £0.7m) in respect of adjustments for hyperinflation.
- ³ In 2024 the fair value of the investment property was £5.1m and, as consequence, a credit of £1.8m was recorded as a reversal of impairment to adjusting items (see Note 2). The asset was transferred to assets held-for-sale and has subsequently been sold.
- ⁴ Acquisitions in 2025 include £0.3m relating to the acquisition of Device Technologies LLC.

Contractual commitments to purchase property, plant and equipment amounted to £nil at 31 December 2025 (2024: £0.4m).

8. Intangible assets

	2025			
	Goodwill £m	Customer relationships ² £m	Other intangible assets ^{1,5} £m	Total £m
Cost				
Beginning of year	151.5	171.5	25.7	348.7
Acquisitions ⁴	4.9	–	–	4.9
Additions	–	–	0.4	0.4
Currency translation ³	(3.6)	(2.7)	(0.6)	(6.9)
End of year	152.8	168.8	25.5	347.1
Accumulated amortisation and impairment				
Beginning of year	4.2	120.8	18.7	143.7
Charge in year ²	0.2	10.4	2.2	12.8
Currency translation ³	(0.2)	(3.1)	(0.4)	(3.7)
End of year	4.2	128.1	20.5	152.8
Net book value at end of year	148.6	40.7	5.0	194.3

	2024			
	Goodwill £m	Customer relationships ² £m	Other intangible assets ^{1,5} £m	Total £m
Cost				
Beginning of year	148.6	169.3	24.6	342.5
Additions	–	–	0.9	0.9
Currency translation ³	2.9	2.2	0.2	5.3
End of year	151.5	171.5	25.7	348.7
Accumulated amortisation and impairment				
Beginning of year	4.2	107.4	15.9	127.5
Charge in year ²	–	10.9	2.6	13.5
Currency translation ³	–	2.5	0.2	2.7
End of year	4.2	120.8	18.7	143.7
Net book value at end of year	147.3	50.7	7.0	205.0

Notes:

- Other intangible assets principally comprise trade names acquired, developed technology acquired, software development and e-Commerce development costs.
- The weighted average remaining useful lives of customer relationships and other intangible assets at the end of the year were 7.7 years and 2.4 years (2024: 8.0 years and 3.4 years), respectively.
- Currency translation movement for the year includes an increase of £0.4m (2024: £3.9m) in respect of adjustments for hyperinflation.
- Acquisitions include goodwill of £4.9m relating to the acquisition of Device Technologies LLC.
- Included within other intangible cost is £17.6m (2024: £17.3m), which was internally generated with an accumulated amortisation of £14.1m (2024: £12.3m). Internally generated additions amounted to £0.4m (2024: £0.9m) and amortisation £1.8m (2024: £2.0m).

ACCOUNTING POLICIES AND NOTES TO THE FINANCIAL STATEMENTS

Notes to the Financial Statements CONTINUED

8. Intangible assets CONTINUED

Essentra tests goodwill assets annually for impairment, or more frequently if there are indications of impairment. A discounted cash flow analysis is computed to compare the discounted estimated future operating cash flows to the net carrying value of the goodwill and other intangible and tangible assets for each cash generating unit ("CGU") or group of cash generating units ("CGUs") as appropriate. Following an impairment assessment of the carrying value of goodwill held by the Group's operations performed by management as at 31 December 2025, no impairment of goodwill was required to be recognised on the Group's continuing operations. The three geographical segments: EMEA, Americas and APAC, represented by groups of CGUs (the manufacturing and distribution sites), are considered to represent the lowest level within the Group at which goodwill is monitored for internal management purposes.

Goodwill is allocated to groups of cash generating units, being the operating segments, as follows:

	2025 £m	2024 £m
Goodwill		
EMEA	112.7	111.3
Americas	35.9	36.0
	148.6	147.3

Customer relationships and other intangible assets are allocated to the businesses to which they relate, as follows:

Business	Operating Segment	2025 £m	2024 £m
Businesses of former Moss and Skiffy	EMEA	5.2	5.9
Business of former Mesan	EMEA	1.4	2.7
Wixroyd	EMEA	6.2	7.0
BMP TAPPI	EMEA	14.6	15.1
Components Sweden	EMEA	1.3	1.4
Business of former Micro Plastics, Inc	Americas	2.4	2.9
Innovative Components	Americas	3.8	4.9
Businesses of former Richco	Americas	1.7	5.5
Hengzhu	APAC	3.3	4.1
Business of former Abric	APAC	2.3	3.1
e-Commerce development costs	Central	3.1	4.5
Software and development costs	Central	0.4	0.6
		45.7	57.7

The CGUs are primarily the manufacturing and distribution sites, at which impairment of intangible assets (excluding goodwill) and property, plant and equipment would be performed.

8. Intangible assets CONTINUED

The impairment tests for goodwill are based first on the Board-approved business plan (the "Plan"). The recoverable amount of each group of CGUs was determined by performing a value-in-use calculation taking into account the wider market conditions and revenue growth projections within the industry in which the CGUs operate in. The cash flow projections are over five years based on the approved annual budget for the first year and subsequent years based on management forecasts and with reference to economic data. The key assumptions in the cash flow projections for the Plan are set out below.

Region	Average annual revenue growth rate over five-year forecast period	Terminal growth rate from 2028 onwards	Improvement in average operating profit over five-year period	Pre-tax discount rate
Groups of cash-generating-units:				
EMEA	5.9%	1.8%	6.5%	15.9%
Americas	5.7%	1.9%	5.9%	14.0%

Operating margin is primarily based upon the historical levels achieved, adjusted by targets set for revenue expansion and cost control and reduction within the Plan period. The values assigned to these assumptions represent management's assessment of market conditions and scope for cost and profitability improvement, taking into account realisable synergies resulting from integration activities. The estimated cash flows are discounted using a pre-tax discount rate based upon Essentra's estimated pre-tax weighted average cost of capital by operating segment.

The associated impact on the impairment assessment in relation to the EMEA and Americas geographical segments is as follows:

Headroom/(impairment) after applying sensitivities impacting:	Group CGUs EMEA remaining headroom £m	Group CGUs Americas remaining headroom £m
Initial value-in-use calculation	33.7	29.9
50 bps increase in pre-tax discount rate	23.5	23.6
100 bps reduction in terminal growth rate	22.3	22.9
100 bps reduction in each year's growth rate	23.5	24.3
100 bps reduction in operating profit margin in the terminal year	25.7	23.7

ACCOUNTING POLICIES AND NOTES TO THE FINANCIAL STATEMENTS

Notes to the Financial Statements CONTINUED

9. Lease right-of-use assets

	2025			
	Land and buildings £m	Plant and machinery £m	Fixtures, fittings and equipment £m	Total £m
Cost				
Beginning of year	47.6	3.5	0.1	51.2
Acquisitions	0.4	0.1	–	0.5
Additions	0.1	1.0	–	1.1
Extensions and surrenders	3.8	0.1	–	3.9
Terminations	(1.7)	(1.0)	–	(2.7)
Currency translation ¹	0.7	0.2	–	0.9
End of year	50.9	3.9	0.1	54.9
Accumulated depreciation and impairment				
Beginning of year	25.1	1.8	0.1	27.0
Charge in year	5.0	1.2	–	6.2
Terminations	(1.7)	(1.0)	–	(2.7)
Currency translation ¹	0.1	0.2	–	0.3
End of year	28.5	2.2	0.1	30.8
Net book value at end of year	22.4	1.7	–	24.1

	2024			
	Land and buildings £m	Plant and machinery £m	Fixtures, fittings and equipment £m	Total £m
Cost				
Beginning of year	48.8	3.2	0.1	52.1
Additions	0.4	1.1	–	1.5
Extensions and surrenders	2.8	0.2	–	3.0
Terminations	(2.7)	(1.0)	–	(3.7)
Currency translation ¹	(1.7)	–	–	(1.7)
End of year	47.6	3.5	0.1	51.2
Accumulated depreciation and impairment				
Beginning of year	22.5	1.6	0.1	24.2
Charge in year	5.1	1.2	–	6.3
Terminations	(2.7)	(1.0)	–	(3.7)
Currency translation ¹	0.2	–	–	0.2
End of year	25.1	1.8	0.1	27.0
Net book value at end of year	22.5	1.7	–	24.2

Notes:

- ¹ Currency translation as at 31 December 2025 includes net book value movement of £0.3m increase (2024: £0.1m increase) in respect of adjustments for hyperinflation.

9. Lease right-of-use assets CONTINUED

The income statement includes the following amounts relating to leases:

On continuing operations	Note	2025 £m	2024 £m
Lease right-of-use assets depreciation	2, 28	6.2	6.3
Interest expense (included in finance costs) ¹	3	2.3	2.6
Net exchange losses (included in finance costs)	3	0.2	1.8
Expense relating to short-term leases (included in cost of goods sold and administrative expenses) ²		–	–
Expense relating to leases of low-value assets that are not shown above as short-term leases (included in operating expenses)		0.1	0.1
		8.8	10.8

Notes:

- For the year ended 31 December 2025, the weighted average lessee's incremental borrowing rate applied to lease liabilities was 8.6% (2024: 9.0%).
- The short-term leases expense for the year ending 31 December 2026 is not expected to be materially different to the expense disclosed above.

The maturity analysis on the lease liabilities has been included in Note 19. The total cash outflow for leases and analysis of movements in lease liabilities are included in Note 22.

10. Inventories

	2025 £m	2024 £m
Raw materials and consumables	7.0	7.7
Work-in-progress	2.3	4.2
Finished goods and goods held for resale	59.4	56.0
Total¹	68.7	67.9

Notes:

- Inventories with a total value of £1.3m (2024: £nil) were written down in the year.

11. Trade and other receivables

	2025 £m	2024 £m
Trade receivables ²	43.0	37.6
Other receivables ³	4.3	14.3
Prepayments and accrued income	5.3	4.3
Total¹	52.6	56.2

Notes:

- See Note 19 for further details on the credit risk disclosures relating to trade and other receivables.
- Includes impairment charge on trade receivables of £0.3m (2024: £0.6m).
- Other receivables include £nil (2024: £9.6m) of consideration for an earn out receivable (following the disposal of the Filters business in 2022).

12. Cash and cash equivalents

	2025 £m	2024 £m
Bank balances	36.2	33.7
Total	36.2	33.7

ACCOUNTING POLICIES AND NOTES TO THE FINANCIAL STATEMENTS

Notes to the Financial Statements CONTINUED

13. Trade and other payables

	2025 £m	2024 £m
Trade payables	28.6	25.6
Other tax and social security contributions	6.5	6.9
Other payables	2.0	3.5
Accruals	20.5	15.7
Total	57.6	51.7

14. Interest-bearing loans and borrowings

	2025 £m	2024 £m
Current liabilities		
Unsecured overdrafts	–	1.0
Total	–	1.0
Non-current liabilities		
Unsecured bank loans	22.8	25.0
US Private Placement Loan Notes	75.7	81.7
Total	98.5	106.7

At 31 December 2025, the Group had £24.0m (2024: £26.1m) of unsecured bank loans drawn in a combination of sterling, euros and US dollars at floating rates of interest set by reference to SONIA/EURIBOR/SOFR as relevant (2024: SONIA/EURIBOR/SOFR). Essentra's \$102.5m US Private Placement Loan Notes ("USPP") are at a weighted average interest rate of 3.84% per annum (2024: 3.84%).

The US Private Placement Loan Notes consist of \$33m maturing in July 2028, \$35m maturing in July 2031 and \$35m maturing in July 2033.

The currency profile of the carrying and nominal values of Essentra's loans and borrowings is as follows:

	2025		2024	
	Carrying value £m	Nominal value £m	Carrying value £m	Nominal value £m
US dollar – USPP	75.7	75.9	81.7	82.0
US dollar – Unsecured bank loan	14.7	14.7	4.7	4.7
Euro – Unsecured bank loan	4.3	4.3	7.4	7.4
Sterling – Unsecured bank loan	3.8	5.0	12.9	14.0
Total	98.5	99.9	106.7	108.1

The difference between the total nominal and total carrying value of loans and borrowings relates to the amortised value of prepaid facility fees of £1.4m (2024: £1.4m).

15. Derivatives

Derivative financial instruments – cash flow hedges

The Group used derivatives to hedge its exposure to foreign exchange and interest rate risks arising from operational, financing and investment activities. The carrying value of derivatives designated in cash flow hedges at the balance sheet date was as follows:

	2025			2024		
	Fair values £m	Contractual or notional amounts £m	Change in fair value £m	Fair values £m	Contractual or notional amounts £m	Change in fair value £m
Non-current assets						
Cross-currency interest rate swaps	1.6	59.3	(4.2)	5.8	64.0	1.6

Cash flow hedges are hedges of the currency risk exposure to variability in cash flows. They relate to trading transactions and interest and principal payments denominated in foreign currencies.

At 31 December 2025, the Group has a number of cross-currency interest rate swap contracts to hedge the foreign currency risk of its US Private Placement Loan Notes, with a total notional value of \$80m (2024: \$80m), which are due to mature in 2028. Of these derivatives, hedge accounting was discontinued in 2022 for a total notional value of \$47m as the related debt was repaid in that year. The hedge ratio for the remaining \$33m derivatives is 1:1 and ineffectiveness can arise due to credit risk in the counterparty and in the Group. The average rate for the cross-currency swaps in place at 31 December 2025 is \$1.37/£ (2024: \$1.37/£).

Movements in the Group's hedging reserves are analysed below.

	2025			2024		
	Cost of hedging reserve £m	Cash flow hedging reserve £m	Total hedging reserve £m	Cost of hedging reserve £m	Cash flow hedging reserve £m	Total hedging reserve £m
Balance at the beginning of the year	0.2	(0.2)	–	0.1	(0.3)	(0.2)
Change in fair value of cross-currency interest rate swaps recognised in other comprehensive income	(0.3)	(1.4)	(1.7)	0.1	0.6	0.7
Amounts recycled to finance expense/(income) to offset retranslation of hedged loans	–	1.9	1.9	–	(0.5)	(0.5)
Balance at the end of the year	(0.1)	0.3	0.2	0.2	(0.2)	–

ACCOUNTING POLICIES AND NOTES TO THE FINANCIAL STATEMENTS

Notes to the Financial Statements CONTINUED

15. Derivatives CONTINUED

The following movements were recognised for the purpose of calculating hedge ineffectiveness in the year:

	Movement in hedging instrument £m	Movement in hedged item £m	Ineffectiveness recognised in P&L £m
Cumulative movement at 1 January 2025	12.1	(12.4)	(0.3)
Movement in year	(4.2)	4.2	–
Cumulative movement at 31 December 2025	7.9	(8.2)	(0.3)

	Movement in hedging instrument £m	Movement in hedged item £m	Ineffectiveness recognised in P&L £m
Cumulative movement at 1 January 2024	10.5	(10.8)	(0.3)
Movement in year	1.6	(1.6)	–
Cumulative movement at 31 December 2024	12.1	(12.4)	(0.3)

Hedges of net investments in foreign operations

Hedges of net investments are hedges of the currency risk exposure to changes in the carrying value of net investments in foreign operations. The hedge ratio is 1:1.

Essentra had other US dollar and euro denominated borrowings, which it designated as hedges of its net investments in subsidiary undertakings. Exchange gains of £2.1m (2024: losses of £0.4m) on these US dollar borrowings and the losses of £0.1m (2024: gains of £0.5m) on the euro borrowings were recognised in other comprehensive income. Cumulative losses in respect of the net investment hedge in the currency translation reserve amount to £55.6m (2024: £57.6m).

16. Deferred tax

Deferred tax assets and liabilities are attributable to the following:

	2025				2024			
	Assets £m	Liabilities £m	Net £m	Income statement: (credit)/ charge £m	Assets £m	Liabilities £m	Net £m	Income statement: (credit)/ charge £m
Property, plant and equipment ¹	(9.4)	1.1	(8.3)	(1.8)	(9.6)	3.3	(6.3)	(2.0)
Intangible assets ²	–	11.7	11.7	(2.0)	–	13.7	13.7	(2.2)
Employee benefits ³	(2.8)	3.3	0.5	0.3	(3.9)	2.1	(1.8)	0.4
Other ⁴	(14.9)	1.6	(13.3)	(3.2)	(12.3)	2.9	(9.4)	(1.8)
Tax (assets)/liabilities	(27.1)	17.7	(9.4)	–	(25.8)	22.0	(3.8)	–
Set off of tax	10.4	(10.4)	–	–	11.8	(11.8)	–	–
Net tax (assets)/liabilities	(16.7)	7.3	(9.4)	–	(14.0)	10.2	(3.8)	–
Total income statement credit				(6.7)				(5.6)

Notes:

- A deferred tax liability arises on property, plant and equipment as the tax value of assets is lower than the corresponding accounting value. This arises as tax deductions are determined by the applicable tax laws in each country the Group operates in whereas accounting depreciation is calculated in line with the Group's accounting policy.
- A deferred tax liability is provided on temporary differences arising on the Group's intangible assets as, in the majority of cases, the local tax authorities do not allow deduction for amortisation of these intangible assets.
- This represents deferred tax on the Group's defined benefit pension schemes and share-based incentives.
- This includes expenditure that will be deductible in future periods for tax purposes when the amounts are settled in cash, tax losses expected to be utilised in future periods and withholding tax on overseas earnings from Group companies expected to be remitted in the foreseeable future of £0.6m (2024: £1.7m).

16. Deferred tax CONTINUED

Movements in the year:

	2025 Total net £m	2024 Total net £m
Net tax liabilities/(assets) at beginning of year	(3.8)	0.2
Credit to the income statement in respect of current year	(7.1)	(4.9)
Charge/(credit) to the income statement in respect of prior years	0.4	(0.7)
Charge to other comprehensive income – defined benefit pensions	1.7	2.1
Expense to reserves – hyperinflation (IAS 29)	(0.3)	–
Expense to reserves on share-based incentives	(0.1)	0.2
Credit to other income in respect of fair value hedges	(0.8)	(0.5)
Currency translation	0.6	(0.2)
Net tax liabilities/(assets) at end of year	(9.4)	(3.8)

At 31 December 2025 it was expected that earnings from certain overseas Group companies will be remitted and a deferred tax liability of £0.6m (2024: £1.7m) has been recognised accordingly. This represents withholding taxes payable on the remittance of these earnings under local tax laws. The amount of unrecognised deferred tax in respect of unremitted earnings is £4.6m (2024: £4.8m) on gross unremitted earnings of £67.8m (2024: £68.2m).

Based on available information, management determined whether it is probable for some, or all, of the deferred tax assets to be recognised. In determining this, management considered the cumulative losses in prior years, the history of tax losses, the manner in which assets can be used (including time limitations under local laws), future earnings potential and expectation of future reversal of taxable temporary differences. Following management assessment, gross deferred tax assets of £0.1m (2024: £0.1m) in respect of capital losses and unutilised tax losses of £17.7m (2024: £34.4m) have not been recognised as their realisation is not probable. The capital losses have an unlimited expiry date.

The income tax losses expire as follows: £4.9m within five years, £5.7m in more than five years and £7.1m with no expiry.

If future conditions change, the amount of unrecognised deferred tax assets will be reassessed. This may impact the income tax expense/credit in the year of remeasurement.

UK deferred tax assets

Of the total net deferred tax asset of £9.4m (2024: £3.8m asset), after offset of deferred tax liabilities in relation to other intangible assets, £14.6m (2024: £11.7m) relates to the UK. This is made up primarily of tax losses and fixed asset temporary differences. A recoverability assessment has been undertaken using the Group's latest profit forecasts to assess the level of future taxable profits. These profit forecasts, which take account of climate change implications for affected markets, reflect industry growth rates and supply and demand factors (as discussed in Note 8).

The assessment takes both positive and negative evidence into account, and sensitivity analysis has been undertaken assessing the impact of lower growth rates and levels of operating profit. The assessment reflects the fact that, under UK tax law, the amount of both UK capital allowances (tax depreciation) that can be claimed, and brought forward tax losses that can be utilised, are restricted.

Based on work performed, positive evidence outweighs the negative evidence and so continued recognition is supported as it is probable that the UK business will generate taxable income and tax liabilities in the future against which these losses and other tax assets can be utilised.

Any future changes in tax law or the structure of the Group could impact the use of losses and other deductible temporary differences, including the period over which they can be used. In view of this, and the significant estimation involved, management continually monitors the position.

ACCOUNTING POLICIES AND NOTES TO THE FINANCIAL STATEMENTS

Notes to the Financial Statements CONTINUED

17. Provisions

	2025			
	Contractual obligations £m	Reorganisation £m	Other £m	Total £m
Beginning of year	0.4	–	3.3	3.7
Provisions (released)/made during year	–	0.1	(0.9)	(0.8)
Utilised during year	(0.4)	–	(2.0)	(2.4)
End of year	–	0.1	0.4	0.5
Non-current	–	–	–	–
Current	–	0.1	0.4	0.5
End of year	–	0.1	0.4	0.5

	2024				
	Onerous contracts £m	Contractual obligations £m	Reorganisation £m	Other £m	Total £m
Beginning of year	0.5	3.4	0.5	1.4	5.8
Provisions (released)/made during year	–	(0.3)	–	1.9	1.6
Utilised during year	(0.5)	(2.7)	(0.5)	–	(3.7)
End of year	–	0.4	–	3.3	3.7
Non-current	–	–	–	–	–
Current	–	0.4	–	3.3	3.7
End of year	–	0.4	–	3.3	3.7

Other provisions relate primarily to non-lease contracts on vacant properties, lease dilapidations, regulatory claims and other claims.

18. Employee benefits

Post-employment benefits

The Group operates a number of defined benefit and defined contribution pension schemes around the world, the latter covering many of its employees. The Group also has a number of other post-employment obligations in certain countries, some of which are required under local law.

The defined benefit plans are administered by boards of trustees and the assets are held independently from Essentra. The boards of trustees comprise member-nominated trustees, employer-nominated trustees and independent advisory trustees. The articles of the plans prohibit a majority on the boards to be established by either the member- or employer-nominated trustees.

Pension costs of the defined benefit schemes are assessed in accordance with the advice of independent professionally qualified actuaries. Full triennial actuarial valuations were carried out on the principal European-defined benefit schemes as at 5 April 2024 and annual actuarial valuations are performed on the principal US-defined benefit schemes. The assets and liabilities of the defined benefit schemes have been updated to the balance sheet date from the most recently completed actuarial valuations taking account of the investment returns achieved by the schemes and the level of contributions.

In June 2023, the UK High Court (Virgin Media Limited v NTL Pension Trustees II Limited) ruled that certain historical amendments for contracted out defined benefit schemes were invalid if they were not accompanied by the correct actuarial confirmation. The Trustee and Group expect any potential risk to be superseded by the Pension Bill 2025 once the parliamentary review is complete and it obtains Royal Assent expected later in 2026.

18. Employee benefits CONTINUED

The principal European-defined benefit schemes entitle remaining members to a pension calculated on 1.25% or 2% of their capped final pensionable pay multiplied by the number of pensionable years of service. Some members have historical entitlements to accrual rates of 1.67%-1.9% and 3% for certain tranches of their service. The principal US-defined benefit schemes entitle certain former participating employees to annuity benefits equal to 50% of final average pensionable salary, reduced for years of service less than 30, and other participating employees to annuity benefits equal to \$49 per month for each year of service.

The amounts included in the Consolidated Financial Statements are as follows:

	2025 £m	2024 £m
Amounts expensed against operating profit		
Defined contribution schemes	2.4	2.5
Defined benefit schemes – current service cost	1.7	1.8
Other post-employment obligations	0.1	0.1
Total operating expense	4.2	4.4
Amounts included as finance income/(expense)		
Net interest on defined benefit scheme assets	0.6	0.3
Net interest on defined benefit scheme liabilities	(0.5)	(0.7)
Net finance credit/(expense)	0.1	(0.4)
Amounts recognised in the Consolidated statement of comprehensive income		
Return on defined benefit scheme assets excluding amounts in net finance income	(2.7)	10.7
Impact of changes in assumptions and experience to the present value of defined benefit scheme liabilities	(3.0)	(18.7)
Remeasurement gains of defined benefit schemes	(5.7)	(8.0)

During the year, the Group incurred service cost expenses totalling £1.7m (2024: £1.8m), which in management's judgement, are not considered to be part of the Group's ongoing operations. As such, these expenses have been classified as adjusting items and have been presented separately (see Note 2).

During 2015, the principal defined benefit pension schemes in the UK and the US were closed to future accrual. Following the closure of the Group's principal defined benefit pension schemes to future accruals, the schemes are funded by the Group's subsidiaries and employees are not required to make any further contribution. The funding of these schemes is based on separate actuarial valuations for funding purposes for which the assumptions may differ from those used in the valuation for IAS 19 *Employee Benefits* purposes.

In April 2022, the Company, Essentra Components Limited and Essentra Pension Trustees Limited (the trustee of the UK Essentra Pension Plan) entered into a flexible apportionment agreement ("FAA") subject to UK legislation such that Essentra Packaging and Security Limited (a former participating employer and Group subsidiary disposed of as part of the Packaging business), and Essentra Filter Products Limited and Essentra Pte Limited (both former participating employers and Group subsidiaries disposed of as part of the Filters business) transferred all defined benefit pension liabilities to Essentra Components Limited, a continuing participating employer of the UK Essentra Pension Plan.

In consideration for the trustee entering into the FAA, it was agreed that Essentra Components Limited pay the following amounts into the Essentra section of the UK Essentra Pension Plan: (i) £0.7m (this was paid during 2022); (ii) £1.3m payable upon completion of the divestiture of the Packaging business in the year of disposal, which was paid in 2023, make further cash payments of £0.6m in each of the six years after the year of divestiture; and (iii) £1.3m payable upon completion of the divestiture of the Filters business in the year of disposal, which was paid in 2023, and make further payments of £0.6m in each of the six years after the year of divestiture unless the scheme is already fully funded.

ACCOUNTING POLICIES AND NOTES TO THE FINANCIAL STATEMENTS

Notes to the Financial Statements CONTINUED

18. Employee benefits CONTINUED

The Group's contributions to its defined benefit pension schemes are determined in consultation with trustees, taking into consideration actuarial advice, investment conditions and other local conditions and practices. The outcome of these consultations can impact the timing of future cash flows. Contributions payable by the Group to its defined benefit pension schemes during the year to 31 December 2025 amounted to £2.1m (2024: 1.8m) to its US schemes and £nil (2024: £nil) in respect of the Group's European schemes. In 2026, the Group expects to make defined benefit contributions of \$3.6m to its US schemes and £nil in respect of the Group's European schemes.

During the year, the Group's total contributions to defined contribution schemes amounted to £2.4m (2024: £2.5m). A similar amount is expected to be payable during the year ending 31 December 2026.

The principal assumptions used by the independent qualified actuaries for the purposes of IAS 19 are as follows:

	2025		2024	
	Europe	US	Europe	US
Increase in pensions ¹				
at RPI capped at 5%	2.8%	n/a	3.0%	n/a
at CPI capped at 5%	2.6%	n/a	2.8%	n/a
at CPI minimum 3%, capped at 5%	3.5%	n/a	3.5%	n/a
at CPI capped at 2.5%	1.9%	n/a	2.0%	n/a
Discount rate	5.5%	5.2%	5.5%	5.5%
Inflation rate – RPI	2.9%	n/a	3.1%	n/a
Inflation rate – CPI	2.6%	n/a	2.8%	n/a

Notes:

¹ For service prior to April 2010, pension at retirement is linked to salary at retirement. For service after April 2010, pension is linked to salary at April 2010 with annual increases capped at 3%.

Due to the timescale covered, the assumptions applied may not be borne out in practice.

The life expectancy assumptions (in number of years) used to estimate defined benefit pension obligations at the year end are as follows:

	2025		2024	
	Europe	US	Europe	US
Male retiring today at age 65	21.3	20.8	21.9	20.7
Female retiring today at age 65	22.6	22.8	23.3	22.7
Male retiring in 20 years at age 65	23.0	22.3	23.5	22.2
Female retiring in 20 years at age 65	23.6	24.2	24.4	24.1

The allocation of assets between different classes of investment is reviewed regularly and is a key factor in the trustees' investment policies. The allocation of assets is arrived at taking into consideration current market conditions and trends, the size of potential returns relative to investment risk and the extent to which asset realisation needs to match liability maturity. There are risks underlying these considerations. If asset returns fall below the returns required for scheme assets to match the present value of scheme liabilities, a scheme deficit results. Persistent deficits represent an obligation the Group has to settle through increased cash contributions. If asset maturities are not properly matched with liability maturities, there is also the risk that the Group could be required to make unplanned short-term cash contributions to resolve resulting liquidity issues. Scheme assets are invested by the trustees in asset classes and markets that are considered to be reasonably liquid, so through this matching, liquidity risk is considered to be sufficiently mitigated.

18. Employee benefits CONTINUED

The fair value of scheme assets, which are not intended to be realised in the short term and may be subject to significant change before they are realised, and the present value of the pension scheme liabilities, which are derived from cash flow projections over long periods and are therefore inherently uncertain, are:

	2025					
	% of total fair value of scheme assets (Europe)	Europe £m	% of total fair value of scheme assets (US)	US £m	Other £m	Total £m
Equities	–	–	43%	20.7	–	20.7
Bonds/LDI	99%	109.0	54%	25.7	–	134.7
Insureds	–	–	–	–	–	–
Other (including cash)	1%	0.8	3%	1.6	–	2.4
Fair value of scheme assets ¹		109.8		48.0	–	157.8
Present value of scheme liabilities ²		(98.6)		(53.7)	(0.5)	(152.8)
Net retirement benefit assets/ (obligations) ³		11.2		(5.7)	(0.5)	5.0

	2024					
	% of total fair value of scheme assets (Europe)	Europe £m	% of total fair value of scheme assets (US)	US £m	Other £m	Total £m
Equities	17%	22.8	54%	26.8	–	49.6
Bonds/LDI	62%	83.8	26%	12.6	–	96.4
Insureds	18%	24.4	–	–	–	24.4
Other (including cash)	3%	4.6	20%	9.7	–	14.3
Fair value of scheme assets ¹		135.6		49.1	–	184.7
Present value of scheme liabilities ²		(127.5)		(58.7)	(0.5)	(186.7)
Net retirement benefit assets/ (obligations) ³		8.1		(9.6)	(0.5)	(2.0)

Notes:

- ¹ The fair value of scheme assets is not intended to be realised in the short term and may be subject to significant change before they are realised.
- ² The present value of the pension scheme liabilities, which are derived from cash flow projections over long periods and are therefore inherently uncertain.
- ³ In the Consolidated Balance Sheet, the retirement benefit obligations of £9.1m (2024: £12.6m) relate to the US and other smaller schemes and the retirement benefit assets of £14.1m relate to the UK pension scheme (2024: £10.6m).

The equity, corporate bond and government bond assets are either direct investments or investments made via a managed fund for those asset classes. All of these assets have a quoted market price in an active market. The other asset class relates primarily to property and hedge funds, which are unquoted, and are valued at their net asset fair value. No direct investment in property is held. No plan assets are invested directly in the shares of Essentra plc.

ACCOUNTING POLICIES AND NOTES TO THE FINANCIAL STATEMENTS

Notes to the Financial Statements CONTINUED

18. Employee benefits CONTINUED

The average expected duration of the Group's European defined benefit pension liability at 31 December 2025 is 11 years (2024: 12 years). The average expected duration of the Group's US-defined benefit pension liability at 31 December 2025 is 9 years (2024: 9 years).

Movement in fair value of post-employment assets/(obligations) recognised during the year

	2025			
	Defined benefit pension schemes		Other ¹ £m	Total £m
	Assets £m	Liabilities £m		
Beginning of year	184.7	(186.2)	(0.5)	(2.0)
Current service cost and administrative expense ²	(1.7)	–	(0.1)	(1.8)
Employer contributions	2.1	0.2	0.1	2.4
Return on plan assets excluding amounts in net finance income ³	2.7	–	–	2.7
Net actuarial gains/(losses) arising from change in financial assumptions	–	0.1	–	0.1
Actuarial gains arising from change in demographic assumptions	–	3.3	–	3.3
Actuarial losses arising from experience adjustment	–	(0.4)	–	(0.4)
Assets distributed and liabilities extinguished on settlements ⁴	(24.0)	24.0	–	–
Finance income/(expense)	8.8	(8.7)	–	0.1
Benefits paid	(11.3)	11.3	–	–
Currency translation	(3.5)	4.1	–	0.6
End of year	157.8	(152.3)	(0.5)	5.0

	2024			
	Defined benefit pension schemes		Other ¹ £m	Total £m
	Assets £m	Liabilities £m		
Beginning of year	197.5	(206.8)	(0.3)	(9.6)
Current service cost and administrative expense ²	(1.8)	–	(0.1)	(1.9)
Employer contributions	1.8	0.1	–	1.9
Return on plan assets excluding amounts in net finance income ³	(10.7)	–	–	(10.7)
Actuarial gains/(losses) arising from change in financial assumptions	–	6.5	–	6.5
Actuarial gains arising from change in demographic assumptions	–	12.9	–	12.9
Actuarial losses arising from experience adjustment	–	(0.7)	–	(0.7)
Finance income/(expense)	8.9	(9.2)	(0.1)	(0.4)
Benefits paid	(11.8)	11.8	–	–
Currency translation	0.8	(0.8)	–	–
End of year	184.7	(186.2)	(0.5)	(2.0)

Notes:

- Included within the other category above are other post-employment obligations outside of Europe and the US, which are required under local law.
- During the year, the Group incurred administrative expenses totalling £1.7m (2024: £1.8m), which, in management's judgement, are not considered to be part of the Group's ongoing operations. As such, these expenses have been classified as adjusting items and have been presented separately (see Note 2).
- Return on plan assets, excluding amounts in net finance income includes losses of £0.8m (2024: £12.1m) on UK plan assets and gains of £3.5m (2024: £1.4m) on US plan assets.
- In May 2025 the Trustees completed a buyout of the Senior Section of the UK pension scheme. As a result, gross assets of £24.0m and gross pension obligations of £24.0m were transferred from the Trustees to the scheme members, to leave no obligations left within the Senior Section.

18. Employee benefits CONTINUED

For the significant assumptions used in determining defined benefit costs and liabilities, the following sensitivity analysis gives the estimate of the impact on the measurement of the scheme liabilities.

	Increase/(decrease) in schemes net liabilities as at 31 December 2025		
	Europe £m	US £m	Total £m
0.5% decrease in the discount rate	5.5	3.4	8.9
1.0% increase in the rate of inflation	4.7	n/a	4.7
1 year increase in life expectancy	3.2	1.6	4.8
1 year decrease in life expectancy	(3.2)	(1.6)	(4.8)
0.5% increase in the discount rate	(4.9)	(3.2)	(8.1)
1.0% decrease in the rate of inflation	(4.1)	n/a	(4.1)

Share-based incentives

Essentra operates equity-settled share-based incentive plans for its Executive Directors and employees. The total expense in respect of these plans during the year was £1.7m (2024: £1.1m). Details of these plans are set out below:

Share awards/options outstanding

	2025											
	At 1 Jan 2025	Weighted average exercise price	Granted during the year	Weighted average exercise price	Lapsed during the year	Weighted average exercise price	Exercised or cash settled during the year	Weighted average exercise price	At 31 Dec 2025	Weighted average exercise price	Exercisable at 31 Dec 2025	Weighted average exercise price
LTIP Part B	3,830,456	-	3,261,857	-	(888,158)	-	(138,979)	-	6,065,176	-	68,875	-
DASB	259,287	-	9,280	-	-	-	(59,749)	-	208,818	-	-	-
SAYE												
3-year plan	479,724	156.1p	988,390	78.9p	(469,029)	142.8p	-	-	999,085	85.9p	-	-
SAYE												
5-year plan	186,126	162.3p	412,958	78.9p	(159,921)	135.1p	-	-	439,163	93.8p	-	-
Restrictive shares	305,519	-	592,603	-	(41,655)	-	(362,770)	-	493,697	-	-	-
	5,061,112	-	5,265,088	-	(1,558,763)	-	(561,498)	-	8,205,939	-	68,875	-

	2024											
	At 1 Jan 2024	Weighted average exercise price	Granted during the year	Weighted average exercise price	Lapsed during the year	Weighted average exercise price	Exercised during the year	Weighted average exercise price	At 31 Dec 2024	Weighted average exercise price	Exercisable at 31 Dec 2024	Weighted average exercise price
LTIP Part B	3,877,704	-	2,185,082	-	(904,437)	-	(1,327,893)	-	3,830,456	-	40,799	-
DASB	146,223	-	144,181	-	(3,685)	-	(27,432)	-	259,287	-	-	-
SAYE												
3-year plan	386,086	189.0p	430,520	151.5p	(336,882)	188.0p	-	-	479,724	156.1p	-	-
SAYE												
5-year plan	108,435	184.2p	156,420	151.5p	(78,729)	171.0p	-	-	186,126	162.3p	-	-
US SAYE												
2-year plan	5,100	266.5p	-	-	(5,100)	266.5p	-	-	-	-	-	-
Restrictive Shares	334,356	-	-	-	(28,837)	-	-	-	305,519	-	-	-
	4,857,904	-	2,916,203	-	(1,357,670)	-	(1,355,325)	-	5,061,112	-	40,799	-

The exercise prices of options outstanding at the end of the year range from nil to 248.0p (2024: nil to 248p).

ACCOUNTING POLICIES AND NOTES TO THE FINANCIAL STATEMENTS

Notes to the Financial Statements CONTINUED

18. Employee benefits CONTINUED

The weighted average share price at the date of exercise for options exercised during the year was 100.9p (2024: 170.1p). The following table shows the weighted average fair value at the date of grant for options granted during the year:

	LTIP Part B	DASB	SAYE 3-year plan	SAYE 5-year plan	Restrictive shares
Year ended 31 December 2025	86.3p	n/a	29.9p	32.6p	99.4p
Year ended 31 December 2024	150.0p	172.2p	47.9p	52.8p	n/a

Fair value model inputs for cumulative share options awarded

	2025				
	LTIP Part B	DASB	SAYE 3-year plan	SAYE 5-year plan	Restrictive shares
Weighted average fair value at grant	121.3p	178.8p	31.6p	36.3p	99.4p
Weighted average share price at grant	141.1p	183.6p	103.9p	112.5p	99.4p
Weighted average exercise price	0.0p	0.0p	85.9p	93.8p	0.0p
Weighted average volatility	33.5%	34.2%	32.8%	34.1%	31.8%
Weighted average dividend yield	2.38%	1.89%	2.82%	2.78%	2.82%
Weighted risk-free rate	4.00%	4.02%	3.73%	3.79%	4.00%
Expected employee retention rates	86.0%	98.7%	90.6%	89.8%	93.8%
Expected term	3.0 years	3.0 years	3.2 years	5.2 years	2.3 years
Valuation model	Monte Carlo	Binomial	Binomial	Binomial	Binomial

	2024				
	LTIP Part B	DASB	SAYE 3-year plan	SAYE 5-year plan	Restrictive shares
Weighted average fair value at grant	162.5p	177.9p	48.4p	54.7p	230.2p
Weighted average share price at grant	192.3p	187.9p	178.5p	187.7p	237.0p
Weighted average exercise price	0.0p	0.0p	156.1p	162.3p	0.0p
Weighted average volatility	35.1%	33.25%	36.44%	35.07%	40.0%
Weighted average dividend yield	2.02%	2.07%	1.95%	2.04%	2.50%
Weighted risk-free rate	3.95%	4.02%	4.50%	3.97%	3.40%
Expected employee retention rates	89.6%	98.7%	81.5%	82.2%	70.0%
Expected term	3.0 years	3.0 years	3.1 years	5.2 years	3.0 years
Valuation model	Monte Carlo	Binomial	Binomial	Binomial	Binomial

Where relevant, market conditions are taken into account in determining the fair value of the awards at grant date. The three-year average historic volatility at grant date has been used as the volatility input for the LTIP Part A, LTIP Part B, DASB and SAYE 3-year awards, and the five-year average historic volatility at grant date has been used as the volatility input for the SAYE 5-year award.

	2025 and 2024					
	LTIP Part A	LTIP Part B	DASB	SAYE 3-year plan	SAYE 5-year plan	Restrictive shares
Contractual life	3–10 years	3–6 years	3 years	3 years	5 years	3 years

Details of the vesting conditions of the LTIP Part A, LTIP Part B and DASB share option schemes are set out in the Report of the Remuneration Committee on pages 118 to 119.

19. Financial risk management

Essentra's activities expose the business to a number of key financial risks, which have the potential to affect its ability to achieve its business objectives.

The Board has overall responsibility for Essentra's system of internal control, financial risk management and for reviewing the effectiveness of this system. Such a system can only be designed to mitigate, rather than eliminate, the risk of failure to achieve business objectives and can therefore only provide reasonable, and not absolute, assurance against material misstatement or loss.

Essentra has a centralised treasury function to manage funding, liquidity and exposure to interest rate and foreign exchange risk. Treasury policies are approved by the Board and cover the nature of the exposure to be hedged, the types of derivatives that may be employed and the criteria for investing and borrowing cash. Essentra uses derivatives only to manage currency and interest rate risk arising from underlying business activities. No transactions of a speculative nature are undertaken. The Treasury function is subject to periodic independent reviews by the Group Assurance function. Underlying policy assumptions and activities are reviewed by the Treasury Committee.

Controls over exposure changes and transaction authenticity are in place and dealings are restricted to those banks with the relevant combination of geographical presence, expertise and suitable credit rating. The following describes Essentra's financial risk exposure and management from a quantitative and qualitative perspective.

(i) Credit risk

Credit risk is the risk of financial loss if a customer or counterparty to a financial asset or liability fails to meet its contractual obligations, and arises principally from trade receivables and cash and cash equivalents. With the exception of the deferred consideration receivable of £nil (2024: £9.6m) in respect of the sale of the Filters business, Essentra has no significant individual concentrations of credit risk. The following is an overview of how Essentra manages its credit risk exposures.

Trade and other receivables

Essentra's exposure to credit risk is primarily driven by the profile of its customers. This is influenced by the demographics of the customer base, including the industry and country in which customers operate.

Trade receivables were assessed for impairment at the balance sheet date using an expected credit loss model, which measures the required allowance at an amount equal to expected lifetime credit losses applying both a qualitative and quantitative analysis of the asset base. The Group monitors significant customers' credit limits and recognises a specific impairment of trade receivables in circumstances where a customer's credit standing has deteriorated to the extent that a credit default is considered probable.

The Group also recognises an expected credit loss impairment of trade receivables through an accounting policy election, whereby default losses are expected for each ageing category as follows: Current 0.2%; Overdue 1–30 days 0.5%; Overdue 31–60 days 1%; Overdue 61–90 days 5%; Overdue 91–180 days 10%; Overdue 181–360 days 50%; and Overdue over 360 days 100%.

At 31 December 2025 gross trade receivables were £43.8m (2024: £38.6m) of which £10.7m (2024: £10.5m) were past due. The ageing analysis of past due trade receivables is as follows:

	2025 £m	2024 £m
1–60 days	9.5	9.0
61–180 days	0.8	0.9
181–360 days	0.1	0.2
360+ days	0.3	0.4
	10.7	10.5

ACCOUNTING POLICIES AND NOTES TO THE FINANCIAL STATEMENTS

Notes to the Financial Statements CONTINUED

19. Financial risk management CONTINUED

At 31 December 2025 the combined specific and expected credit loss impairment of trade receivables was £0.8m (2024: £1.0m). The analysis of the combined impairment based on the underlying receivables is as follows:

	2025 £m	2024 £m
Current	0.1	0.1
1–60 days	0.1	0.1
61–180 days	0.2	0.2
181–360 days	0.1	0.2
360+ days	0.3	0.4
	0.8	1.0

The movement in the provision for impaired receivables is as follows:

	2025 £m	2024 £m
Beginning of year	1.0	1.7
Impaired receivables disposed	–	(0.1)
Impairment loss recognised	–	–
Utilisation	(0.2)	(0.6)
End of year	0.8	1.0

On a periodic basis, the Group undertakes the sale of certain trade receivables to banks using facilities set up by its customers. These trade receivables are factored on a non-recourse basis, and therefore are derecognised from the Group's balance sheet at the point of sale to the bank. The Group does not operate its own invoice discounting or factoring facilities. As at 31 December 2025, £nil was drawn under invoice discounting facilities (2024: £nil), representing cash collected before it was contractually due from the customer.

In 2024 a deferred consideration receivable of £9.6m which, following the disposal of the Filters business in 2022, had been classified as an other receivable in the Consolidated Financial Statements. The consideration was structured as an earn-out. The fair value was determined at the balance sheet date based on management's best estimate of the Filters business achieving future performance targets to which the earn-out is linked with forecast earnings being a critical unobservable input into the fair value measurement. In 2024 a credit of £0.6m was recognised in profit and loss on business disposal. The consideration was received in full in 2025 and recognised in cash flow on investing activities.

Derivative assets

Credit risk with respect to derivatives is controlled by limiting transactions to major banking counterparties where internationally agreed standard form documentation exists. The credit ratings of these counterparties are monitored regularly. The maximum exposure to credit risk in relation to derivatives at the balance sheet date is £1.6m (2024: £5.8m,) being predominantly the fair value of cross currency interest rate swaps (see Note 15).

Cash and cash equivalents

Credit risk relating to cash and cash equivalents is monitored daily, on a counterparty-by-counterparty basis. The credit limits imposed specify the maximum amount of cash that can be invested in, or with, any single counterparty. These limits are determined by geographic presence, expertise and credit rating. The Group regularly monitors the credit ratings of counterparties.

19. Financial risk management CONTINUED

The following table provides information regarding the credit risk exposure of Essentra by classifying derivative assets, short-term investments and cash and cash equivalents according to credit ratings of the counterparties. AAA is the highest possible rating and all of the assets are neither impaired nor past due.

	2025						Total £m
	AA £m	A £m	BBB £m	BB £m	B £m	Not rated £m	
Non-current derivative assets	–	1.6	–	–	–	–	1.6
Cash and cash equivalents	1.3	15.6	17.0	2.2	–	0.1	36.2
Total	1.3	17.2	17.0	2.2	–	0.1	37.8

	2024						Total £m
	AA £m	A £m	BBB £m	BB £m	B £m	Not rated £m	
Non-current derivative assets	–	–	5.8	–	–	–	5.8
Cash and cash equivalents	1.2	21.8	8.8	0.2	1.6	0.1	33.7
Total	1.2	21.8	14.6	0.2	1.6	0.1	39.5

Essentra's maximum credit risk exposure is £85.6m (2024: £91.9m) and no collateral is held against this amount (2024: £nil).

(ii) Market price risk

Market price risk is the risk that changes in foreign exchange rates and interest rates will affect income or the value of financial assets and liabilities. Essentra has produced a sensitivity analysis that shows the estimated change to the income statement and equity of a 1%, 5% or 10% weakening or strengthening in sterling against all other currencies or an increase or decrease of 50 basis points ("bps"), 100bps and 200bps in market interest rates. The amounts generated from the sensitivity analysis are estimates and actual results in the future may materially differ.

Essentra is exposed to two types of market price risk: currency risk and interest rate risk.

(a) Currency risk

Essentra publishes its Consolidated Financial Statements in sterling but conducts business in several foreign currencies. Therefore, it is subject to currency risk due to exchange rate movements that affect the translation of results and underlying net assets of its operations and their transaction costs.

Hedge of net investment in foreign operations

The majority of Essentra's net assets are in currencies other than sterling. The Company's normal policy is to limit the translation exposure and the resulting impact on shareholders' funds through measures such as borrowing in those currencies in which the Group has significant net assets. Essentra's US dollar-denominated assets were approximately 42% (2024: 29%) hedged by \$42.3m (2024: \$28.3m) of US dollar-denominated borrowings. Essentra's euro-denominated assets were approximately 8% (2024: 9%) hedged by €5m (2024: €9m) of euro-denominated borrowings. Hedge ineffectiveness will arise if the amount of the investment in the foreign subsidiary becomes lower than the notional amount of the hedging instrument.

Transaction exposure hedging

Essentra does not formally define the proportion of highly probable forecast sales and purchases to hedge, but agrees an appropriate percentage on an individual basis with each business by reference to the Group's risk management policies and prevailing market conditions. The Group documents currency derivatives used to hedge its forecast transactions as cash flow hedges. To the extent that cash flow hedges are effective, gains and losses are recognised in other comprehensive income until the forecast transaction occurs, at which point the gains and losses are transferred either to the income statement or to the non-financial asset acquired.

ACCOUNTING POLICIES AND NOTES TO THE FINANCIAL STATEMENTS

Notes to the Financial Statements CONTINUED

19. Financial risk management CONTINUED

The majority of Essentra's transactions are carried out in the functional currencies of its operations and therefore, transaction exposure is limited. However, where such exposure does occur, Essentra uses forward foreign currency contracts to hedge its exposure to movements in exchange rates on its highly probable forecast foreign currency sales and purchases over a period of up to 18 months.

In accordance with its Treasury policy, Essentra does not hold or issue derivatives for speculative purposes.

Hedging of foreign currency loan principal and interest payments

In July 2021, Essentra entered into a number of cross-currency interest rate swap contracts to hedge the foreign currency risk (principal and interest) of \$145m of its US dollar loan notes. The maturity profile of these match those of the underlying instruments with \$20m notional value maturing within three years and the remainder between five and seven years. In November 2022, \$65m of these swap contracts were terminated leaving \$80m notional value maturing within five years.

The following table shows Essentra's sensitivity to a 1%, 5% and 10% weakening or strengthening in sterling against all currencies. To calculate the impact on the income statement for the year, all currencies' average rates have been increased or decreased by 1%, 5% or 10%. The translational effect on equity is limited as a proportion of US dollar and euro exposure is hedged. Accordingly, the effect on equity is calculated by increasing or decreasing the closing rate of all currencies with an adjustment for the movement in currency hedges. It is assumed that all net investment and cash flow hedges will continue to be 100% effective. The sensitivity on profit before tax is calculated by increasing or decreasing the average rate of all currencies.

	2025					
	Weakening in sterling			Strengthening in sterling		
	10% £m	5% £m	1% £m	10% £m	5% £m	1% £m
Impact on profit before tax – gain/(loss)	–	–	–	–	–	–
Impact on equity – gain/(loss)	21.5	10.2	2.0	(17.6)	(9.2)	(1.9)

	2024					
	Weakening in sterling			Strengthening in sterling		
	10% £m	5% £m	1% £m	10% £m	5% £m	1% £m
Impact on profit before tax – gain/(loss)	0.1	0.1	–	(0.1)	(0.1)	–
Impact on equity – gain/(loss)	25.1	10.9	2.3	(20.5)	(10.8)	(2.3)

A 1 cent change to the US dollar rate against sterling will impact adjusted operating profit by £nil (2024: £nil). A 1 cent change to the euro rate against sterling will impact adjusted operating profit by £nil (2024: £nil).

(b) Interest rate risk

Essentra's strategy is to ensure that at least 30% of the total debt with maturities of more than one year is protected with fixed interest rates or approved interest rate derivatives.

The following table shows the Group's sensitivity to a 50bps, 100bps and 200bps decrease or increase in sterling, US dollar and euro interest rates. To calculate the impact on the income statement for the year, the interest rates on all external floating rate interest-bearing loans and borrowings have been increased or decreased by 50bps, 100bps or 200bps and the resulting increase or decrease in the net interest charge has been adjusted for the effect of Essentra's interest rate derivatives. See Note 14 for interest rate disclosures on loans and borrowings.

19. Financial risk management CONTINUED

	2025					
	Decrease in interest rates			Increase in interest rates		
	200bps £m	100bps £m	50bps £m	200bps £m	100bps £m	50bps £m
Impact on the income statement – gain/(loss)	0.8	0.4	0.2	(0.8)	(0.4)	(0.2)

	2024					
	Decrease in interest rates			Increase in interest rates		
	200bps £m	100bps £m	50bps £m	200bps £m	100bps £m	50bps £m
Impact on the income statement – gain/(loss)	0.6	0.3	0.2	(0.6)	(0.3)	(0.2)

(iii) Liquidity risk

Liquidity risk is the risk that Essentra, although solvent, will encounter difficulties in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

Essentra's objective is to maintain a balance between continuity of funding and flexibility. Essentra is primarily funded by a series of US Private Placement Loan Notes from various financial institutions totalling US\$102.5m (2024: US\$102.5m) and syndicated multi-currency five-year revolving credit facilities of £200.0m (2024: £200.0m) from its banks.

At 31 December 2025, the amount drawn on the revolving credit facility was £24.0m (2024: £26.1m). The Group manages liquidity by drawing down on this revolving credit facility as and when needed throughout the year.

Amounts drawn by Essentra on its committed facilities are subject to standard banking covenants. The financial covenants require the net debt to EBITDA ratio to be less than 3.0x and interest cover to be greater than 3.5x. There has been no covenant breach during the year and as outlined within the Basis of preparation section (pages 149 to 150), there is a reasonable expectation that no breaches of covenants are anticipated for the foreseeable future of at least the next 15 months.

Essentra's available undrawn committed facilities at 31 December were:

	2025 £m	2024 £m
Expiring after two years	176.0	173.9

Any loans drawn on these facilities would bear interest at floating rates with reference to SONIA/EURIBOR/SOFR as relevant for the currency and period of the loan.

ACCOUNTING POLICIES AND NOTES TO THE FINANCIAL STATEMENTS

Notes to the Financial Statements CONTINUED

19. Financial risk management CONTINUED

The maturity of Essentra's financial liabilities, including estimated interest payments, is analysed below.

	2025						
	Fair value £m	Carrying amount £m	Undiscounted contractual cash flows £m	<1 yr £m	1-2 yrs £m	2-5 yrs £m	>5 yrs £m
Unsecured bank loans	24.0	22.8	30.2	1.4	1.4	27.4	–
US Private Placement Loan Notes ¹	67.3	75.7	92.8	2.9	2.9	31.3	55.7
Trade and other payables ²	51.1	51.1	51.1	51.1	–	–	–
Lease liabilities	28.3	28.3	44.1	9.0	7.9	14.8	12.4
Other financial liabilities	0.9	0.9	0.9	–	0.9	–	–
Total	171.6	178.8	219.1	64.4	13.1	73.5	68.1

	2024						
	Fair value £m	Carrying amount £m	Undiscounted contractual cash flows £m	<1 yr £m	1-2 yrs £m	2-5 yrs £m	>5 yrs £m
Unsecured bank loans	26.1	25.0	33.4	1.5	1.5	30.4	–
US Private Placement Loan Notes ¹	68.2	81.7	103.6	3.2	3.2	34.8	62.4
Trade and other payables ²	44.8	44.8	44.8	44.8	–	–	–
Lease liabilities	28.9	28.9	48.8	9.2	8.2	16.7	14.7
Other unsecured loans	1.0	1.0	1.0	1.0	–	–	–
Other financial liabilities	0.8	0.8	0.8	0.8	–	–	–
Total	169.8	182.2	232.4	60.5	12.9	81.9	77.1

Notes:

- ¹ The fair value of the US Private Placement Loan Notes is estimated by discounting the future cash flows (interests and principal) at the prevailing market rates.
- ² Total trade and other payables carried at £57.6m (2024: £51.7m) include other taxes and social security contributions of £6.5m (2024: £6.9m) that are not financial liabilities and are therefore excluded from the above analysis. The fair value of the trade and other payables approximate the carrying amount as they are due to be settled within six months.

19. Financial risk management CONTINUED

Total financial assets and liabilities

The table below sets out Essentra's accounting categories and fair value for each class of financial asset and liability.

	2025			2024		
	Fair value £m	Amortised cost ¹ £m	Total carrying value £m	Fair value £m	Amortised cost ¹ £m	Total carrying value £m
Trade and other receivables	–	47.3	47.3	–	42.3	42.3
Cash and cash equivalents	–	36.2	36.2	–	33.7	33.7
Interest-bearing loans and borrowings ²	–	(98.5)	(98.5)	–	(107.7)	(107.7)
Lease liabilities	–	(28.3)	(28.3)	–	(28.9)	(28.9)
Trade and other payables	–	(51.1)	(51.1)	–	(44.8)	(44.8)
Level 2 of fair value hierarchy						
Derivative assets ³	1.6	–	1.6	5.8	–	5.8
Level 3 of fair value hierarchy						
Other financial assets ⁴	0.5	–	0.5	10.1	–	10.1
Other current financial liabilities	(0.9)	–	(0.9)	(0.8)	–	(0.8)
	1.2	(94.4)	(93.2)	15.1	(105.4)	(90.3)

Notes:

- Financial assets and liabilities held at amortised cost mostly have short terms to maturity. For this reason, their carrying amounts at the reporting date approximate the fair values.
- Included within interest-bearing loans and borrowings are \$102.5m (2024: \$102.5m) US Private Placement Loan Notes. The Loan Notes are held at amortised cost with a carrying value of £75.7m (2024: £81.7m). The Group estimates that the total fair value of the Loan Notes at 31 December 2025 is £67.3m (2024: £68.2m). Unsecured bank loans amounting to £24.0m (2024: £26.1m), included within interest-bearing loans and borrowings, incur interest at floating rates and as a result, their carrying amounts approximate their fair values at the reporting date.
- Fair values of forward foreign exchange contracts and cross-currency interest rate swaps have been calculated at year end forward exchange rates compared to contracted rates using observable market data from third-party financial institutions.
- Other financial assets of £0.5m includes £nil (2024: £9.6m) relating to a deferred contingent consideration on the disposal of the Filters business.

(iv) Capital structure

Essentra defines its capital structure as its equity and non-current interest-bearing loans and borrowings, and aims to manage this to safeguard its ability to continue as a going concern, so that it can continue to provide returns to shareholders and benefits for other stakeholders.

Essentra sets the amount of capital in proportion to risk. Essentra manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, Essentra may return capital to shareholders through dividends and share buybacks, issue new shares or sell assets to reduce debt.

Essentra monitors its capital structure on the basis of the medium-term net debt-to-EBITDA ratio. EBITDA is defined as operating profit before depreciation and other amounts written off property, plant and equipment, share option expense, intangible amortisation and adjusting items. At 31 December 2025, the net debt was £89.0m (2024: £97.1m).

Essentra's medium-term target for net-debt to Adjusted EBITDA is 0x-1.5x.

ACCOUNTING POLICIES AND NOTES TO THE FINANCIAL STATEMENTS

Notes to the Financial Statements CONTINUED

19. Financial risk management CONTINUED

The net debt-to-EBITDA ratios at 31 December were as follows.

	2025 £m	2024 £m
Net debt	89.0	97.1
Operating profit before intangible amortisation and adjusting items	32.0	40.1
Plus depreciation and other amounts written off property, plant and equipment, and amortisation of non-acquired intangible assets ¹	17.9	17.9
Plus share option expense	1.7	1.1
Adjusted EBITDA	51.6	59.1
Net debt-to-Adjusted-EBITDA ratio	1.7	1.6
Net debt-to-Adjusted-EBITDA ratio excluding the impact of IFRS 16 Leases	1.4	1.3

Notes:

¹ Includes amortisation on non-acquired intangible assets of £1.8m (2024: £2.0m).

20. Share capital

	2025 £m	2024 £m
Issued, authorised and fully paid ordinary shares of 25p (2024: 25p) each:		
Beginning of year	72.6	73.3
Cancellation of shares of 2,137,000 (2024: 2,965,414) shares of 25p each:	(0.5)	(0.7)
End of year	72.1	72.6
Number of ordinary shares in issue	2025	2024
Beginning of year	290,401,801	293,367,215
Cancellation of shares	(2,137,000)	(2,965,414)
End of year	288,264,801	290,401,801

Purchase and cancellation of own shares

During the year 2,478,759 (2024: 3,022,914) 25p Ordinary Shares ("shares") were purchased by the Company for total cash consideration of £2.6m (2024: £4.9m) at a weighted average price of 103.5 pence per share (2024: 162.8 pence per share), of which 2,137,000 (2024: 2,965,414) shares with an aggregate nominal value of £0.5m (2024: £0.7m) were cancelled, and £0.5m (2024: £0.7m) transferred from issued share capital to the capital redemption reserve.

At 31 December 2025, the Company held 3,127,057 (2024: 3,627,057) of its own shares with a nominal value of £0.8m (2024: £0.9m) in treasury. This represents 1.1% (2024: 1.2%) of the number of ordinary shares in issue.

21. Reserves

Within retained earnings, the Company has deducted the value of own shares purchased for an employee trust and treasury shares held by the Company with a total cost of £7.1m (2024: £7.4m).

Employee trust shares are ordinary shares of the Company held in an employee benefit trust.

The purpose of this trust is to hold shares in the Company for subsequent transfer to Executive Directors and employees relating to deferred share awards and options granted under the Company's share-based incentive plans. Full details are set out in the Annual Report on Remuneration on pages 112 to 127. The assets, liabilities and expenditure of the trust have been incorporated in these financial statements. At 31 December 2025 the trust held 425,368 (2024: 66,063) shares, upon which dividends have been waived, with an aggregate nominal value of £106,342 (2024: £16,516) and a market value of £410,905 (2024: £87,864).

The other reserve balance of £132.8m debit (2024: £132.8m debit) relates to the Group reorganisation, which took place as part of the de-merger from Bunzl plc. It represents the difference between Essentra plc's share capital and Essentra International Limited's share capital and share premium on 6 June 2005.

22. Analysis of net debt

	1 January 2025 £m	Cash flow £m	Business disposals £m	Business acquisitions £m	Lease additions £m	Exchange movements ⁴ £m	Non-cash movements ^{1,2,3} £m	31 December 2025 £m
Cash at bank and in hand	33.7	(0.6)	10.0	(5.2)	–	(1.7)	–	36.2
Cash and cash equivalents in the statement of cash flows	33.7	(0.6)	10.0	(5.2)	–	(1.7)	–	36.2
Derivative financial instruments								
hedging private placement loans ⁴	5.8	–	–	–	–	(4.2)	–	1.6
Debt due within one year	(1.0)	1.0	–	–	–	–	–	–
Debt due after one year	(106.7)	8.4	–	–	–	6.8	(7.0)	(98.5)
Lease liabilities due within one year ³	(7.7)	8.3	–	(0.2)	(0.4)	–	(7.5)	(7.5)
Lease liabilities due after one year ³	(21.2)	–	–	(0.3)	(4.6)	0.1	5.2	(20.8)
Debt from financing activities	(130.8)	17.7	–	(0.5)	(5.0)	2.7	(9.3)	(125.2)
Net debt	(97.1)	17.1	10.0	(5.7)	(5.0)	1.0	(9.3)	(89.0)

	1 January 2024 £m	Cash flow £m	Business disposals £m	Business acquisitions £m	Lease additions £m	Exchange movements ⁴ £m	Non-cash movements ^{1,2,3} £m	31 December 2024 £m
Cash at bank and in hand	59.7	(5.0)	(14.8)	(4.1)	–	(2.1)	–	33.7
Cash and cash equivalents in the statement of cash flows	59.7	(5.0)	(14.8)	(4.1)	–	(2.1)	–	33.7
Derivative financial instruments								
hedging private placement loans ⁴	4.2	–	–	–	–	1.6	–	5.8
Debt due within one year	–	(1.0)	–	–	–	–	–	(1.0)
Debt due after one year	(95.5)	(5.3)	–	–	–	(0.9)	(5.0)	(106.7)
Lease liabilities due within one year ³	(7.1)	8.1	–	–	(0.6)	–	(8.1)	(7.7)
Lease liabilities due after one year ³	(23.8)	–	–	–	(3.8)	0.9	5.5	(21.2)
Debt from financing activities	(122.2)	1.8	–	–	(4.4)	1.6	(7.6)	(130.8)
Net debt	(62.5)	(3.2)	(14.8)	(4.1)	(4.4)	(0.5)	(7.6)	(97.1)

Notes:

- The non-cash movements in debt due after one year represents interest expense on borrowings of £7.0m (2024: £6.0m) in addition to prepaid facility fees of £0.3m (2024: £1.2m) and amortisation prepaid facility fees of £0.3m (2024: £0.2m).
- The net non-cash movements in lease liabilities represents interest on leases of £2.3m (2024: £2.6m).
- During the year, £5.2m (2024: £5.5m) of lease liabilities moved from due after one year to due within one year.
- Included within exchange movements for derivative financial instruments hedging private placement loans is an outflow of £1.7m (2024: £0.7m inflow) relating to the fair value movements on cross-currency interest rate swaps.

ACCOUNTING POLICIES AND NOTES TO THE FINANCIAL STATEMENTS

Notes to the Financial Statements CONTINUED

22. Analysis of net debt CONTINUED

The net cash outflow relating to lease liabilities for low value, short term and variable lease payments was £0.1m (2024: £0.1m) (see Note 9).

23. Acquisitions

Acquisition of Device Technologies LLC

On 16 December 2025, Essentra acquired Device Technologies through a trade and asset purchase. Device Technologies is a US-based manufacturer, designer and distributor of specialty cable management and cable protection products. The purchase was made to strengthen Essentra's product portfolio and to enhance the Group's manufacturing footprint in the US. The Group acquired Device Technologies for cash consideration of \$7.0m (£5.2m) with an additional \$1.16m (£0.9m) of deferred consideration. The purchase price included a German subsidiary entity.

Under IFRS 3 Business Combinations, the fair value of assets and liabilities must be finalised within a 12-month "measurement period" from the date of acquisition. At the reporting date, the purchase price allocation and fair value adjustments are provisional. Had the acquisition completed on 1 January 2025, the contribution to the Group's revenue and operating profit would have been £5.5m and £1.1m, respectively.

Acquisition-related costs of £0.4m are included within adjusting items in the Consolidated income statement (see Note 2) and in operating cash flows in the Consolidated statement of cash flows.

The Group's provisional assessment of the fair value of assets and liabilities, recognised as part of the acquisition of Device Technologies, is comprised of property, plant and equipment of £0.3m, right-of-use assets of £0.5m and working capital of £0.9m offset by lease liabilities of £0.5m. The provisional goodwill recognised on acquisition is £4.9m which represents the expected operating and financial synergies, and the value of the assembled workforce acquired.

24. Loss from discontinued operations

In 2025 no amounts were recognised within discontinued operations. In 2024 a loss after tax on discontinued operations of £1.0m was recognised relating to the disposal of Essentra Filter Holdings Limited which was disposed in 2022.

25. Dividends

	Per share		Total	
	2025 p	2024 p	2025 £m	2024 £m
2024 interim: paid 25 October 2024		1.25		3.6
2024 proposed final: paid 3 July 2025		1.55		4.4
2025 interim: paid 24 October 2025	0.8		2.3	
2025 proposed final: payable 3 July 2026 ¹	1.2		3.4	

Notes:

- ¹ Subject to approval at the Annual General Meeting on 20 May 2026, the proposed final dividend for the year ended 31 December 2025 will be paid on 3 July 2026 to shareholders on the register of the Company on 15 May 2026. The ordinary shares will be quoted ex-dividend on 14 May 2026.

26. Assets held for sale

During the year investment property with a net book value of £5.1m, classified as assets held-for-sale, was sold for £5.2m.

27. Related parties

During the year, the Company paid £46,592 (2024: £48,953) to the wife of Scott Fawcett, CEO of Essentra plc. She exercised her discretion to cancel 6,364 shares from SAYE 2023 and 4,897 shares from SAYE 2024. As a result, no share options remain outstanding as of 31 December 2025. Scott's wife was employed by the Group prior to his appointment as a Director of Essentra plc on 1 January 2023.

For the Group's basis of consolidation policy, see page 151 within Basis of Preparation.

28. Adjusted performance measures

The Group presents alternative performance measures, including adjusted operating profit, adjusted operating profit/(loss), adjusted profit before income tax, adjusted net income, adjusted operating profit from continuing operations, adjusted operating cash flow from continuing operations, cash outflow on adjusting items recognised in the year, cash outflow from adjusting items, free cash flow, net debt and adjusted earnings per share which are not defined or specified in accordance with UK-adopted International Financial Reporting Standards. These non-GAAP measures enable management to reflect the underlying performance of the continuing operations of the Group and provide investors with a more meaningful comparison of how the business is managed and measured on a periodic basis. For further information on alternative performance measures applied by the Group, refer to pages 33 to 34.

The adjusted performance measures presented below cannot be derived directly from the Group's consolidated financial statements and therefore, a reconciliation of the adjusted performance measure to the most directly comparable reported measure in accordance with UK-adopted International Financial Reporting Standards has been provided.

ACCOUNTING POLICIES AND NOTES TO THE FINANCIAL STATEMENTS

Notes to the Financial Statements CONTINUED

28. Adjusted performance measures CONTINUED

Reconciliation to the Group's adjusted profit measures

Continuing operations		2025 £m	2024 £m
Operating profit	Reported statutory measure	8.5	14.6
Amortisation of acquired intangible assets	Note 2	11.0	11.5
Adjusting items	Note 2	12.5	14.0
Adjusted operating profit	Adjusted performance measure	32.0	40.1
Finance income	Note 3	7.0	3.6
Finance expenses	Note 3	(15.0)	(12.5)
Adjusted profit before income tax	Adjusted performance measure	24.0	31.2
Tax on adjusted profit		(3.8)	(3.6)
Adjusted net income	Adjusted performance measure	20.2	27.6
Adjustment for recognition of deferred tax losses		(2.7)	(3.3)
Total for calculation of adjusted earnings per share	Note 6	17.5	24.3

Reconciliation of reported statutory measures to the Group's segment analysis

		2025					
		EMEA £m	Americas £m	APAC £m	Unallocated operating expenses £m	Central corporate costs £m	Total £m
Operating profit/(loss)	Reported statutory measure	39.1	11.2	2.8	(32.8)	(11.8)	8.5
Amortisation of acquired intangible assets		4.7	4.6	1.7	–	–	11.0
Adjusting items	Note 2	1.3	1.8	1.0	8.4	–	12.5
Adjusted operating profit/(loss)	Adjusted performance measure	45.1	17.6	5.5	(24.4)	(11.8)	32.0

		2024					
		EMEA £m	Americas £m	APAC £m	Unallocated operating expenses £m	Central corporate costs £m	Total £m
Operating profit/(loss)	Reported statutory measure	44.2	11.6	2.2	(32.5)	(10.9)	14.6
Amortisation of acquired intangible assets		5.1	4.7	1.7	–	–	11.5
Adjusting items	Note 2	1.4	1.0	0.9	10.7	–	14.0
Adjusted operating profit/(loss)	Adjusted performance measure	50.7	17.3	4.8	(21.8)	(10.9)	40.1

28. Adjusted performance measures CONTINUED

Net debt

Net debt is defined as cash and cash equivalents (including short-term liquid investments) and derivatives against hedging placement loans, net of lease liabilities and interest-bearing loans and borrowings. It is a measure that provides additional information on the Group's financial position.

		2025 £m	2024 £m
Cash and cash equivalents	Reported statutory measure	36.2	33.7
Debt liabilities	Note 14	(98.5)	(107.7)
Lease liabilities	Note 19	(28.3)	(28.9)
Derivative financial instruments hedging placement loans	Note 15	1.6	5.8
Net debt	Adjusted performance measure	(89.0)	(97.1)

Reconciliation to the Group's adjusted operating cash flow measure

Adjusted operating cash flow from continuing operations is presented to exclude the impact of tax, adjusting items, interest and other items not impacting operating profit. Net capital expenditure is included in this measure as management regards investment in operational assets (tangible and intangible) as integral to the underlying cash-generation capability of the Group, except amounts relating to adjusting items.

		2025 £m	2024 £m
Net cash inflow from operating activities	Reported statutory measure	25.4	25.7
Cash outflow from adjusting items	Note 2	19.3	17.7
Net tax paid on continuing operations		3.5	5.8
Capital expenditure	Note 1	(11.0)	(12.8)
Proceeds from sale of property, plant and equipment		6.8	–
Adjusted operating cash flow from continuing operations	Adjusted performance measure	44.0	36.4

ACCOUNTING POLICIES AND NOTES TO THE FINANCIAL STATEMENTS

Notes to the Financial Statements CONTINUED

28. Adjusted performance measures CONTINUED

		2025 £m	2024 £m
Adjusting operating profit from continuing operations	Adjusted performance measure	32.0	40.1
Depreciation of property, plant and equipment	Note 2	9.9	9.6
Lease right-of-use asset depreciation	Note 2	6.2	6.3
Amortisation of non-acquired intangible assets	Note 2	1.8	2.0
Share option expense	Note 5	1.7	1.1
Profit on disposal of property, plant and equipment		(1.0)	-
Working capital movements		(2.4)	(9.9)
Capital expenditure	Note 1	(11.0)	(12.8)
Proceeds from sale of property, plant and equipment		6.8	-
Adjusted operating cash flow from continuing operations	Adjusted performance measure	44.0	36.4
Net tax paid on continuing operations ²		(3.5)	(5.8)
Interest received		0.3	0.5
Interest paid		(9.3)	(8.6)
Free cash flow	Adjusted performance measure	31.5	22.5
Reconciliation of cash flows from adjusting items:			
Adjusting items	Note 2	12.5	14.0
Non-cash credits/(expenses) in adjusting items ¹	Note 2	3.2	(1.3)
Tax	Note 2	-	(0.7)
Cash outflow on pension contributions	Note 2	0.6	-
Cash outflow on adjusting items recognised in the year		16.3	12.0
Utilisation of prior year end acquired accruals and provisions	Note 2	3.0	5.7
Cash outflow from adjusting items	Adjusted performance measure	19.3	17.7

Notes:

- Net non-cash credits/expenses in adjusting items includes a £1.2m credit on disposal of property, plant and equipment (2024: £1.8m impairment release relating to investment property), a £0.6m credit (2024: £nil) for deferred consideration that is no longer due and net credits of £1.4m (2024: £3.2m) on other non-cash movements in adjusting items.
- In 2024 tax paid excludes the tax received in relation to adjusting items of £0.7m. This is included within the cash outflow in respect of adjusting items.

29. Post balance sheet event

Following the year ended 31 December 2025, the Trustees of the UK Essentra Pension Plan have entered into a buy-in arrangement with an insurance provider to insure against the liabilities within the UK defined benefit scheme.

COMPANY BALANCE SHEET AT 31 DECEMBER 2025

FINANCIAL STATEMENTS

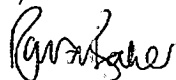
201

	Note	2025 £m	2024 £m
Fixed assets			
Investment in subsidiary undertaking	3	189.6	255.2
Current assets			
Debtors	4	165.0	176.6
Current liabilities			
Creditors: amounts falling due within one year	5	(1.3)	(1.4)
Net current assets		163.7	175.2
Non-current liabilities			
Creditors: amounts falling due after more than one year	6,7	(75.7)	(81.7)
Net assets		277.6	348.7
Capital and reserves			
Share capital	8	72.1	72.6
Capital redemption reserve		3.6	3.1
Profit and loss account	9	201.9	273.0
Total shareholders' funds		277.6	348.7

The loss attributable to the equity holders included in the financial statements of the Company is a loss of £63.5m (2024: £167.3m loss).

The Company Financial Statements on pages 201 to 210 were approved by the Board of Directors on 17 March 2026 and were signed on its behalf by:


SCOTT FAWCETT
Chief Executive


ROWAN BAKER
Chief Financial Officer

COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2025

	Share capital £m	Capital redemption reserve £m	Profit and loss account		Total equity £m
			Retained earnings £m	Own shares £m	
1 January 2025	72.6	3.1	280.4	(7.4)	348.7
Loss for year	–	–	(63.5)	–	(63.5)
Total comprehensive loss for the year	–	–	(63.5)	–	(63.5)
Share-based payments	–	–	1.7	–	1.7
Shares issued to satisfy employee share option exercises	–	–	(0.7)	0.7	–
Purchase of own shares	–	–	–	(2.6)	(2.6)
Cancellation of shares	(0.5)	0.5	(2.2)	2.2	–
Dividends paid	–	–	(6.7)	–	(6.7)
31 December 2025	72.1	3.6	209.0	(7.1)	277.6

	Share capital £m	Capital redemption reserve £m	Profit and loss account		Total equity £m
			Retained earnings £m	Own shares £m	
1 January 2024	73.3	2.4	464.7	(10.1)	530.3
Loss for year	–	–	(167.3)	–	(167.3)
Total comprehensive loss for the year	–	–	(167.3)	–	(167.3)
Share-based payments	–	–	1.1	–	1.1
Shares issued to satisfy employee share option exercises	–	–	(2.7)	2.7	–
Purchase of own shares	–	–	–	(4.9)	(4.9)
Cancellation of shares	(0.7)	0.7	(4.9)	4.9	–
Reduction of capital	–	–	–	–	–
Dividends paid	–	–	(10.5)	–	(10.5)
31 December 2024	72.6	3.1	280.4	(7.4)	348.7

1. Basis of preparation and principal accounting policies

(a) Basis of preparation

Essentra plc (the "Company") is a public limited company that is incorporated, domiciled and has its registered office in England and Wales. The Company's ordinary shares are publicly traded on the London Stock Exchange and it is not under the control of any single shareholder.

These financial statements were prepared using the historical cost convention in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101) and the Companies Act 2006. The Company financial statements have been prepared on a going concern basis for the reasons set out on pages 149 to 150 to the Consolidated Financial Statements.

The profit and loss account of the Company is not presented as permitted by Section 408 of the Companies Act 2006.

In the preparation of these financial statements, the Company has applied the following disclosure exemptions available under FRS 101, which the Company intends to maintain in future years:

- The requirements of paragraph 45(b) and 46-52 of IFRS 2 *Share-Based Payments*
- The requirements of paragraphs 62, B64(b), B64(e), B64(g), B64(h), B64(j) to B64(m), b64(n) (ii), B64(o) (ii), B64(p), B64(q) (ii), B66 and B67 of IFRS 3 *Business Combinations*
- The requirement of IFRS 7 *Financial Instruments: Disclosures*
- The requirement of paragraphs 91-99 of IFRS 13 *Fair Value Measurement*
- The requirement in paragraph 38 of IAS 1 *Presentation of Financial Statements* to present comparative information in respect of paragraph 79(a) (iv) of IAS 1, paragraph 73(e) of IAS 16 *Property, Plant and Equipment* and paragraph 118(e) of IAS 38 *Intangible Assets*
- The requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 *Presentation of Financial Statements*
- The requirements of IAS 7 *Statement of Cash Flows*
- The requirements of paragraphs 30 and 31 of IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*
- The requirements of paragraph 17 of IAS 24 *Related Party Disclosures*
- The requirements in IAS 24 *Related Party Disclosures* to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member
- The requirements of paragraphs 134(d)-134(f) and 135(c)-135(e) of IAS 36 *Impairment of Assets*

The results of the Company are included in the Group's consolidated financial statements. Where required, equivalent disclosures are given in the consolidated financial statements.

There are no new and mandatory effective standards in the year that would have a material impact on the financial statements.

(b) Principal accounting policies

The following principal accounting policies have been consistently applied.

Investment in subsidiary undertaking

Investment in subsidiary undertaking is held at cost less any provision for impairment. The Company assesses at each balance sheet date whether the investment in its subsidiary has been impaired.

Share-based payments

The fair value of share options is measured at grant date. It is recognised as an addition to the cost of investment in the subsidiary in which the relevant employees work over the expected period between grant and vesting date of the options, with a corresponding adjustment to reserves. Detailed disclosures for the share-based payment arrangements of the Company are provided in Note 18 to the Consolidated Financial Statements.

Own shares

The shares held in the Essentra Employee Benefit Trust for the purpose of fulfilling obligations in respect of share incentive plans are treated as belonging to the Company and are deducted from its retained earnings. The cost of shares held directly (treasury shares) is also deducted from retained earnings.

Dividends

Dividend distributions to the Company's shareholders are recognised as a liability in the period in which they are approved by the shareholders of the Company (final dividend) or paid (interim dividend).

Dividend income is recognised when the right to receive payment is established.

1. Basis of preparation and principal accounting policies CONTINUED

Foreign currencies

Transactions in foreign currencies are recorded using the rate-of-exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account. Exchange differences arising from movements in spot rates are included in the profit and loss account as exchange gains or losses, whilst those arising from the interest differential elements of forward currency contracts are included in external interest income or expense.

Financial assets

Non-derivative financial assets with fixed or determinable payments that are not quoted in an active market are included in current assets, except for those with maturities greater than 12 months after the end of the reporting period, which are classified as non-current assets. The Company's financial assets at amortised cost comprise receivables in the balance sheet.

Receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Interest income is recognised accordingly using the effective interest method.

Financial liabilities

Interest-bearing loans and borrowings and other financial liabilities (excluding derivatives) are initially recognised at fair value net of transaction costs incurred. They are subsequently held at amortised cost using the effective interest method. Any difference between the proceeds, net of transaction costs, and the settlement or redemption of borrowings is recognised in profit or loss over the term of the borrowings.

The Company holds financial instruments that hedge the net investments in the foreign operations of its subsidiary undertakings. Gains and losses on these instruments are recognised in the profit and loss account of the Company.

Taxation

Income tax in the profit and loss account comprises current and deferred tax. Income tax is recognised in the profit and loss account, except to the extent that it relates to items recognised in equity or other comprehensive income.

Current tax is the expected tax payable on the taxable income for the year using the applicable tax rates enacted, or substantively enacted, at the balance sheet date and any adjustment to tax payable in prior years.

Deferred tax is provided, using the balance sheet liability method, on temporary differences arising between the tax bases and the carrying amounts of assets and liabilities in the financial statements. The following temporary differences are not provided for: goodwill not deductible for tax purposes; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit or loss; and differences relating to investments in subsidiaries to the extent that they will not reverse in the foreseeable future. Deferred tax is determined using tax rates that are expected to apply when the related deferred tax asset or liability is settled, using the applicable tax rates enacted, or substantively enacted, at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profit will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Critical Accounting Judgements and Estimates

The preparation of the financial statements for the Company requires the Directors and management to make judgements and estimates in respect of certain items where the choice of accounting policy and assumptions applied in determining the judgement or estimate could materially affect the Company's financial position, results or cash flows at the reporting date.

No critical accounting judgements were required. The Company's critical accounting estimates are detailed below:

Investment in subsidiary undertaking

Investment in subsidiary undertakings are required to be assessed for indications of impairment and, where indications have been identified, the recoverability may need to be determined through the higher of the subsidiary's underlying cash flows and the quoted capital market price of the Company. Where underlying cash flows are used, the methods used to determine these require the use of estimates and judgements such as customer attrition, cash flow generation from the existing relationships with customers and returns on other assets. Future results are impacted by the amortisation periods adopted and changes to the estimated useful lives.

Tests for impairment are based on discounted cash flows and assumptions (including discount rates, timing and growth prospects) which are inherently subjective. An estimate is also required in identifying the events which indicate potential impairment, and in assessing fair value of the investments. The Company performs various sensitivity analyses in respect of the tests for impairment where applicable. The investment in subsidiary is then reviewed following the tests for impairment triggers annually.

2. Net operating charges

The Auditors were paid £6,000 (2024: £6,000) for the statutory audit of the Company. Fees paid to the Company's Auditors for services other than the statutory audit of the Company are disclosed in Note 2 to the Consolidated Financial Statements.

The Directors' remuneration, which was paid by Essentra International Limited, is disclosed in the Annual Report on Remuneration on pages 112 to 127. The only employees of the Company are the eight Directors and Company Secretary.

3. Investment in subsidiary undertaking

	2025 £m	2024 £m
Beginning of year	255.2	426.1
Additions	1.7	1.1
Impairment	(67.3)	(172.0)
End of year	189.6	255.2

During the year, management identified an indicator of impairment in respect of investments in its subsidiary undertaking, Essentra International Limited, due to a decline in market capitalisation below the carrying value. Following the assessment of the carrying value, an impairment charge of £67.3m (2024: £172.0m) has been expensed to the profit and loss.

Management performed an impairment assessment with the recoverable amount by performing a value-in-use calculation using a discounted cash flow model. The projections are over five years based on the Board-approved business plan (the "Plan") for 2026 with periods 2027 to 2030 based upon the Group Strategic Plan which has been risk-adjusted for impairment testing purposes.

The key assumptions in the cash flow model are revenue growth, operating margin, discount rate and terminal growth rate for the Group. Operating margin is primarily based upon the historical levels achieved, adjusted by targets set for revenue expansion and cost control and reduction. The values assigned to these assumptions represent management's assessment of market condition and scope for cost and profitability improvement, taking into account realisable synergies resulting from integration activities. The annual revenue growth rate over the five-year forecast period averages 6.0% with a terminal growth rate of 2.20% from 2031 onwards. The average operating profit margin over the five-year forecast period is assumed to improve by 450 bps.

The estimated cash flows are discounted using a post-tax discount rate based upon Essentra's estimated post-tax weighted average cost of capital of 12.5%. The specific pre-tax discount rates applied for the Group are 16.0%.

The recoverable amount is sensitive to reasonably possible changes in the underlying cash flows and key assumptions. Management considered the following reasonably possible changes in the key assumptions, and the associated impact on the impairment assessment of Investment in subsidiary undertaking:

Sensitivity:	Reduction in impairment £m	Additional to impairment £m
50 bps decrease/(increase) in pre-tax discount rate	14.8	(13.7)
100 bps increase/(decrease) in terminal growth rate	20.5	(17.8)
100 bps increase/(decrease) in each year's growth rate	15.6	(15.1)
100 bps increase/(decrease) in operating profit margin in the terminal year	15.3	(15.3)

4. Debtors

	2025 £m	2024 £m
Amounts receivable from subsidiary undertakings	165.0	176.6
	165.0	176.6

Receivables due from group companies to the Company are interest free and repayable on demand. Receivables from group companies have been assessed for expected credit loss in accordance with IFRS 9 *Financial Instruments*. As all balances are repayable on demand, and the Company expects to be able to recover the outstanding intercompany balances if demanded, no provision has been recognised in the year ended 31 December 2025 (2024: £nil).

5. Creditors: amounts falling due within one year

	2025 £m	2024 £m
Accruals	1.3	1.4

6. Creditors: amounts falling due after more than one year

	2025 £m	2024 £m
US Private Placement Loan Notes ¹	75.7	81.7
	75.7	81.7

Notes:

¹ Refer to Note 14 of the Consolidated Financial Statements for details of the US Private Placement Loan Notes.

7. Maturity of financial liabilities

	2025 £m	2024 £m
Debt analysed as falling due:		
Between one and five years	24.3	26.1
More than five years	51.6	55.9
Less prepaid facility fees	(0.2)	(0.3)
	75.7	81.7

8. Share capital

	2025 £m	2024 £m
Issued, authorised and fully paid ordinary shares of 25p (2024: 25p) each:		
Beginning of year	72.6	73.3
Cancellation of shares of 2,137,000 (2024: 2,965,414) shares of 25p each:	(0.5)	(0.7)
End of year	72.1	72.6

	2025	2024
Number of ordinary shares in issue		
Beginning of year	290,401,801	293,367,215
Cancellation of shares	(2,137,000)	(2,965,414)
End of year	288,264,801	290,401,801

Purchase and cancellation of own shares

During the year, 2,478,759 (2024: 3,022,914) 25p Ordinary Shares ("shares") were purchased by the Company for total cash consideration of £2.6m (2024: £4.9m) at a weighted average price of 103.5 pence per share (2024: 162.8 pence per share), of which 2,137,000 (2024: 2,965,414) shares with an aggregate nominal value of £0.5m (2024: £0.7m) were cancelled, and £0.5m (2024: £0.7m) transferred from issued share capital to the capital redemption reserve.

At 31 December 2025, the Company held 3,127,057 (2024: 3,627,057) of its own shares with a nominal value of £0.8m (2024: £0.9m) in treasury. This represents 1.1% (2024: 1.2%) of the number of Ordinary Shares in issue.

9. Reserves

As permitted by Section 408 of the Companies Act 2006, the profit and loss account of the Company has not been separately presented in these financial statements. The loss attributable to equity holders included in the financial statements of the Company is £63.5m (2024: £167.3m).

Included in the profit and loss account are accumulated share-based payments of £57.2m (2024: £55.5m), which are credited directly to reserves. Full details of these share-based payments are set out in the Annual Report on Remuneration on pages 112 to 127.

10. Dividends

	Per share		Total	
	2025 p	2024 p	2025 £m	2024 £m
2024 interim: paid 25 October 2024		1.25		3.6
2024 final: paid 3 July 2025		1.55		4.4
2025 interim: paid 24 October 2025	0.8		2.3	
2025 proposed final: payable 3 July 2026 ¹	1.2		3.4	

Notes:

¹ Subject to approval at the Annual General Meeting on 20 May 2026, the proposed final dividend for the year ended 31 December 2025 will be paid on 3 July 2026 to shareholders on the register of the Company on 15 May 2026. The ordinary shares will be quoted ex-dividend on 14 May 2026.

11. Subsidiaries exempt from audit

The following UK subsidiaries will take advantage of the exemption from the requirements under Section 479A of the Companies Act 2006 relating to the audit of financial statements for the year ended 31 December 2025. Essentra plc has given a parental guarantee in respect of the debts and liabilities of these subsidiaries under Section 479C of the Companies Act 2006.

Company name	Company name
Essentra Components Limited	Essentra (Northampton) Ltd
ESNT Holdings (No.1) Limited	Wixroyd Holdings Limited
ESNT International Limited	Wixroyd Group Limited
Essentra International Limited	Automotion Components Ltd
Essentra Overseas Limited	Coburg Components Ltd
Essentra Pension Trustees Limited	Teknipart Limited
Essentra Finance Limited	

12. Subsidiary undertakings

The Group's subsidiaries (including dormant entities) at 31 December 2025, are set out below and are 100% owned directly or indirectly by the Group, unless otherwise indicated. Essentra International Limited is the only direct subsidiary of Essentra plc. The principal country in which each company operates is the country of incorporation. All subsidiaries have the same 31 December year-end date as the Company except for Essentra (India) Private Limited with a 31 March year-end date.

Company name	Country of incorporation	Principal activity	Address of registered office
Essentra Components Limited	UK	Manufacturing	Langford Locks, Kidlington, Oxfordshire, OX5 1HX, United Kingdom
ESNT Holdings (No.1) Limited	UK	Holding Company	Langford Locks, Kidlington, Oxfordshire, OX5 1HX, United Kingdom
ESNT International Limited	UK	Holding Company	Langford Locks, Kidlington, Oxfordshire, OX5 1HX, United Kingdom
Essentra International Limited	UK	Holding Company	Langford Locks, Kidlington, Oxfordshire, OX5 1HX, United Kingdom
Essentra Overseas Limited	UK	Holding Company	Langford Locks, Kidlington, Oxfordshire, OX5 1HX, United Kingdom
Essentra Pension Trustees Limited	UK	Pension Trustee	Langford Locks, Kidlington, Oxfordshire, OX5 1HX, United Kingdom
Essentra Finance Limited	UK	Treasury activities	Langford Locks, Kidlington, Oxfordshire, OX5 1HX, United Kingdom
Essentra (Northampton) Ltd	UK	Non-trading	Langford Locks, Kidlington, Oxfordshire, OX5 1HX, United Kingdom
Filtrona Custom Moulding Limited	UK	Dormant ¹	Langford Locks, Kidlington, Oxfordshire, OX5 1HX, United Kingdom
Wixroyd Holdings Limited	UK	Holding Company	Langford Locks, Kidlington, Oxfordshire, OX5 1HX, United Kingdom
Wixroyd Group Limited	UK	Trading	Langford Locks, Kidlington, Oxfordshire, OX5 1HX, United Kingdom
Automation Components Ltd	UK	Non-trading	Langford Locks, Kidlington, Oxfordshire, OX5 1HX, United Kingdom
Coburg Components Ltd	UK	Non-trading	Langford Locks, Kidlington, Oxfordshire, OX5 1HX, United Kingdom
Teknipart Limited	UK	Non-trading	Langford Locks, Kidlington, Oxfordshire, OX5 1HX, United Kingdom
Essentra Plastics LLC	US	Manufacturing	Two Westbrook Corporate Center, Suite 200, Westchester IL 60154, United States
Micro Plastics, Inc.	US	Manufacturing	Two Westbrook Corporate Center, Suite 200, Westchester IL 60154, United States
Essentra Components Inc	US	Holding Company	Two Westbrook Corporate Center, Suite 200, Westchester IL 60154, United States
Essentra Holdings Corp ²	US	Holding Company	Two Westbrook Corporate Center, Suite 200, Westchester IL 60154, United States
Essentra Components Japan Inc	US	Distribution	Two Westbrook Corporate Center, Suite 200, Westchester IL 60154, United States
Device Technologies LLC	US	Manufacturing	Two Westbrook Corporate Center, Suite 200, Westchester IL 60154, United States
Essentra Components Japan Inc – Japanese branch	Japan	Dissolved	18F, Tobu Tateno Building, 2-10-27, Kitasaiwai, Nishi-ku, Yokohama-shi, Japan
Essentra Components BV	Netherlands	Distribution	Dragonder 3, 5554 GM Valkenswaard, Netherlands
Blue NewCo 1 B.V.	Netherlands	Holding Company	Dragonder 3, 5554 GM Valkenswaard, Netherlands
Blue NewCo 2 B.V.	Netherlands	Holding Company	Dragonder 3, 5554 GM Valkenswaard, Netherlands

12. Subsidiary undertakings CONTINUED

Company name	Country of incorporation	Principal activity	Address of registered office
Blue NewCo 3 B.V.	Netherlands	Holding Company	Dragonder 3, 5554 GM Valkenswaard, Netherlands
Blue NewCo 4 B.V.	Netherlands	Holding Company	Dragonder 3, 5554 GM Valkenswaard, Netherlands
ESNT Holdings Cooperatie 1 W.A.	Netherlands	Holding Company	Dragonder 3, 5554 GM Valkenswaard, Netherlands
Essentra BV	Netherlands	Holding Company	Dragonder 3, 5554 GM Valkenswaard, Netherlands
ESNT Holdings Cooperatie 2 W.A.	Netherlands	Non-trading	Dragonder 3, 5554 GM Valkenswaard, Netherlands
Essentra Components GmbH	Austria	Distribution	22, 5, Augasse, Neunkirchen, 2620, Austria
Essentra Pty Ltd	Australia	Manufacturing	503-505 Victoria Street, Wetherill Park, NSW, 2145, Australia
Essentra Industria E Comercio LTDA	Brazil	Manufacturing	Room 7, No 1000 Avenida Emilio Marconato, Centro Comercial, Chacara Primavera, Jaguariuna, Sao Paulo, 13.916-074, Brazil
Essentra Limited	Canada	Manufacturing	400 - 77 King Street, Toronto, Ontario, M5K OA1, Canada
Essentra Hengzhu Precision Components Co., Ltd	China	Manufacturing	No. 12 Jingfa Avenue, Yichun, Economic and Technological, Development Zone, Yichun City, Jiangxi Province, China
Essentra Precision Machinery Components (Ningbo) Co. Ltd.	China	Manufacturing	99 Huanghai Road, Beilun District, Ningbo, Zhejiang Province, China
Essentra Trading (Ningbo) Co. Ltd	China	Distribution	99 Huanghai Road, Beilun District, Ningbo, Zhejiang Province, China
Essentra International Trading (Shanghai) Co Ltd	China	Holding Company	Room 347, Xinmaolou Building, 2 Taizhong South Road, China (Shanghai) Pilot Free Trade Zone, Pudong New Area, Shanghai, 200120, China
Essentra Plastic Products (Ningbo) China Co., Ltd		Holding Company	99 Huanghai Road, Beilun District, Ningbo, Zhejiang Province, China
Componentes Innovadores Limitada	Costa Rica	Manufacturing	Cartago-Cartago Parque Industrial Y Zona Franca Zeta, Cartago, Edificios, 48C3 48C4, Costa Rica
Essentra Components sro	Czech Republic	Distribution	Videnská 101/119, Dolní Heršpice, Brno, 619 00, Czech Republic
Essentra Components SAS	France	Distribution	280 rue de la Belle Étoile, 95700, Roissy, France
Essentra Components GmbH	Germany	Manufacturing	3, Montel-Allee, Nettetal, 41334, Germany
Essentra Components Limited – Branch Germany	Germany	Distribution	3, Montel-Allee, Nettetal, 41334, Germany
DTi device technologies GmbH	Germany	Distribution	Poststraße 33, Hamburg, 20354 Germany
Essentra Components Kft	Hungary	Distribution	1113, Nagyszolos ut 11-15, Budapest, Hungary
Essentra (India) Private Limited	India	Manufacturing	Brigade Rubix, No. 20, Unit 302, HMT Main Road, Phase-1, Jalahalli, Bengaluru, 560022, India
ESNT Holdings srl	Italy	Holding Company	Padulle di Sala Bolognese, Via dei Pioppi 2, Bologna, 40010, Italy
Essentra Components srl	Italy	Trading	Padulle di Sala Bolognese, Via dei Pioppi 2, Bologna, 40010, Italy
BMP Srl	Italy	Trading	9, Via delle Industrie, Cambiagio, 20040, Italy
Abric Encode Sdn Bhd	Malaysia	Manufacturing	Unit 1110 Block A, Pusat Dagangan Phileo Damansara II, 15 Jalan 16/11 Off Jalan Damansara, 46350 Petaling Jaya, Selangor Darul Ehsan, Malaysia

Report on the audit of the financial statements

Opinion

In our opinion:

- Essentra plc's Group financial statements and Company financial statements (the "financial statements") give a true and fair view of the state of the Group's and of the Company's affairs as at 31 December 2025 and of the Group's profit and the Group's cash flows for the year then ended;
- the Group financial statements have been properly prepared in accordance with UK-adopted international accounting standards as applied in accordance with the provisions of the Companies Act 2006;
- the Company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework", and applicable law); and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Accounts (the "Annual Report"), which comprise:

- the Consolidated Balance Sheet as at 31 December 2025;
- the Company Balance Sheet as at 31 December 2025;
- the Consolidated Income Statement for the year then ended;
- the Consolidated Statement of Comprehensive Income for the year then ended;
- the Consolidated Statement of Changes in Equity for the year then ended;
- the Consolidated Statement of Cash Flows for the year then ended;
- the Company Statement of Changes in Equity for the year then ended; and
- the Accounting Policies and Notes to the Financial Statements and the Notes to the Company Financial Statements, comprising material accounting policy information and other explanatory information.

Our opinion is consistent with our reporting to the Audit and Risk Committee.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, as applicable to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

During the period, we identified that a PwC network firm had performed accounts preparation activities to support local financial reporting for a controlled undertaking of the Group during the years ended 31 December 2024 and 2025. No fees were specifically charged for these activities. These are prohibited non-audit services under paragraph 5.40 of the FRC's Revised Ethical Standard 2019 and paragraph 5.40 of the FRC's Revised Ethical Standard 2024. As soon as these historic activities were identified, we ensured that they were not continued in the current period. The entity that the non-audit services were provided to is an immaterial subsidiary and not a component for the purposes of our audit of the Group's consolidated financial statements. We confirm that, based on our assessment of these breaches, the nature and scope of the services and the subsequent actions taken, the provision of the services has not affected our professional judgement in connection with our audit of the years ended 31 December 2024 or 2025.

Other than the matter referred to above, and to the best of our knowledge and belief, we declare that no non-audit services prohibited by the FRC's Revised Ethical Standard 2019 or the paragraph 5.40 of the FRC's Revised Ethical Standard 2024, were provided to the Group in either 2024 or 2025. Other than those disclosed in Note 2 to the Consolidated Financial Statements, we have provided no non-audit services to the Company or its controlled undertakings in the period under audit.

Our audit approach

Overview

Audit scope

- PwC component audit teams were engaged to perform full scope audit procedures. Additional audit procedures were performed by PwC Group and Component audit teams over certain significant transactions and balances, including revenue and inventory, and targeted analytical procedures were performed over non-significant components.
- The reporting units where we conducted audit procedures, together with work performed at the Group level accounted for 73% of the consolidated Group's revenue.
- The PwC Group audit team performed substantive procedures over all of the material balances and transactions of the parent Company.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ESSENTRA PLC CONTINUED

Key audit matters

- Presentation of adjusting items (Group)
- Recoverability of the parent Company investment (parent)

Materiality

- Overall Group materiality: £3.0 million (2024: £3.0 million) based on 1% of revenue.
- Overall Company materiality: £3.5 million (2024: £4.3 million) based on 1% of total assets.
- Performance materiality: £2.25 million (2024: £2.25 million) (Group) and £2.6 million (2024: £3.2 million) (Company).

The scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements.

Key audit matters

Key audit matters are those matters that, in the auditors' professional judgement, were of most significance in the audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by the auditors, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters, and any comments we make on the results of our procedures thereon, were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

This is not a complete list of all risks identified by our audit.

Impairment of goodwill in Americas segment (Group) and Impairment of assets in the Hengzhu site within APAC segment (Group), which were key audit matters last year, are no longer included because of improved trading performance in the year, ahead of risk adjusted forecasts previously used in impairment assessments and improving future outlook. Otherwise, the key audit matters below are consistent with last year.

Key audit matter	How our audit addressed the key audit matter
Presentation of adjusting items (Group) The Group's financial statements include certain items that are presented as adjusting items. The nature of these items is set out in the Group accounting policies and includes gains, losses or costs arising from business acquisition and disposal activities, significant restructuring and integration programmes, costs of major Software as a Service (SaaS) projects, and other items such as site closure costs and one-off projects. In the current year, consistent with the prior year, the most significant adjusting item relates to customisation and configuration costs associated with SaaS arrangements. We identified this as a key audit matter because judgement is required by management in determining whether items meet the definition to be classified as adjusting in accordance with the Group's accounting policy. The consistent identification and presentation of such items is important to ensure comparability of the Group's results from year to year and to avoid undue bias in reported performance measures. Further information on adjusting items is provided in Note 2 to the Group financial statements, and the related significant judgement is discussed in the Critical Accounting Judgements and Estimates section.	We assessed the appropriateness of the Group's accounting policy for the recognition of adjusting items with reference to the applicable regulatory guidance. We challenged management on the items disclosed as adjusting items, assessing consistency with the Group's accounting policy and the approach taken in prior years to determine whether they were appropriately classified. We did not identify any material items that we would expect to be reported within earnings before adjusting items. We selected a sample of SaaS-related project costs and traced amounts to underlying contracts and other supporting documentation and assessed the projects to confirm that they related directly to SaaS arrangements. Given their size, and by reference to both prior-year treatment and the Group's policy, we concluded the classification and presentation of these costs to be appropriate. We also performed sample testing on other categories of adjusting items, for example, agreeing amounts to payroll records, invoices, agreements and other corroborating evidence. Based on this testing, we concluded that the items tested were appropriately classified as adjusting items in line with the Group's accounting policy. We reviewed the related disclosures and alternative performance measure reconciliations in the financial statements and concluded that they appropriately and clearly describe the nature and impact of adjusting items.

Key audit matter**How our audit addressed the key audit matter****Recoverability of the parent Company investment (parent)**

Essentra plc holds a direct investment in Essentra International Limited, which in turn holds investment in the Group as a whole. This balance is significant to the Company's financial position. At 31 December 2025, the carrying value of the investment was impaired as disclosed in Note 3 of the Company financial statements.

A decline in the Group's market capitalisation during the year was identified as an indicator of impairment. In response, management estimated the recoverable amount of the investment in accordance with the relevant accounting standards, under which the recoverable amount is the higher of fair value less costs of disposal (FVLCD) and value in use (VIU).

Management determined the recoverable amount using a VIU model based on a risk-adjusted Strategic Plan and terminal value reflecting long-term growth expectations beyond this period. On this basis, management concluded that the carrying amount of the investment exceeded its VIU and recognised an impairment charge.

Given the size of the investment and the level of judgement involved, this has been identified as a key audit matter.

Further details on the Company's investments in subsidiaries, and related critical accounting judgements and estimation uncertainty, are provided in Note 1 and Note 3 to the Essentra plc Company financial statements.

We evaluated management's impairment trigger assessment and agreed with the trigger identified.

We obtained management's impairment model and assessed the methodology applied, including testing the model for mathematical accuracy.

Our valuation specialists were engaged to assess the reasonableness of the discount rates and long-term growth rates used, by developing independent expectations and range estimates.

We agreed the revenue, operating profit and cash flows used as the basis of the model back to board approved forecasts. We reviewed corroborative and contradictory evidence available for growth rates by performing independent research for market and wider economic forecasts and considered the impact of climate-related risks on the future cash flows.

We also compared the forecasts used in the model to historical performance and previous forecasting accuracy and performed sensitivity analyses over the key assumptions (including revenue growth, margins and discount rates), including evaluating the impact of reasonably possible changes in those assumptions.

Based on the procedures performed, we agree with management's assessment of the recoverable amount which supports the recognition of the impairment charge.

We also evaluated the related disclosures in the Company's financial statements and consider them to be appropriate.

How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the Group and the Company, the accounting processes and controls, and the industry in which they operate.

The Financial Statements are a consolidation of over 140 reporting units and we have utilised this consolidation for the purposes of scoping our audit and identifying relevant components. We identified one significant component subject to full scope audit procedures based on revenue contribution. Additional components were identified for either full scope or targeted audit procedures based on the value of the balances and transactions in order to increase the overall audit coverage. This work is completed by either the PwC Group audit team or PwC component teams depending on the location of the books and records. This approach ensured that appropriate audit coverage was obtained over all material financial statement line items. Where work was performed by component auditors; we issued written instructions, had regular open communication including a clearance meeting with each component, review of all significant matters reported

and detailed review of working papers to ensure sufficient appropriate audit evidence had been obtained. In addition, members of the Group engagement have performed oversight visits to the component audit teams in the US, China and Turkey in the current year. Based on the detailed audit work performed across the Group, we have achieved coverage of 73% of revenue.

The impact of climate risk on our audit

In planning our audit, we considered the potential impact of climate change on the Group and Company financial statements. Management considers that the impact of climate change does not give rise to a material financial statement impact. We evaluated management's climate change risk assessment including the identified physical and transitional risks and the assessment of the impact of those risks on the Group financial statements. The material physical and transitional risks are set out in the Task Force on Climate-Related Financial Disclosures (TCFD) on pages 54 to 61. We performed procedures to evaluate the appropriateness of management's risk assessment. We considered the Group's externally published environmental targets and understood the progress made on these targets to date in addition to plans in place to meet these targets in the future.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ESSENTRA PLC CONTINUED

We challenged management on the potential additional future costs associated with meeting these targets. We assessed that the key financial statement line items and estimates which are more likely to be impacted by climate risks are those associated with future cash flows, given the more notable impacts of climate change on the business are expected to arise in the medium to long

term. These included the assessment of impairment and the long-term viability assessment. However, our procedures did not identify any further material impact on either the Group or Company financial statements or our key audit matters for the year ended 31 December 2025.

Materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

	Financial statements – Group	Financial statements – Company
Overall materiality	£3.0 million (2024: £3.0 million).	£3.5 million (2024: £4.3 million).
How we determined it	1% of revenue	1% of total assets
Rationale for benchmark applied	We determined our materiality based on revenue as the most appropriate benchmark as it is considered a stable measure representative of the performance of the business and is a key KPI used by relevant stakeholders.	We determined our materiality based on total assets, which is more applicable than a performance-related measure as the Company is an investment holding Company for the Group.

For each component in the scope of our Group audit, we allocated a materiality that is less than our overall Group materiality. The range of materiality allocated across components was between £0.5 million and £2.0 million. Certain components were audited to a local statutory audit materiality that was also less than our overall Group materiality.

We use performance materiality to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds overall materiality. Specifically, we use performance materiality in determining the scope of our audit and the nature and extent of our testing of account balances, classes of transactions and disclosures, for example in determining sample sizes. Our performance materiality was 75% (2024: 75%) of overall materiality, amounting to £2.25 million (2024: £2.25 million) for the Group financial statements and £2.6 million (2024: £3.2 million) for the Company financial statements.

In determining the performance materiality, we considered a number of factors – the history of misstatements, risk assessment and aggregation risk and the effectiveness of controls – and concluded that an amount at the upper end of our normal range was appropriate.

We agreed with the Audit and Risk Committee that we would report to them misstatements identified during our audit above £150,000 (Group audit) (2024: £150,000) and £150,000 (Company audit) (2024: £150,000) as well as misstatements below those amounts that, in our view, warranted reporting for qualitative reasons.

Conclusions relating to going concern

Our evaluation of the directors' assessment of the Group's and the Company's ability to continue to adopt the going concern basis of accounting included:

- Obtaining and agreeing management's going concern assessment to the board approved business plan and ensuring that the base case scenario for the 15 month period to 30 June 2027 indicates that sufficient cash flows are generated to meet the obligations of the business as they fall due while complying with covenant arrangements;
- Identifying revenue growth and operating margin as the key assumptions inherent in the plan and validating these to historical performance and market or industry forecasts;

- Analysing the cash flows in the forecast models to identify unexpected trends and relationships and ensuring the mathematical accuracy of management's models;
- Evaluating management's severe but plausible downside scenario including the impact on the Group's liquidity headroom and its ability to meet debt covenants; and
- Assessing that climate change is expected to have a limited impact during the period of the going concern assessment.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's and the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the Group's and the Company's ability to continue as a going concern.

In relation to the directors' reporting on how they have applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the directors' statement in the financial statements about whether the directors considered it appropriate to adopt the going concern basis of accounting.

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

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures

to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' Report for the year ended 31 December 2025 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the Group and Company and their environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' Report.

Directors' Remuneration

In our opinion, the part of the Annual Report on Remuneration to be audited has been properly prepared in accordance with the Companies Act 2006.

Corporate governance statement

The Listing Rules require us to review the directors' statements in relation to going concern, longer-term viability and that part of the corporate governance statement relating to the Company's compliance with the provisions of the UK Corporate Governance Code specified for our review. Our additional responsibilities with respect to the corporate governance statement as other information are described in the Reporting on other information section of this report.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the corporate governance statement is materially consistent with the financial statements and our knowledge obtained during the audit, and we have nothing material to add or draw attention to in relation to:

- The directors' confirmation that they have carried out a robust assessment of the emerging and principal risks;
- The disclosures in the Annual Report that describe those principal risks, what procedures are in place to identify emerging risks and an explanation of how these are being managed or mitigated;

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ESSENTRA PLC CONTINUED

- The directors' statement in the financial statements about whether they considered it appropriate to adopt the going concern basis of accounting in preparing them, and their identification of any material uncertainties to the Group's and Company's ability to continue to do so over a period of at least twelve months from the date of approval of the financial statements;
- The directors' explanation as to their assessment of the Group's and Company's prospects, the period this assessment covers and why the period is appropriate; and
- The directors' statement as to whether they have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the period of its assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

Our review of the directors' statement regarding the longer-term viability of the Group and Company was substantially less in scope than an audit and only consisted of making inquiries and considering the directors' process supporting their statement; checking that the statement is in alignment with the relevant provisions of the UK Corporate Governance Code; and considering whether the statement is consistent with the financial statements and our knowledge and understanding of the Group and Company and their environment obtained in the course of the audit.

In addition, based on the work undertaken as part of our audit, we have concluded that each of the following elements of the corporate governance statement is materially consistent with the financial statements and our knowledge obtained during the audit:

- The directors' statement that they consider the Annual Report, taken as a whole, is fair, balanced and understandable, and provides the information necessary for the members to assess the Group's and Company's position, performance, business model and strategy;
- The section of the Annual Report that describes the review of effectiveness of risk management and internal control systems; and
- The section of the Annual Report describing the work of the Audit and Risk Committee.

We have nothing to report in respect of our responsibility to report when the directors' statement relating to the Company's compliance with the Code does not properly disclose a departure from a relevant provision of the Code specified under the Listing Rules for review by the auditors.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' Responsibilities in respect of the Financial Statements, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the Group and industry, we identified that the principal risks of non-compliance with laws and regulations related to employment laws and regulations, health and safety legislation, Listing Rules and import and export restrictions, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006 and UK and overseas tax legislation. We evaluated management's incentives and opportunities for fraudulent

manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting of journal entries to improve revenue performance or to manipulate performance metrics relating to bank covenants, and management bias in key accounting estimates. The Group engagement team shared this risk assessment with the component auditors so that they could include appropriate audit procedures in response to such risks in their work. Audit procedures performed by the Group engagement team and/or component auditors included:

- Review of matters reported through the Group's whistleblowing helpline and the results of management's investigation of such matters;
- Enquiries of management at the Group, regional and local levels;
- Enquiries of the Group's legal team;
- Enquiries with component auditors;
- Evaluation of management's controls designed to prevent and detect irregularities, in particular their compliance procedures in respect of trading in sanctioned markets;
- Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations which results in a credit to revenue or EBITDA; and
- Testing of critical accounting estimates to identify evidence of management bias.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

Our audit testing might include testing complete populations of certain transactions and balances, possibly using data auditing techniques. However, it typically involves selecting a limited number of items for testing, rather than testing complete populations. We will often seek to target particular items for testing based on their size or risk characteristics. In other cases, we will use audit sampling to enable us to draw a conclusion about the population from which the sample is selected.

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

Use of this report

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the Company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the Company financial statements and the part of the Annual Report on Remuneration to be audited are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Appointment

We were first appointed by the Company for the financial year ended 31 December 2017. Our uninterrupted engagement covers 9 financial years.

Other matter

The Company is required by the Financial Conduct Authority Disclosure Guidance and Transparency Rules to include these financial statements in an annual financial report prepared under the structured digital format required by DTR 4.1.15R – 4.1.18R and filed on the National Storage Mechanism of the Financial Conduct Authority. This auditors' report provides no assurance over whether the structured digital format annual financial report has been prepared in accordance with those requirements.

GILLIAN HINKS (SENIOR STATUTORY AUDITOR)
for and on behalf of PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors
East Midlands

17 March 2026

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Company Website

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Registrar

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Tel: 0370 703 6394

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computershare.com

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Corporate PR

FTI Consulting

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National Westminster Bank plc

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BBVA

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Santander UK plc

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The production of this report supports the work of the Woodland Trust, the UK's leading woodland conservation charity. Each tree planted will grow into a vital carbon store, helping to reduce environmental impact as well as creating natural havens for wildlife and people.

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