TT ELECTRONICS PLC

ANNUAL REPORT & ACCOUNTS 2025

TT Electronics

TT Electronics

WELCOME

Our Purpose

To engineer and manufacture electronic solutions that enable a safer, healthier and more sustainable world.

We design custom technology solutions that facilitate smaller, lighter, and more energy-efficient products used in performance critical applications. Our global manufacturing capability provides solutions for customers in highly regulated markets, from new product introduction to full scale production of complex systems.

Read this Annual Report online
www.ttelectronics.com/investors/annual-report/

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Chair's statement

The Board is pleased with operational and strategic progress in the year under our new CEO.

Read more on page 4

CEO review of the year

2025 has been a year of transition for TT Electronics. We took decisive actions to address operational challenges, strengthen accountability and restore control across the business, resulting in a materially improved performance in the second half.

Read more on page 7

Our people, communities and environment

Our culture is strong and we have continued to make progress on our environmental agenda during the year.

Read more on page 19

Governance

During a year of executive leadership transition and renewed external interest in the Group the Board has continued to drive high standards of governance.

Read more on page 45

INSIDE TT ELECTRONICS

WHO WE ARE

OUR REGIONS

EUROPE
Power and Components
Locations (UK)
Abercynon, Barnstaple, Bedlington, Eastleigh, Fairford, Manchester, Nottingham, Sheffield, Woking

30%
Group revenue

NORTH AMERICA
Power, Electronic Manufacturing Services ("EMS") and Components
Locations
Boston, Cleveland, Denver, Juarez, Kansas City, Mexicali, Minneapolis

36%
Group revenue

ASIA
Power and EMS
Locations
Kuantan (Malaysia), Singapore, Suzhou (China)

34%
Group revenue

CUSTOMERS

Our customers range from global multi-nationals to innovative start-ups operating in the healthcare, aerospace, defence, automation, electrification, electronics and energy sectors. We aim to work as part of the customer's team, driving solutions, and with our products and services integral to customers' designs and the lifecycle of their products.

OUR PEOPLE AND CULTURE

TT truly is a people business. The passion, expertise and values of our people drive our success. Our culture gives us a competitive advantage, making us a great company to work for and with, enabling us to attract and retain talented people, grow productivity, build strong partnerships and deliver for our customers.

SUSTAINABILITY

We aim to positively impact the world by enhancing sustainability through our products, business practices, employee care, community engagement, and environmental responsibility.

1 Our KPIs include a number of Alternative Performance Measures ("APMs") which have been adopted by the Directors to provide further information on underlying trends and the performance and position of the Group. Details of these APMs and a reconciliation to statutory measures can be found on pages 155 to 159.

REVENUE
£481.4m
2024: £521.1m

ORGANIC REVENUE GROWTH[1]
(3)%
2024: (5)%

ADJUSTED OPERATING PROFIT MARGIN[1]
7.7%
2024: 7.1%

STATUTORY OPERATING PROFIT MARGIN
(5.9)%
2024: (4.5)%

CASH CONVERSION[1]
150%
2024: 117%

RETURN ON INVESTED CAPITAL[1]
13.3%
2024: 10.0%

LEVERAGE
1.1x
2024: 1.8x

OUR PRODUCTS AND MARKETS

CAPABILITIES

We deliver engineered electronics that help customers meet performance-critical requirements. From custom components to complex assemblies, we design, engineer and manufacture vertically integrated solutions tailored to highly regulated markets.

POWER MANAGEMENT AND CONVERSION

Power converters, power supplies, power control, inverters, auto transformer rectifier units ("ATRUs"), microelectronics, power supplies

PRINTED CIRCUIT BOARD ASSEMBLY ("PCBA")

Complex printed circuit board assembly and test

COMPLEX ELECTRONIC ASSEMBLIES

Manufacture and integration of complete electronic assemblies, power systems and control cabinets

ELECTROMAGNETICS

Custom electromagnetics components, transformers and inductors

CABLE AND INTERCONNECT

Rugged cable harness and assembly. Interconnect solutions

PASSIVE COMPONENTS

Resistors, potentiometers, encoders, trimmers

SENSORS

Optoelectronics, temperature, pressure and flow sensor technologies for control and signal conditioning

MARKETS

HEALTHCARE

We deliver high-reliability electronic products and manufacturing solutions that enable healthcare innovation. From supporting the digital transformation of medical and life sciences equipment to enabling precision surgical procedures through advanced miniature sensing technologies, our solutions are designed to perform in demanding clinical environments and align with the rigorous standards of next-generation healthcare systems.

Applications

- Direct patient care and monitoring
- MRI machines
- CT scanners
- Defibrillators
- Surgical robotics
- Implantable devices
- Laboratory and life sciences
- Home healthcare

Market growth drivers

- Structural demographic trends including population growth, ageing societies, and rising life expectancy, combined with advances in diagnostics and therapeutic innovation, are driving long-term growth in healthcare demand and technology adoption
- Digital and connected healthcare driving demand for high-reliability electronics in patient monitoring, diagnostics, and home healthcare equipment
- Shift to minimally invasive and precision procedures increasing adoption of miniaturised sensors and advanced electronic subsystems
- Rapid growth of surgical robotics and navigation expanding demand for high-performance electronics, sensing and control systems
- Rising use of implantable and long-life medical devices requiring ultra-reliable, low-power, miniaturised electronics
- AI-driven lab automation and predictive analytics (e.g., mass spectrometry, chromatography, clinical analysers) are accelerating demand for scalable, high-precision electronics that enable real-time data processing, intelligent instrument control, and higher throughput
- Geopolitical uncertainty is increasing demand for regional manufacturing capability and localised supply chains

MARKETS CONTINUED

AEROSPACE & DEFENCE

We provide high-reliability solutions that enable the next generation of aerospace and defence technologies across land, air, and sea platforms. As a trusted partner to the sector, we deliver tailored, mission-critical solutions that support evolving operational demands, from power and propulsion systems to advanced control architectures and secure, high-performance communications.

Applications
- Avionics, flight controls and landing gear
- Engine controls and fuel systems
- Electric propulsion
- Aircraft interior signage and lighting
- Precision guidance, communication and navigation systems
- Communication, command and control

Market growth drivers
- Rising defence spend is driving sustained demand for advanced electronics across global military platforms
- Modernisation programmes leveraging technology advancement (AI, sensors, autonomous systems) increasing demand for compact, resilient, mission-critical electronics
- Shift to network-centric operations accelerating adoption of secure, high-performance communications and C2 (command and control) electronics
- Miniaturisation and digitalisation improving performance, reliability, and lifecycle efficiency of electronic systems
- More-electric aircraft architectures requiring high-power, high-density converters, inverters, and control systems, and greater focus on efficiency and thermal management

AUTOMATION & ELECTRIFICATION

Our solutions for automation and electrification enhance performance, improve efficiency and support dependable operation across a broad range of industrial and infrastructure applications, from factory automation to EV charging and smart energy systems. As systems become more sophisticated, digitally enabled and power-intensive, the continued adoption of advanced technologies, supported by government policy and evolving market demand, is driving productivity gains and resilience across the industrial ecosystem.

Applications
- Semiconductor manufacturing
- Industrial robotics and automation
- Electric vehicle infrastructure
- Renewable energy generation
- Power and energy management
- Rail communication and signalling
- Data centre power

Market growth drivers
- Rapid expansion of data centres and cloud infrastructure driving demand for high-reliability power distribution, energy management and thermal control electronics
- Industrial automation and robotics growth increasing need for precision control, sensing and motion electronics
- Digital transformation driving adoption of rugged industrial computing and real-time machine control systems
- Energy efficiency and decarbonisation accelerating high-efficiency power conversion and thermal management solutions
- Electrification of transport and infrastructure driving demand for high-power electronics and energy management
- Industrial internet of things ("IIoT") connectivity and cybersecurity expanding demand for secure communication and networked industrial electronics
- Geopolitical pressures and policies, such as the CHIPS Act, are expanding semiconductor manufacturing capacity while increasing equipment complexity, boosting demand for advanced, high-reliability electronics

Read more about innovation in our markets in the CEO review on page 9

CHAIR'S STATEMENT

OPERATIONAL TURNAROUND

> After a difficult period for TT, the Board was pleased to see operational turnaround in 2025 and financial performance improving in the second half of the year."
>
> **Warren Tucker**
> Chair

BUSINESS PERFORMANCE

Whilst conditions in some of our markets continue to be challenging in North America and Asia, actions taken in the year are expected to support better performance as the environment stabilises. Business was strong in Europe, driven by good momentum in Aerospace & Defence markets, underpinning future growth and margin quality. Adjusted operating profit margin returned to recent levels at 7.7% with adjusted operating profit of £37.2 million (statutory operating loss of £28.2 million). Cash conversion was much improved at 150%, elevated predominantly by inventory reduction, a key management focus.

We also made good progress with our strategic actions to close the Plano facility and undertake a review of the Components business. We have assessed a number of options for this business, including a potential disposal and it continues to be managed separately for enhanced focus and oversight. The turnaround at our Cleveland site is underway. Productivity is improving and various financial and operational initiatives have begun to support a return to profitability at the site in the medium term.

Under the guidance of our new CEO, Eric Lakin, we have implemented additional strategic workstreams to support the long-term ambitions of the Group that build on our core engineering and manufacturing capabilities. These are aimed at improving our horizon scanning, evaluating and planning for strategic risks, operational execution, strengthening margins, and delivering sustainable cash generation.

APPOINTMENT OF CEO AND INTERIM CFO

Eric Lakin joined the Group at the beginning of 2025 as CFO Designate and was appointed acting CEO on the departure of Peter France in April. After a robust process to assess other potential CEO candidates, the Board appointed Eric as CEO in August. We are very pleased with the changes made under his leadership.

Given the CEO change, the Board felt it important to make a prompt appointment to the CFO role and duly appointed Richard Webb as Interim CFO in May. Richard was previously Group CFO at Ultra Electronics and has a strong track record of driving organic growth, change initiatives and cost efficiencies.

NEW NON-EXECUTIVE DIRECTOR

We were delighted to also welcome Karina Rigby to the Board in October. Karina brings additional international experience as well as skills in manufacturing, operational excellence and business transformation from her career at Eaton Corporation. Alison Wood stepped down as Non-executive Director and Chair of the Remuneration Committee at the 2025 AGM after nine years of service.

2025 KEY HIGHLIGHTS

- In a transitional year for the Group, actions taken to address operational challenges and strengthen accountability supported improved second-half performance.
- Strong cash generation and a significantly strengthened balance sheet, with improved organic profitability reflecting:
  - Strong performance in Europe driven by momentum in Aerospace & Defence.
  - Actions taken to address underperformance in North America resulted in a significant improvement in regional performance in 2025.
  - Asia impacted by softer Electronic Manufacturing Services ("EMS") demand and customer transfer activity, with the region better positioned operationally entering 2026.
- Significant operational progress, including ceasing production at the Plano site, continued improvement at Cleveland facility and completion of the Components strategic review.
- Book to bill ratio has improved to 109% (2024: 102%), reflecting an improvement in order intake relative to revenue compared to the previous year.

RECOMMENDED OFFER FOR THE COMPANY

In October 2025 the Board unanimously decided to recommend to shareholders an Offer from Cicor Technologies Ltd for the Company. This followed a number of unsolicited proposals which were rejected. The rationale for this decision was outlined in our announcement of 30 October 2025, namely that the combination of the businesses was in the best interests of stakeholders and that the Offer would deliver accelerated value for shareholders. The recommendation followed extensive advice from financial advisers and engagement with shareholders. A revised and final Offer from Cicor was announced on 18 November 2025.

Given the value of the Offer, the Board submitted the proposed acquisition to TT shareholders for consideration. At a shareholder meeting on 7 January 2026, votes in favour of the Scheme did not meet the required threshold and, as a result, the acquisition did not proceed.

I would like to thank shareholders for their valuable consultation input and support around the Offer.

CHAIR TRANSITION

Following the vote, it was clear to me that TT is at an inflection point, and I advised the Board of my decision to step down as Chair having served two three-year terms. The Board asked that I remain as Chair until the 2026 AGM in May in order to identify a successor.

It has been enjoyable and quite an experience to serve as Chair of TT for the last six years. It is a great company with a bright future ahead. I thank all Board members, past and present, that have served alongside me over this period. Their wise counsel, enthusiasm and commitment to the success of the business have been most appreciated.

I would also like to thank the wonderful team of people across the world that call TT home. They have maintained focus on the needs of the business and our customers throughout the Offer period and delivered a significantly improved performance over the year.

DIVIDEND AND OUTLOOK

Dividends remain an important component of the Group's capital allocation framework, balanced with debt reduction and strategic growth investment to build a financially robust business capable of supporting shareholder returns over time. No dividend will be paid in respect of 2025; however, the Board recognises the importance of dividends to shareholders and will keep the position under review as performance and leverage improve.

Entering 2026, the Board is confident that the Group is better positioned to manage current market conditions and make further progress on execution and commercial effectiveness.

Warren Tucker
Chair
24 March 2026

"It has been enjoyable and quite an experience to serve as Chair of TT for the last six years. It is a great company with a bright future ahead."

OUR BUSINESS MODEL

SOLID PLATFORM

Our differentiated offer and long-term collaboration with our customers on innovation, design and product delivery creates value for all our stakeholders.

ASSETS/EXPERTISE

Engineering and manufacturing capability
- Deep domain knowledge
- Years of embedded experience and skills
- Strength in smaller, lighter, energy-efficient solutions
- Low volume, high mix ability

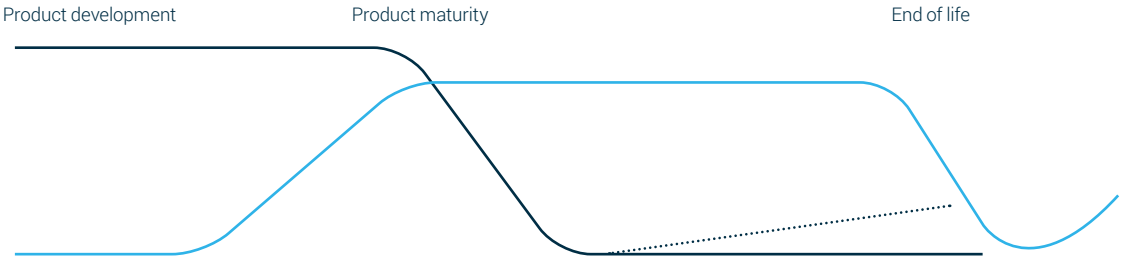
Innovation/development proficiency
- R&D, IP and specialist product development skills
- Agility in products to market
- Experience in complex regulatory approvals

Global footprint
- Locations in Europe, North America and Asia, enabling customer proximity worldwide

Customer relationships/ access
- Customer credibility and long-term value creating partnerships
- Business development organisation to maximise opportunities

People and culture
- Talented, passionate and service-driven experts

EMBEDDED IN PRODUCT LIFECYCLES THROUGH LONG-TERM COLLABORATION WITH CUSTOMERS



Aerospace & Defence	0-5 yrs	3-30 yrs	30-50 yrs
Healthcare	0-5 yrs	3-15 yrs	15-30 yrs
Automation & Electrification	0-2 yrs	1-5 yrs	5-10 yrs

Key
- Engineering effort
- Sales volume/revenue
- Potential engineering opportunity

KEY FEATURES OF OUR MARKETS

Performance critical	High complexity	Significant market regulation	Requiring customisation for specific applications

Read more in Our products and markets on page 2

LIFECYCLE SUPPORT

R&D	Collaboration	Design
Size, Weight, Efficiency and Cost Engineering	Manufacturing	Testing

VALUE CREATION

Solid platform for value creation for all stakeholders.

Customers and suppliers
- Innovation: R&D spend 3.8% of revenue
- Voice of Customer integration
- Fair treatment of suppliers

Our people
- Strong culture
- Recordable Incident Rate in line with industry average
- Equality, Diversity & Inclusion ("ED&I") work

Communities
- STEM partnerships
- Fundraising and volunteering

Environmental
- Enabling smaller, lighter, more efficient products
- Targeting Net Zero Scope 1 & 2 by 2030

Shareholders
- Improved performance in 2025 and strengthened platform for growth

Read about stakeholders on page 35

CHIEF EXECUTIVE OFFICER'S REVIEW

YEAR OF TRANSITION

2025 was a year of transition for TT Electronics, and I am pleased to report an improved financial position of the Group in my first set of annual results as Chief Executive Officer. During the year, we addressed operational challenges, strengthened accountability and restored control across the business, resulting in a materially improved performance in the second half.

We enter the new financial year with a clearer strategic direction and a stronger platform for growth, underpinned by our four priorities of divisional realignment, cost reduction, sales transformation and portfolio optimisation. Whilst we are mindful of the current elevated geopolitical uncertainty, we remain confident in our ability to deliver further operational and financial progress."

Eric Lakin
CEO

INTRODUCTION

2025 was a transitional year for TT Electronics, during which important strategic progress was made against a backdrop of continued market uncertainty, leadership transition and a period of increased corporate activity. The approach by Cicor in the second half of the year demonstrates the perceived value of the business in our market. Throughout this period, the business remained focused on meeting customer needs, delivering on its objectives and building a foundation for future growth.

As outlined at the half year, strong performance in Europe, driven by Aerospace & Defence ("A&D") markets, was offset by challenges in parts of North America and softer demand in certain Electronic Manufacturing Services ("EMS") end markets, as anticipated. Actions taken in the first half contributed to the improved performance in the second half, putting the Group on much stronger footing as we enter 2026.

OPERATIONAL PROGRESS

In North America, we made significant progress in addressing the site-specific operational issues highlighted earlier in the year. At our Cleveland facility, the deployment of specialist operational support, together with strengthened site leadership and tighter operational controls, led to improvements in productivity, yield, rework, customer service and cost performance. Losses reduced materially through the year, and performance improved in the second half, positioning the site for a return to profitability in the medium term.

At our Plano site production ceased at the end of the year with final product testing and customer deliveries currently being completed and production equipment from the site now divested. The site made a positive contribution to adjusted group profit of £1.2 million in the year as a result of the last-time-buy profit contribution of c.£3.5 million in H2. Across North America overall, adjusted operating profit improved to £1.2 million, compared with a loss of £2.7 million in 2024.

In addition, we completed the transfer of some production from our Suzhou site in China to our facility in Kuantan, Malaysia, in response to a major customer requirement to diversify its supply chain. This complex transfer included both EMS and cable harness programmes and required close collaboration with the customer to ensure continuity of supply. The successful execution of this project demonstrates our ability to support customers as they adapt to changing geopolitical and regulatory environments.

Kuantan is now positioned to support higher production volumes for this customer and others as supply chains continue to regionalise. Suzhou remains an important part of our Asia footprint, focused on supporting local and regional customers as well as new programme opportunities, and continues to play a key role in our Asia-for-Asia manufacturing strategy. This customer transfer activity and softer EMS demand meant Asia's adjusted operating profit reduced by 24% year-on-year, but enters 2026 on stronger operational footing having completed the production transfer.

Performance in Europe was particularly encouraging, underpinned by sustained demand in A&D and strong execution across the region. Adjusted operating profit increased by 17% in Europe, delivering a Group-leading margin of 15.3%, reflecting improved operational leverage and programme mix. The region secured several significant long-term programme awards during the year, including new contracts supporting European defence platforms and next-generation aerospace applications, reinforcing our position as a trusted supplier on mission-critical systems.

"Performance in Europe was particularly encouraging, underpinned by sustained demand in A&D and strong execution across the region."

STRATEGIC PRIORITIES

Following actions taken during 2025, the Group is aligned around a clear set of strategic priorities focused on improving execution, strengthening margins, and delivering sustainable free cash flow. Our approach is centred on disciplined implementation while building on the Group's core engineering and manufacturing capabilities. Our four strategic priorities are set out below.

DIVISIONAL REALIGNMENT

We are reorganising the Group during 2026 to better align our structure with our customers, end markets, products and capabilities. This will involve moving from the current regional structure towards clearer alignment around Power, EMS and Components. This approach better reflects how the Group operates and will improve collaboration across sites, support more effective deployment of resources and align more closely with how customers engage with the Group.

SALES TRANSFORMATION

Strengthening business development and commercial execution is a key priority as we enter 2026.

During 2025, we began implementing a sales transformation programme focused on people, tools and processes, aimed at improving pipeline visibility, order intake and pricing discipline. This has been supported by investing in the business development team, enhanced use of CRM, clearer sales accountability and a renewed drive for new customers and business opportunities. Initial benefits are being seen with a significant improvement in order intake in H2 compared to H1, driven in part by strength in the A&D market.

The programme remains focused on strengthening performance across the Group, particularly within EMS in North America and Asia.

COST REDUCTION

In addition to ongoing continuous improvement activity, we are implementing a targeted cost reduction programme to simplify the Group's cost base and support a leaner operating model. This is focused on reducing structural overheads, devolving greater responsibility to operating sites and improving efficiency, while maintaining the engineering, manufacturing and customer service capabilities required to support our core markets.

We expect the programme to deliver a benefit of approximately £3.0 million in 2026, net of contingencies and implementation costs. Over the medium term, we expect the annualised benefit to increase to double this level as the programme is fully implemented.

PORTFOLIO OPTIMISATION

We continue to review the Group's portfolio on an ongoing basis to ensure it remains aligned with our strategic priorities and areas of competitive advantage. This includes maintaining a disciplined, value-led approach to any potential disposals, including the Components business, as well as considering selective bolt-on opportunities that enhance capability, technology or market access in our core sectors. Disciplined capital allocation will remain an important element of the Group's longer-term objective of improving margin quality and strengthening returns, including consideration of future shareholder distributions as performance and leverage allow.

Renewed organisational focus

Over the year we strengthened the Group's leadership and governance arrangements. We established a clearer Executive Committee structure, clarified accountability at site and regional level and improved operational oversight across the business, which has been central to the progress made in 2025 and to support ongoing execution going into 2026.

Throughout the period of corporate activity in the second half of the year, management remained focused on the business, our customers and underlying performance. The Board also used this period to review the Group's organisational structure and cost base, reinforcing the focus on operational discipline and performance improvement and creating renewed momentum behind the Group's strategic and operational priorities.

Strategic assessment of Components business

As announced at the half year, we undertook a strategic assessment of our Components activities across all four active sites. This work considered the strategic positioning of the business within the Group's broader portfolio and its long-term role within TT Electronics.

During 2025, the business was under separate management oversight to ensure appropriate focus and oversight while the assessment was completed. This structure contributed to improved operational performance in the second half.

Following completion of the assessment, the Board is evaluating a range of strategic options for the Components business, including a potential disposal, with any decision to be guided by value and prevailing market conditions.

Investing in innovation

Engineering is key to our competitive advantage and customer value proposition. We are committed to investing in technology, products and capability, especially in power electronics, value-added EMS and specialist components. During the year, we launched several products and reached key development milestones including:

- AX-FORCE – a family of smarter, more efficient, flexible power conversion and control solutions for harsh environments in the A&D market. This is addressing rapidly growing demand in electrification of systems and platforms and positions TT with world class, differentiated technology.
- Delivered bespoke power conditioning units designed and developed by TT for an ultra-long range business jet programme, now undergoing flight qualification. This reinforces our position as a trusted supplier for high-performance aviation platforms.
- Expanded capability to manufacture high-power transformers for classified military applications, establishing significant new capability and creating a foundation that can be applied to broader high-growth sectors such as data centre and energy infrastructure.
- Developed manufacturing process capability for high power density Silicon Carbide (SiC) power modules utilising silver sintering technology, with delivery of first prototype modules to a major aerospace customer.
- Leverage of our global engineering resources to support a new customer's nearshoring strategy, establishing local manufacturing and NPI capability with rapid execution.
- Expansion of our system integration offering to include advanced precision-machined components, supporting complex assembly and testing for a global life sciences instrument OEM.

FINANCIAL PROGRESS

For the year ended 31 December 2025, Group revenue was £481.4 million (2024: £521.1 million), a 7.6% decline on a statutory basis and 2.7% decline on an organic basis compared with the prior year. This reflected continued strength in Europe, driven by A&D markets, a contribution from last-time-buy revenue at our Plano site, offset by softer demand in certain EMS end markets in North America and Asia.

Adjusted operating profit increased by 2.2% on an organic basis to £37.2 million (2024: £36.4 million), with the adjusted operating margin improving by 30 basis points on an organic basis to 7.7% (2024: 7.4%). This represented the benefits of operational actions taken earlier in the year which led to stronger execution in the second half, including improvements in North America and the decision to close our site at Plano. A strong demand in European Aerospace & Defence was offset by softness in EMS markets. Last-time buy activity in Plano in H2 contributed c. £3.5 million to adjusted operating profit, which drove a £1.2 million site contribution to Group profit for the year. In what was a transitional year for the Group, it was particularly pleasing to deliver results in line with market expectations.

The statutory operating loss was £28.2 million (2024: £23.5 million loss) driven by £65.4 million of one-off charges (2024: £60.6 million), primarily relating to restructuring and Goodwill impairment in the North American business, the latter following a re-assessment of future growth rates and timing for certain North American businesses where end market demand remains soft. The majority of one-off charges are non-cash. The statutory operating loss margin was 5.9% (2024: operating loss margin 4.5%).

Cash generation was strong, supported by disciplined working capital management, including significant inventory reduction and improved receivables performance. Net debt (excluding leases) reduced to £50.3 million at 31 December 2025 (31 December 2024: £80.1 million), with improved leverage of 1.1x (31 December 2024: 1.8x), at the lower end of the Group's target range.

Further detail on the Group's financial performance and cash flow is set out in the Chief Financial Officer's review.

DIVIDEND

Looking ahead, the Board will balance strategic investment in growth with the objective of building a more financially robust business capable of supporting shareholder returns. Dividends remain an important component of the Group's capital allocation framework. No dividend will be paid in respect of 2025; however, the Board recognises the importance of dividends to shareholders and will keep the position under review.

2026 OUTLOOK

Demand in A&D continues to be strong, providing good visibility and supporting ongoing margin improvement, particularly in Europe. Demand in EMS end markets remains mixed, reflecting broader macroeconomic uncertainty and customer caution. Nevertheless, the actions taken during 2025 have strengthened the Group's operational discipline and financial position. Entering 2026, the Board is confident that the Group is better positioned to manage current market conditions and to make further progress through continued focus on execution and commercial effectiveness. Delivery of the recently announced cost reduction programme is a key priority and is expected to provide further support during the year.

The Board expects 2026 revenue and adjusted operating profit to be in line with Company compiled consensus.

"Looking ahead, the Board will balance strategic investment in growth with the objective of building a more financially robust business capable of supporting shareholder returns."

CHIEF FINANCIAL OFFICER'S REVIEW

CFO REVIEW

REVENUE

Group revenue was £481.4 million (2024: £521.1 million). The year-on-year reduction primarily reflected currency translation headwinds of £10.1 million and the impact of the divestment of our Cardiff, Hartlepool and Dongguan sites in Q1 2024, which reduced revenue by £16.2 million.

Trading improved during the second half as operational performance stabilised, repricing initiatives took effect, and the Group progressed actions to address underperformance in North America, including the planned cessation of production at the Plano site. This included a £3.5 million contribution to adjusted operating profit from last-time buys in H2 which drove a £1.2 million site contribution to group profit for the year.

On an organic basis, revenue declined by 2.7%, or £13.4 million, compared with the prior year of £494.8 million. This reflected softer demand in several EMS end markets, particularly in North America and Asia, partly offset by continued strength in A&D markets in Europe.

A&D revenue increased to £152.8 million (2024: £136.4 million), reflecting continued strength in demand across our European operations and supporting improved margin quality. A&E revenue declined to £140.1 million (2024: £161.1 million), reflecting softer industrial demand and customer caution, particularly in North America and Asia. Healthcare revenues were £107.8 million (2024: £112.6 million), with performance affected by lower demand in certain medical and life sciences programmes. Distribution revenues were £80.7 million (2024: £84.7 million), broadly reflecting the continued

RESULTS FOR THE YEAR ENDED 31 DECEMBER 2025

	Adjusted[1]		
	2025	2024	Change
Revenue *(£m) (organic)*	**481.4**	494.8	*(2.7)%*
Operating profit *(£m) (organic)*	**37.2**	36.4	*2.2%*
Operating profit margin[3] *(%) (organic)*	**7.7%**	7.4%	*30bps*
Net finance expense *(£m)*	**(8.5)**	(9.9)	*14.1%*
Profit before tax *(£m)*	**28.7**	27.2	*5.5%*
Tax *(£m)*	**(16.4)**	(7.7)	*(113)%*
Tax rate *(%)*	**57.1%**	28.3%	*28.8%pts*
Profit after tax *(£m)*	**12.3**	19.5	*(36.9)%*
Weighted average number of shares (m)	***177.8m***	*176.9m*	*0.9m*
Basic earnings per share *(p)*	**6.9**	11.0	*(37.3)%*
Cash conversion[3] *(%)*	**150%**	117%	*33%pts*
Return on invested capital[3] *(%)*	**13.3%**	10.0%	*330bps*
	Statutory[3]		
Revenue *(£m)*	**481.4**	521.1	*(7.6)%*
Operating (loss) *(£m)*	**(28.2)**	(23.5)	*(20.0)%*
Operating (loss) margin[3] *(%)*	**(5.9)%**	(4.5)%	*(140)bps*
Net finance expense *(£m)*	**(8.5)**	(9.9)	*14.1%*
Loss before tax *(£m)*	**(36.7)**	(33.4)	*(9.9)%*
Tax *(£m)*	**(13.9)**	(20.0)	*30.5%*
Tax rate *(%)*	**37.9%**	59.9%	*(36.7)%pts*
Loss after tax *(£m)*	**(50.6)**	(53.4)	*5.2%*
Weighted average number of shares (m)	***177.8m***	*176.9m*	*0.9m*
Basic (loss) per share *(p)*	**(28.5)**	(30.2)	*5.7%*
Net cash from operating activities *(£m)*	**50.0**	51.2	*(2.3)%*
	Other KPIs		
Free cash flow[3] *(£m)*	**29.9**	27.7	*7.9%*
Net debt (excl. lease liabilities)[3] *(£m)*	**(50.3)**	(80.1)	*(37.2)%*
Leverage[3]	**1.1x**	1.8x	*(37.8)%*

1 Organic revenue and organic operating profit are revenue and adjusted operating profit on a constant currency basis[2] and excluding the impacts of business disposals (e.g. Project Albert)[3], see APM 1 and APM 2 on page 157. The Directors have adopted these measures to provide additional information on the underlying trends, performance and position of the Group with further details set out in note 1c. The adjusted measures are set out in the reconciliation of KPIs and non IFRS measures on pages 155 to 159.

2 Constant currency performance is calculated by translating prior period performance at the current period's FX rates.

3 A reconciliation of KPIs and non-IFRS measures can be found on pages 155 to 159.

RETURN ON INVESTED CAPITAL

13.3%

2024: 10.0%

END MARKET REVENUE BREAKDOWN

£m	2025	2024 (organic[1])	2024
Revenue	481.4	494.8	521.1
Aerospace & Defence (A&D)	152.8	136.4	142.1
Healthcare	107.8	112.6	118.1
Automation & Electrification (A&E)	140.1	161.1	174.3
Distribution	80.7	84.7	86.6

normalisation of component demand following elevated levels in prior years.

OPERATING PROFIT

The Group delivered adjusted operating profit of £37.2 million (2024: £36.4 million), which was an organic increase of 2.2% reflecting operational actions taken during the year which drove a stronger second-half performance. This included a positive contribution from last-time-buy activity at the Plano site in H2 of c.£3.5 million, which drove a £1.2 million site contribution to profit for the year.

After recognising £65.4 million of adjusting items (see below), the Group reported a statutory operating loss of £28.2 million (2024: £23.5 million).

OPERATING MARGIN

The Group generated an organic adjusted operating margin of 7.7% (2024: 7.4%). The improvement reflected stronger execution across the business and the benefits of operational actions taken during the year, partly offset by headwinds in Asia due to reduced volumes.

On a statutory basis, the Group recorded an operating loss margin of 5.9% (2024: operating loss margin 4.5%) reflecting the impact of the adjusting items set out right.

ADJUSTING ITEMS

The Group recognised £65.4 million of items excluded from adjusted operating profit. These comprised of:

- Restructuring and other costs of £15.2 million (2024: £0.1 million credit), including approximately £7.0 million relating to the closure of the Plano facility in the US; £6.1 million of restructuring costs at the Cleveland facility, including specialist operational support and inventory write-downs; £1.6 million relating to group management changes reflecting duplicate costs for senior management transition; and £0.5 million of other restructuring costs.
- Asset impairment charges of £41.4 million (2024: £52.2 million), comprising £37.2 million of goodwill attributed to the North American business and £4.2 million of non-current assets across two sites in North America.
- Acquisition and disposal-related costs of £4.3 million (2024: £4.5 million), primarily relating to costs incurred in connection with the Cicor approach.
- Pension restructuring costs of £1.9 million (2024: £1.3 million), relating to preparation of the UK defined benefit scheme for wind-up.
- Amortisation of acquisition-related intangible assets of £2.6 million (2024: £2.7 million).

Of the above adjusting items, £7.9 million are cash impacting. These relate to £4.2 million of restructuring costs, primarily associated with Cleveland and management changes, and £3.7 million of acquisition and disposal-related costs, mainly relating to the Cicor approach.

NET FINANCE EXPENSE

The net finance cost reduced to £8.5 million (2024: £9.9 million) due to lower interest rates and lower debt levels.

PROFITABILITY

Adjusted profit before tax was £28.7 million (2024: £27.2 million). On a statutory basis, the Group reported a loss before tax of £36.7 million (2024: £33.4 million loss), reflecting the adjusting items described above.

Adjusted basic earnings per share were 6.9 pence (2024: 11.0 pence). The statutory basic loss per share was 28.5 pence (2024: 30.2 pence loss).

TAXATION

The Group's overall tax charge was £13.9 million (2024: £20.0 million).

The tax charge on adjusted profit before tax was £16.4 million (2024: £7.7 million), resulting in an adjusted effective adjusted tax rate (ETR) of 57.1% (2024: 28.3%). The adjusted profit after tax was £12.3 million (2024: £19.5 million) and the statutory loss after tax was £50.6 million (2024: £53.4 million).

This higher than usual tax rate is due to losses in the US and the inability to currently recognise a deferred tax asset in respect of those losses, following the derecognition of the deferred tax asset of £16.0 million in 2024, as well as £2.7 million in 2025 due to the near term outlook for the US businesses. There is insufficient certainty regarding the timing and quantum of future taxable profits to support deferred tax asset recognition.

The adjusted earnings per share is 6.9p (2024: 11.0p). In the current period, if a deferred tax asset had been able to be recognised with respect to current year US losses it is anticipated that this would have reduced the adjusted effective tax rate to 25.4% and increased the adjusted earnings per share by 5.1p to 12.0p. The timing of when a deferred tax asset will be able to be recognised in future years is uncertain and will be based on the future forecast profitability of the US businesses at the point of recognition.

EUROPE

Revenue reduced by 1.3% compared to 2024, with organic growth offset by the £11.8 million impact of the Q1 2024 disposal of sites in Cardiff and Hartlepool. Organic revenue increased by 7.4% to £144.4 million (2024: £134.5 million) driven predominantly by increased demand from our positioning on long-term programmes in A&D, including several significant customer wins.

Adjusted operating profit increased by 16.9% to £22.1 million (2024: £18.9 million) and increased by 13.9% on an organic basis to £22.1 million (2024: £19.4 million). This improvement reflected decisive actions to address underperforming contracts through customer repricing agreements, together with enhanced engineering capability and associated revenue, improved operational execution and continued cost discipline. As a result, the adjusted operating margin increased to 15.3% (2024: 12.9%), and by 90 basis points on an organic basis.

On a statutory basis, operating profit was £22.1 million (2024: £18.9 million), up 16.9% on the prior year.

Overall order intake for the region was encouragingly strong throughout the year, with strong organic growth in our core A&D market and positioning ourselves well with key customers to take advantage of a resurgence in civil aviation. The book to bill ratio improved to 135% for the region in 2025, compared to 125% in 2024.

The region is well-positioned for further growth in 2026, led by expanding A&D markets, continued investment in our customer suite, automation and digitalisation facilities, and advancement of our technology roadmaps.

Notable contract awards and growth drivers during the year included:

- A new five-year contract with an existing A&D customer to supply human-machine interface assemblies for a European combat vehicle programme, strengthening TT's role in mission-critical defence systems.
- Multiple new business wins in the second half across emerging markets including Electrical Vertical Take-off and Landing ("eVTOL"), sixth-generation fighter aircraft and uncrewed platforms, demonstrating the broadening application of TT's technologies.
- Continuing our strong, long-standing partnership with a large European A&D prime we have recently announced a sizeable contract to supply military grade cable harness assemblies for a critical defence programme. This new contract award leverages TT's exceptional capabilities and proven track record of supporting critical defence applications worldwide.

FINANCIAL HIGHLIGHTS – EUROPE

£m Adjusted	2025	2024	Change
Revenue	**144.4**	146.3	(1.3)%
Operating profit	**22.1**	18.9	16.9%
Operating profit margin	**15.3%**	12.9%	240bps
£m Adjusted & Organic			
Revenue[1]	**144.4**	134.5	7.4%
Operating profit[1]	**22.1**	19.4	13.9%
Operating margin[1]	**15.3%**	14.4%	90bps
£m Statutory			
Operating profit	**22.1**	18.9	16.9%

1 See note 1c on page 115 for an explanation of alternative performance measures, and APM2 on page 157 in relation to organic measures which present revenue and adjusted profit on a constant currency basis, excluding the impacts of business disposals and adjusting items. Adjusting items are not allocated to regions for reporting purposes. For further information on these items refer to note 6.

REVENUE BREAKDOWN

Revenue by market	
Healthcare	**1%**
Automation & Electrification	**15%**
Aerospace & Defence	**67%**
Distribution sales channel	**17%**

NORTH AMERICA

Revenue was 6.1% lower than prior year at £173.1 million (2024: £184.4 million) as weaker USD negatively impacted North American performance. Excluding the impact of FX, organic adjusted revenue declined by 3.7% to £173.1 million (2024: £179.7 million), reflecting reduced sales at the Cleveland site and volume headwinds in the Components business. This decrease was partially offset by new business opportunities in A&D and Healthcare sectors which drove higher revenues at the Minneapolis and Kansas City sites.

Despite weaker year-on-year revenue performance, operational changes implemented in North America resulted in improved regional performance, with adjusted operating profit increasing to £1.2 million (2024: £2.7 million loss). The adjusted operating profit margin was 0.7% (2024: operating loss margin 1.5%) reflecting the improved performance in Minneapolis and Kansas City, offset by Cleveland, and c.3.5 million of Plano last-time-buy activity in H2 which drove a £1.2 million site contribution to Group profit for the year.

On a statutory basis, North America posted an operating loss of £16.1 million (2024: £18.1 million loss), which was a 11.0% improvement on the prior year.

Following historic challenges at the site, Cleveland began to benefit from operational improvement initiatives introduced in the first half, delivering its highest production efficiency levels in three years alongside further reductions in scrap and rework. The site is now in a significantly stronger operational position entering 2026. Further improvement in site profitability will be reliant on revenue growth, which is a priority for the site.

The Group recognised adjusting items in the period related to the region, being restructuring costs of £13.1 million (2024: £0.1 million credit) relating to Plano and Cleveland, as well as impairment charges of £4.2 million (2024: £15.5 million relating to a separate site in the region), comprising non-current assets across two North American sites. In addition, goodwill of £37.2 million attributed to the region has been impaired and recognised within Central adjusting items.

Kansas' improvement trajectory accelerated in the second half, with productivity gains and customer repricing contributing to improved financial and operational performance. Major repricing activities have now been completed, and the site enters 2026 with a strong order book.

Production at the Plano site ceased at the end of the year as planned with final product testing and customer deliveries currently being completed, and production equipment from the site divested. The site made a positive contribution in the second half as a result of last-time-buy activity associated with the closure, and the action removes a structurally loss-making facility from the Group's footprint.

Following changes to the business development organisation to increase capacity, win new contracts, and encourage cross selling, there was a significant improvement to order intake in H2 and continued growth across all sites. Notable wins in the period include:

- Cleveland secured three new customers and six new product wins in the second half – its first new customer wins in three years – reducing reliance on legacy programmes and supporting future growth.
- Kansas secured several new product awards, including a new multi-year power supply contract with a long-standing customer.
- A customer in the commercial satellite sector selected the Juarez facility to supply high-reliability optoelectronics for use in a low earth orbit satellite programme, reflecting the strength of distributor-led customer relationships and early-stage design engagement.

The book to bill ratio for the region in 2025 improved to 104%, compared to 98% in 2024.

FINANCIAL HIGHLIGHTS – NORTH AMERICA

£m Adjusted	2025	2024	Change
Revenue	**173.1**	184.4	(6.1)%
Operating profit / (loss)	**1.2**	(2.7)	144.4%
Operating profit margin / (loss)	**0.7%**	(1.5%)	220bps
£m Adjusted & Organic			
Revenue[1]	**173.1**	179.7	(3.7)%
Operating profit / (loss)[1]	**1.2**	(2.7)	144.4%
Operating margin / (loss)[1]	**0.7%**	(1.5%)	220bps
£m Statutory			
Operating (loss)	**(16.1)**	(18.1)	11.0%

1 See note 1c on page 115 for an explanation of alternative performance measures, and APM2 on page 157 in relation to organic measures which present revenue and adjusted profit on a constant currency basis, excluding the impacts of business disposals and adjusting items. Adjusting items are not allocated to regions for reporting purposes. For further information on these items refer to note 6.

REVENUE BREAKDOWN

Revenue by market	
Healthcare	16%
Automation & Electrification	23%
Aerospace & Defence	32%
Distribution sales channel	29%

ASIA

Revenue performance reduced by 13.9% to £163.9 million (2024: £190.4 million) reflecting foreign exchange headwinds of £5.4 million, the £4.4 million impact of the Q1 2024 disposal of the Dongguan facility in China and a decline in organic revenue generation of 9.2% to £163.9 million (2024: £180.6 million). This organic revenue decline reflects reduced demand from certain EMS customers in the Healthcare and A&E sectors, which were impacted by continued geopolitical and other related uncertainties.

Adjusted operating profit was £21.6 million (2024: £28.5 million) representing a decline of 24.2%. This reflects lower volumes, costs associated with redundancy and the customer transfer programme, foreign exchange headwinds of £1.1 million, and the impact of the Q1 2024 Dongguan disposal. On an organic basis the decline was 20.3%. The adjusted operating margin was 13.2% (2024: 15.0%).

On a statutory basis, Asia posted an operating profit of £21.6 million (2024: £28.5 million), which was down 24.2% on the prior year.

The project to transfer key customer programmes from Suzhou to the Kuantan facility was successfully completed during the year, positioning the site to commence mass production volumes in 2026. Kuantan continues to invest in capability, supply chain resilience and production capacity to support future regional growth.

Order intake in the Asia region was down compared to the prior year, reflecting softer end-market demand and the unwinding of safety stock built ahead of the customer transfer from Suzhou to Malaysia. The region has strengthened local business development capability in response to the regionalisation of customer supply chains, where TT is well placed to support Asia-for-Asia demand. Growing revenues in the region remains a key focus, with several significant customer wins secured during the year. The book to bill ratio for the region in 2025 was up marginally at 91%, compared to 88% in 2024.

Operationally, Kuantan made further progress in preparation for higher volumes, including strengthening the supplier base, expanding warehouse capacity, and recruiting and training teams to support future mass production. Capability was also extended to support intercompany cable assembly growth, alongside the upgrade of warehouse facilities to support EMS growth.

This year marked 25 years and 50 years of operations at Suzhou and Kuantan sites, respectively, as well as the celebration of 25 years as part of TT Electronics. Notable wins in the period include:

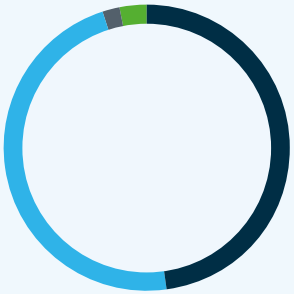
- Suzhou secured a multi-year, new business award from a long-standing A&E customer to supply eight assemblies in total, with production expected to ramp up in the second half of 2026.
- Our Kuantan facility was awarded three new contracts for PCBA requirements from a long-standing customer in the life science sector. TT already provides manufacturing for this customer at locations in Suzhou, Cleveland, and most recently, Mexicali. The customer's selection of this location and entrusting TT is a testament to the partnership and proven performance of TT teams globally.
- Suzhou has been awarded a new three-year contract by a leading medical imaging equipment provider. The award will see Suzhou provide multiple PCBAs supporting a new product design, demonstrating our success in developing valuable customer relationships – enabling us to secure positions on new, medical equipment innovations.
- A longtime customer in the industrial label and printing sector has awarded Suzhou a three-year contract for PCBA and sub-assemblies supporting the textile industry. This order reflects our ability to support this strategic account globally with prototype and NPI capabilities, while leveraging the Group's best-cost geographies.

FINANCIAL HIGHLIGHTS – ASIA

£m Adjusted	2025	2024	Change
Revenue	**163.9**	190.4	(13.9)%
Operating profit	**21.6**	28.5	(24.2)%
Operating profit margin	**13.2%**	15.0%	(180)bps
£m Adjusted & Organic			
Revenue[1]	**163.9**	180.6	(9.2)%
Operating profit[1]	**21.6**	27.1	(20.3)%
Operating margin[1]	**13.2%**	15.0%	(180)bps
£m Statutory			
Operating profit	**21.6**	28.5	(24.2)%

1 See note 1c on page 115 for an explanation of alternative performance measures, and APM2 on page 157 in relation to organic measures which present revenue and adjusted profit on a constant currency basis, excluding the impacts of business disposals and adjusting items. Adjusting items are not allocated to regions for reporting purposes. For further information on these items refer to note 6.

REVENUE BREAKDOWN



Revenue by market	
Healthcare	**48%**
Automation & Electrification	**47%**
Aerospace & Defence	**2%**
Distribution sales channel	**3%**

CASH FLOW

The table below sets out Group cash flows and net debt movement:

£m	2025	2024
Adjusted operating profit	**37.2**	37.1
Depreciation and amortisation	**12.1**	13.8
Impairment of intangibles	**1.0**	–
Working capital movement	**12.7**	(1.2)
Net capex	**(7.5)**	(6.9)
Capitalised development expenditure	**(1.1)**	(1.8)
Other	**1.4**	2.4
Adjusted operating cash flow post-capex	**55.8**	43.4
Cash conversion %	***150%***	*117%*
Restructuring and acquisition costs	**(7.9)**	(0.6)
Net interest and tax	**(15.3)**	(20.3)
Lease payments	**(3.8)**	(4.2)
Reimbursement from pension schemes net of funding payments	**1.1**	9.4
Free cash flow	**29.9**	27.7
Dividends	**–**	(12.2)
Lease payments	**3.8**	4.2
Equity issued	**0.6**	0.8
Disposals	**–**	12.2
Other	**–**	(2.1)
Net debt impacting cashflow	**34.3**	30.6
Opening net debt	**(97.4)**	(126.2)
Leases disposed	**–**	2.6
Other non-cash (new leases and lease reassessments)	**(3.0)**	(3.2)
FX	**1.4**	(1.2)
Closing net debt	**(64.7)**	(97.4)

Adjusted operating cash flow post capital expenditure was £55.8 million (2024: £43.4 million). This was supported by a £12.7 million working capital inflow (2024: £1.2 million outflow), reflecting improved inventory management and tighter working capital control across the Group. A particular focus on inventory reduction delivered underlying inventory reductions of £14.8 million during the year.

On a statutory basis, net cash from operating activities remained strong at £50.0 million (2024: £51.2 million), reflecting robust underlying profitability and disciplined working capital management.

After net interest and tax payments of £15.3 million, lease payments of £3.8 million, restructuring and acquisition-related cash costs of £7.9 million, and a £1.1 million inflow relating to the US pension scheme buy-out, the Group generated free cash flow of £29.9 million (2024: £27.7 million).

NET DEBT, FUNDING AND LIQUIDITY

Net debt reduced by £32.7 million during the year, supported by strong free cash flow. After taking into account foreign exchange movements and non-cash lease adjustments, closing net debt was £64.7 million (2024: £97.4 million) including £14.4 million of lease liabilities (31 December 2024: £17.3 million). Excluding lease liabilities, net debt was £50.3 million (31 December 2024: £80.1 million).

The Group funds its operations through retained earnings, equity and borrowings, typically raised at the Group level and lent to subsidiaries. Sufficient committed borrowings are maintained to cover forecasted funding requirements. In line with the Group's borrowing agreements, which exclude the impact of IFRS 16 leases, the leverage ratio was 1.1x at 31 December 2025 (31 December 2024: 1.8x) and net interest cover was 5.6x (31 December 2024: 4.4x).

The Group's debt facilities include financial covenants requiring leverage to remain below 3.0x and interest cover to remain above 4.0x. A temporary amendment to the interest cover covenant was agreed with lenders in late 2024 for the periods to 30 June 2025 and 31 December 2025, reducing the minimum requirement to 3.0x and 3.25x respectively, providing additional headroom during the year. The interest cover reverts to 4.0x from 30 June 2026 onwards.

The Group remained compliant with its covenant requirements throughout the period. Our current forecasts indicate sufficient headroom against the Group's primary covenants in both base case and downside scenarios.

The Group's borrowings comprise a multi-currency Revolving Credit Facility ("RCF") maturing in June 2027 and private placement ("PP") fixed-rate loan notes with maturities of seven and ten years. These facilities maintain covenants aligned with the Group's bank agreements. The Group successfully amended and extended its Revolving Credit Facility to June 2028 post year end. It was not necessary to seek further amendments to the interest cover covenant under the amended and extended facility, which has reverted to the prior requirement to remain above 4.0x. The expiry date has been extended by 12 months to June 2028 and facility size reduced to £105.0 million.

Leverage ratio

As of 31 December 2025, the Group's leverage ratio of 1.1x remains within the 1–2x target range. The net debt/adjusted EBITDA calculation excludes IFRS 16 lease liabilities and incorporates adjustments for specified items. The Group maintains a capital allocation policy targeting net debt/EBITDA within this range under prevailing market conditions. Further details on borrowings and maturities are provided in note 19.

GOING CONCERN

See page 44 for the going concern statement.

DIVIDEND POLICY AND DIVIDEND

Looking ahead, the Board will balance strategic investment in growth with the objective of building a more financially robust business capable of supporting shareholder returns. Dividends remain an important component of the Group's capital allocation framework. No dividend will be paid in respect of 2025; however, the Board recognises the importance of dividends to shareholders and will keep the position under review as performance continues to improve.

SIGNIFICANT ACCOUNTING MATTERS

Impairment

The impairment of goodwill and tangible assets in the current period relates to goodwill (£37.2 million) and property, plant and equipment (£4.2 million) in the North American region reflecting recent trading performance. For further details see notes 12 and 13.

SUMMARY OF ADJUSTED RESULTS

To assist with the understanding of earnings trends, the Group has included within its non-GAAP alternative performance measures including adjusted operating profit and adjusted profit. Further information is contained in the 'Reconciliation of KPIs and non IFRS measures' on pages 155 to 159. A summary of the Group's adjusted results, and a reconciliation of statutory to adjusted profit numbers are set out below:

£m	2025	2024
Operating loss	**(28.2)**	(23.5)
Adjusted to exclude:		
Restructuring and other items		
Pension restructuring costs[1]	**(1.9)**	(1.3)
Restructuring[2]	**(15.2)**	0.1
	(17.1)	(1.2)
Asset impairments and measurement losses		
Asset impairments[3]	**(41.4)**	(52.2)
	(41.4)	(52.2)
Amortisation of intangible assets arising on business combinations		
Amortisation of intangible assets arising on business combinations	**(2.6)**	(2.7)
	(2.6)	(2.7)
Acquisition and disposal related costs		
Costs associated with scheme of arrangement with Cicor	**(4.2)**	–
Ferranti Power and Control acquisition and integration costs	**–**	(0.2)
Disposal costs (Project Albert)	**–**	(4.4)
Property sale	**–**	0.7
Other	**(0.1)**	(0.6)
	(4.3)	(4.5)
Total items excluded from adjusted measure	**(65.4)**	(60.6)
Adjusted operating profit	**37.2**	37.1
Loss before tax	**(36.7)**	(33.4)
Total operating reconciling items (as above)	**65.4**	60.6
Adjusted profit before tax	**28.7**	27.2
Taxation charge on adjusted profit	**(16.4)**	(7.7)
Adjusted profit after taxation	**12.3**	19.5

1 Pension restructuring costs of £1.9 million (2024: £1.3 million) relate to costs incurred preparing the scheme for buy-out.
2 Restructuring costs of £15.2 million comprise £7.0 million relating to closure costs of the Plano manufacturing site, of which £4.8 million relates to inventory, £6.1 million relating to costs associated with operational restructuring at the Cleveland manufacturing site, which is predominantly related to inventory, and £1.6 million relating to costs associated with the changes in executive leadership.
3 Asset impairment charges of £41.4 million (2024: £52.2 million), comprising £37.2 million of goodwill attributed to the North American business and £4.2 million of non-current assets in North America.

PENSIONS

The Group operates one significant defined benefit scheme in the UK alongside one smaller scheme in the US. All these schemes are closed to new members and future accrual.

In December 2025 an amount of £1.2 million was paid to the Group by the TT Group Scheme relating to an adjustment to the withheld tax on the prior years' refunds from scheme surplus. In the prior year a £15.0 million refund of the surplus was paid to the Group out of scheme assets by the Trustee (£11.2 million net of tax due, which was paid by the Scheme) following a previous refund of £5.0 million before tax (£3.2 million net) in 2023.

As of 31 December 2025, the total net accounting surplus under the Group's defined benefit pension schemes stood at £6.1 million (2024: £5.6 million).

Following the buy-in of the TT Group scheme in November 2022, the primary financial risk associated with the scheme is insurer credit risk, which remains low.

£m	2025	2024
Fair value of assets	**312.4**	317.1
Liabilities	**305.1**	311.5
UK scheme (surplus)	**8.6**	7.1
Overseas schemes (deficit)	**(1.3)**	(1.5)
Total Group surplus	**7.3**	5.6
Effect of asset ceiling	**(1.2)**	–
Total Group surplus recognised	**6.1**	5.6

The April 2022 triennial valuation of the TT Group scheme reported a net surplus of £45.4 million against the Trustee's funding objective, a significant improvement from the £0.3 million surplus in April 2019. As the scheme has now triggered wind-up, there is no longer a statutory requirement for the Trustee to conduct full triennial valuations. This exemption is subject to the Trustee receiving annual solvency estimates.

Further details on the Group's defined benefit schemes can be found in note 21.

FINANCIAL RISK MANAGEMENT AND TREASURY POLICIES

The Group's Treasury function, reporting to the Chief Financial Officer, manages treasury activities centrally. Treasury operations adhere to Board-approved policies and delegation levels.

The Group's primary financial risks include funding and liquidity, interest rate fluctuations, and currency exposure. Financial instruments are used solely to manage these risks, with no speculative transactions undertaken.

The Group hedges at least 75% of expected net cash flow exposure for the next 12 months and 50% for the following 12–24 months. Further details on Treasury operations are available in note 20.

Interest rate management

The Group seeks to stabilise borrowing costs, maintaining 25%–75% of debt at fixed interest rates.

The exchange rates impacting the Group's financial statements are:

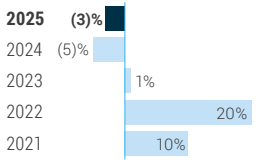
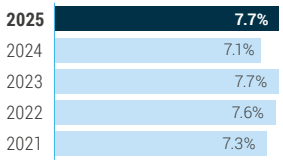
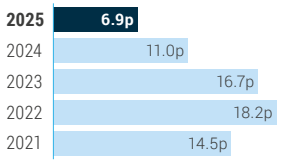
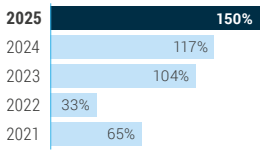
£m	2025	2024
Income Statement		Average rate
$/£	**1.32**	1.28
RMB/£	**9.47**	9.20
Balance Sheet		Closing rate
$/£	**1.35**	1.25
RMB/£	**9.41**	9.14

The Group manages foreign exchange translation exposure, primarily arising from US and China-based earnings.

HOW WE ARE PERFORMING

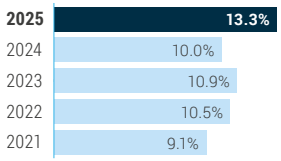
OUR KPIs

FINANCIAL

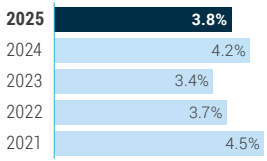
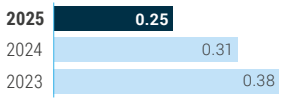
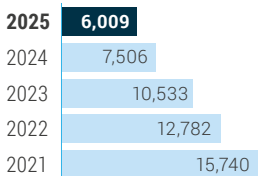
KPI DESCRIPTION AND WHY IT IS IMPORTANT	MEDIUM-TERM TARGET	FIVE-YEAR PERFORMANCE CHART	2025 PROGRESS
Organic revenue growth (%) The percentage change in revenue from continuing operations in the current year compared to the prior year, excluding the effects of currency movements, divestments and acquisitions. This measures the like-for-like growth or decline of the business. Sustainable organic revenue growth is an indicator of value creation. It reflects a combination of conditions in our markets and our success in gaining market share from serving our customers better.	**4–6% organic revenue growth annually over the medium term**	(3)% 2024: (5)% 	Organic revenue was down 3% reflecting softer demand in certain EMS end markets in North America and Asia, particularly in the first half.
Adjusted operating profit margin (%) Adjusted operating profit as a percentage of revenue. Adjusted operating profit margin is an indicator of our ability over the longer term to extract fair value from our products and services, driven by a mixture of increasing revenue and an optimised cost base.	**Double-digit margin**	7.7% 2024: 7.1% 	Positive adjusted operating profit margin improvement, reflecting the benefit of operational actions.
Adjusted earnings per share (pence) The profit for the year attributable to shareholders excluding items not included within adjusted operating profit divided by the weighted average number of shares in issue during the year. Adjusted EPS summarises the overall financial performance of the Group, including revenue growth, operating margin, the cost of debt finance and the rate of underlying taxation.	**Double-digit adjusted EPS growth annually at constant currency over the medium term**	6.9p 2024: 11.0p 	Adjusted EPS reduced to 6.9p reflecting the derecognition of deferred tax assets ("DTA") in respect of US tax losses. Excluding DTA derecognition adjusted EPS would have been 12.0p.
Cash conversion (%) Adjusted operating cash flow including capital expenditure, divided by adjusted operating profit. Cash conversion measures how effectively profit is converted into cash and, within this, reflects the management of working capital and capital expenditure. A high level of cash conversion aids investment in the business, enables the Group to deliver increased returns for shareholders and supports a strong balance sheet.	**90%+ cash conversion annually over the medium term**	150% 2024: 117% 	Strong cash conversion of 150% reflecting disciplined working capital management with a particular focus on inventory reduction.

Our KPIs include a number of APMs which have been adopted by the Directors to provide further information on underlying trends and the performance and position of the Group. Details of these APMs and a reconciliation to statutory measures can be found on pages 155 to 159.

FINANCIAL CONTINUED

KPI DESCRIPTION AND WHY IT IS IMPORTANT	MEDIUM-TERM TARGET	FIVE-YEAR PERFORMANCE CHART	2025 PROGRESS
Return on invested capital Adjusted operating profit for the year divided by average invested capital for the year. Average invested capital excludes pensions, provisions, tax balances, derivative financial assets and liabilities, cash and borrowings. It is calculated at average rates taking into account monthly balances. Return on invested capital is a measure of how efficiently the Group is utilising its assets, relative to profitability, in generating shareholder returns.	**Exceed the cost of holding assets with year-on-year increases**	13.3% 2024: 10.0% 	Return on invested capital up to 13.3%.

NON-FINANCIAL

KPI DESCRIPTION AND WHY IT IS IMPORTANT	MEDIUM-TERM TARGET	FIVE-YEAR PERFORMANCE CHART	2025 PROGRESS
R&D investment as a % of revenue R&D cash investment as a percentage of revenue. This metric excludes manufacturing services revenue which has no R&D. A consistent and sustainable level of R&D investment enables us to introduce new products that increase our revenue and deliver on our Purpose.	**Target R&D investment at around 5% of revenue annually over the medium term**	3.8% 2024: 4.2% 	R&D investment at 3.8% of product revenue was in line with our target, as we continue to invest in new product development.
Safety performance (recordable incident rate) The number of recordable workplace health and safety incidents per 200,000 work hours. Measures how well we are executing on our commitment to raise safety standards globally and protect our people on our journey to zero harm.	**Year-on-year reduction in incident rate, ultimately leading to zero harm**	0.25 2024: 0.31 	RIR fell again in the year to 0.25 in line with the industry average, reflecting our strong commitment to safety awareness and building a proactive safety culture.
Employee engagement score Having engaged employees is crucial to attracting and maintaining the talent we need to execute our strategy. We use pulse surveys to measure engagement.	**Good levels of engagement over the medium term**	Pulse engagement surveys in both 2025 and 2024 demonstrated good levels of engagement	
Scope 1 & 2 emissions Total amount of carbon dioxide equivalent tonnes (tCO_2e) of Scope 1 & 2 emissions from operations. Details of the calculation method are set out on page 24. Reducing our Scope 1 & 2 emissions is a critical part of reducing our environmental footprint.	**Annual reductions vs our 2019 baseline. Net Zero by 2030**	78% 2024: 73% 	We delivered further good progress on our path to Net Zero by 2030, achieving a 20% reduction vs 2024. A strong contribution came from our solar installations in Mexicali and Suzhou.

OUR PEOPLE, COMMUNITIES AND ENVIRONMENT

POSITIVE IMPACT

We aim to positively impact the world by creating value and enhancing sustainability through our products, business practices, employee care, community engagement, and environmental responsibility.

OUR PURPOSE

To engineer and manufacture electronic solutions that enable a safer, healthier and more sustainable world.

SUSTAINABILITY

- Sustainability is integrated into all aspects of our strategy to reduce risk and maximise opportunities.
- We build vertically integrated solutions that drive performance and reliability, including improving fuel efficiency, enhancing productivity, and advancing precise medical technologies.
- We help customers develop efficient, durable and eco-friendly solutions to combat climate change and resource scarcity.

PEOPLE AND COMMUNITIES

- We regularly survey our employees to provide insight and nurture our culture.
- Group standards and policies guide us on engagement, wellbeing, community and ED&I matters.
- We are committed to enhancing safety awareness and fostering a proactive safety culture across the organisation.
- We unlock potential by upskilling leaders and giving line managers the right tools.
- TT pays fairly and equally for like-for-like roles within each of our labour markets.
- We play an active role in communities through STEM promotion, volunteering and fundraising.

ENVIRONMENTAL COMMITMENTS

- We are targeting Net Zero Scope 1 & 2 emissions by 2030, having already reduced emissions by 78% since 2019.
- Implementation of our Group-wide Energy Strategy and the deployment of energy reduction plans at site-level is continuing to deliver meaningful emission reductions.
- A continuous improvement approach to enhance the quality, coverage and robustness of our Scope 3 reporting and reduction activities over time.
- Focusing on minimising water usage, eliminating single-use plastics, and eliminating waste to landfill.

ETHICS AND INTEGRITY

- We maintain a single global ethical standard based on fairness, honesty and compliance with the law.
- Our Business Ethics Code addresses behaviour, conflicts of interest, bribery and fair competition.
- Issues can be reported anonymously via a multi-lingual whistle-blower hotline.
- Oversight is managed by our Governance & Risk Committee.

SUPPLY CHAIN AND MODERN SLAVERY

- Our Procurement Code ensures suppliers align with our ethical and sustainability standards.
- Policies include zero tolerance for modern slavery and specific measures to uphold workers' rights.
- Suppliers undergo regular assessments, and violations result in termination of partnerships.

ALIGNMENT WITH GLOBAL GOALS

- Our efforts support seven of the UN's Sustainable Development Goals.

KEY METRICS

- **Employee engagement**: Continued good engagement demonstrated in pulse surveys.
- **Group safety record**: As measured by recordable incident rate. Improved by 19% in 2025.
- **Net Zero target**: 2030 for Scope 1 & 2 emissions.
- **Emission reductions:** 78% vs 2019 baseline.
- **Renewables contribution:** Increase in renewable electricity usage to 67%.
- **Waste reduction**: Eliminating single-use plastics and waste to landfill by 2035.

GOVERNANCE AND RISK MANAGEMENT

Environment and people matters including culture, strategy, compliance, risk and internal controls are governed as part of our overall governance and risk management frameworks, ultimately overseen by the Board. Read more about Governance on page 45.

Non-financial and Sustainability Information Statement

In accordance with Sections 414CA and 414CB of the Companies Act 2006, our non-financial and sustainability information can be found on the following pages of this 2025 Annual Report: business model page 6; environment matters pages 23 to 25; climate-related financial disclosures pages 26 to 34; social matters page 21; employees pages 20 to 21; human rights page 22; anti-corruption and anti-bribery page 22; and principal risks pages 41 to 43.

Read more about Governance on page 45

PEOPLE AND CULTURE

Our deep and sustainable TT culture, overseen and supported by the Board, makes us a great company to work for and with. While some aspects, such as ethics and safety, are aligned and reinforced by policy, others are governed by frameworks originated at the centre which empower our sites to work appropriately in their jurisdictions and according to local needs and norms.

Our TT Way values connect us all and guide how we work with each other and our stakeholders every day. They are supported by our focus on leadership, knowledge and performance to drive progress, innovation and service as well as build respectful, happy and supportive work environments.

2025 engagement survey
During 2025 we continued to check in on the sentiment of our employees using pulse surveys. Results from these pulse surveys continue to inform HR and local planning. In 2026 we will start the transition towards a new employee survey methodology to provide a greater level of insight and focus on the actions of managers at all levels and how this affects work culture and the employee experience. Giving managers the tools and skills to engage, inspire and develop employees will deepen and strengthen our ability to unlock business performance through our people.

Employee communication
We communicate frequently and openly with employees using a range of methods.

At Group level, our intranet, ConnecTT, enables employees to communicate with each other and easily find and share resources and news in their local language. We regularly publish news items celebrating business and personal successes as well as reporting on events across the Group. ConnecTT also hosts employee communities for skill specialisms, E,D&I progress, and personal interests.

Regular communication is critical to the success of our sites. Activities include regular all-hands meetings, daily stand-ups to drive productivity, and team meetings. In addition, our CEO, Eric Lakin, makes it a priority to ensure all employees are informed of news and updates that impact TT Electronics through a range of different mechanisms.

Social and fundraising events are also a big part of our culture, helping to create strong personal and social bonds both within our sites and with our local communities. Members of the senior leadership team regularly visit, giving Town Halls, walking the floor, and recognising outstanding performance and improvement.

Employee voice at the Board
It is important that the employee voice is heard at the highest levels of the organisation. The results of our pulse surveys are reviewed by the Board. Members of our Board also take the time to visit sites, sometimes as individuals, and also as a Board group. Board members visited Bedlington and Cleveland in 2025 and conducted engagement sessions to ensure they heard directly from a cross section of our employees independently of management. These visits are a great opportunity for our employees to talk about topics important to them and to ask questions of the Board and hear from them directly. This is an activity we started in 2024 and it has proved to be hugely valued, by both the Board and by employees.

For the purposes of the UK Corporate Governance Code, all Board members participate in these sessions on a rolling basis and regular updates on progress in employee engagement and other topics are shared with the Board through regular reports and physical meetings.

Reward and recognition
Being fairly rewarded and recognised for your contributions is an important part of our culture.

We ensure we pay fairly and equally for like-for-like roles within each labour market. Over recent years, we have worked to improve pay and earnings potential for our direct labour employees through significant investment in hourly rates and via frameworks and training which allow employees to earn more as they grow their skills.

Over and above salary, all employees are able to participate in site-specific pay-for-performance plans, be it our site incentive plans, or annual incentive plans, and we operate attractive all-employee share plans for UK and US employees.

Our BE Inspired recognition scheme is extremely popular with employees as an opportunity to recognise teams and individuals who demonstrate our TT Way values and have a positive impact on the business. Winners receive a sum of money and are celebrated at their site.

ED&I
The need for equality and fairness at work is a given. All employees and potential employees must be treated fairly and have equal access to opportunities in a workplace that is tolerant, respectful and ensures dignity for all. As set out in our employment policies, no employee, applicant, contractor or temporary worker should be treated less favourably or victimised or harassed on the grounds of disability, sex, marital or civil partnership status, race, nationality, colour, ethnicity, religion or similar philosophical belief, sexual orientation, gender identity, age or any distinction other than merit.

OUR TT WAY VALUES

- We do the right thing
- We bring out the best in each other
- We achieve more together
- We champion expertise
- We get the job done… well

Read more about Board oversight of culture on page 54

PEOPLE AND CULTURE CONTINUED

Our ED&I policy explains our approach including such matters as harassment, victimisation and bullying, recruitment and promotion, religious accommodations, gender confirmation and workplace adjustments; the expected standards for employees and their responsibilities; and how we will deal with infringements of the policy.

We are pleased to have three (>40%) female Board members. In addition, we have two female site general managers (both promoted internally). In total, we have more female employees than male. Our UK Gender Pay Gap report is published annually on the TT website. Our gender diversity disclosure, as required by UK listing rules is provided below.

GENDER DIVERSITY AT 31 DECEMBER 2025

Employees – full-time equivalents	Men	Women
Non-executive Directors	2	3
Executive Committee ("ExCo")	8	1
ExCo and direct reports	38	15
Senior managers (ex-ExCo)[1]	45	18
All employees:		
Europe	590	319
North America	621	522
Asia	428	925
Head Office	68	43
Total	**1,707**	**1,809**

1 Senior managers (ex-ExCo) includes TT's regional and functional senior leaders and Directors of subsidiary companies.

SAFETY, HEALTH AND WELLBEING

Our Health, Safety and Environment ("HSE") framework and tools are designed not only to ensure compliance but also to encourage the identification and adoption of best practices. Our Global Director of HSE drives progressive HSE programmes and provides business-wide support, ensuring a consistent and proactive approach to HSE management across the organisation.

Safety performance remains a key Group KPI. Over the past year, we have focused on strengthening the maturity of our HSE standards across all sites and encouraging the sharing and adoption of best practices. As a result, we have seen a reduction in injuries, alongside increased proactive reporting and stronger adherence to both internal policies and external regulatory requirements.

	2025	2024
Total recordable incident rate ("RIR")	**0.25**	0.31
First aid incident rate	**1.95**	2.76
Proactive observations	**12,657**	12,226
Near misses	**140**	268

These positive developments reflect our ongoing commitment to strengthening safety awareness and building a proactive safety culture throughout the organisation. We have enhanced our reporting, made progress against our 2025 targets, and perform in line with the industry average.

Supporting our employees to maintain their health is also vital. It is not only the right thing to do but essential to ensuring that our teams are fit, well, and able to perform at their best. We recognise the strong connection between physical, mental and financial wellbeing, and we take every opportunity to raise awareness, normalise conversations on these topics, and provide access to the resources our people need, such as medical assessments and wellbeing initiatives. In addition, an Employee Assistance Programme ("EAP") is available to all employees, offering confidential third party support whenever it is needed.

COMMUNITIES

We encourage our teams to take an active role in their local communities, whether fundraising and volunteering for chosen charities or committing time and resources to promoting STEM education and careers.

Our teams of engineering, technology and manufacturing experts are passionate advocates for the development of STEM skills and engaging with the next generation of potential talent. We are particularly keen to encourage more women and under-represented groups to take up STEM subjects and careers.

Many of our employees give up their time to develop local STEM partnerships to promote careers in electronics and related fields, undertaking talks, demonstrations and attending careers fairs to interest and educate young people about the sector. Across the world we also aid school curriculums directly by supporting science projects and engineering competitions to highlight the importance of STEM subjects in everyday life.

TT has a big fundraising and volunteering culture – our efforts bring our employee teams together as well as benefiting our communities. Each site chooses a local charity to support through the year and our "hours for giving" programme enables employees to take one day of paid leave per year to support local causes. In 2025 1,250 hours were taken under the programme. Our teams support many other local and national causes and are able to request matched funding from TT through the "giving the TT Way" programme.

ETHICS

We are an ethical company, acting worldwide with integrity and within the law.

The fundamental principles of fairness, honesty and common sense are at the heart of our philosophy and corporate standards. We have one ethical standard worldwide to create an environment where TT businesses can flourish within an appropriate compliance and risk management framework in line with our TT Way values.

Our Statement of Values and Business Ethics Code sets out these standards and covers a comprehensive range of ethical matters including the working environment, standards of behaviour, avoiding conflicts of interest, hospitality and entertainment, bribery, intellectual property protection and fair competition. We do not tolerate fraud, corrupt practices or behaviour not in line with our standards and have in place systems and processes to effectively detect and deal with any contraventions of our code.

Any concerns relating to matters covered by the code and behaviour more generally can be reported, either to management, or by using our anonymous whistle-blower hotline by telephone or through our ethics and integrity portal. Reports are investigated thoroughly, and any significant concerns are reported to the Audit Committee. Our Whistle-blowing Policy describes how employees should raise matters of concern, our approach to dealing with concerns, and examples of the types of issue employees should bring to our attention.

Day-to-day oversight of ethical matters is the responsibility of our Governance & Risk Committee. An Ethics Committee of our senior leaders can also be convened on an as-needed basis. Mandatory ethics training covering TT's code of ethics, anti-bribery and corruption practices and policies, cybersecurity and data protection is provided for relevant employees on an annual basis.

Regulatory requirements are different around the world, so we have a core structure which Group businesses comply with, beyond which they are empowered to tailor their approach to local needs. The nature of our business and the markets we work in means that legal and regulatory compliance is on our Group risk matrix.

Human rights
Upholding human rights is the responsibility of everyone at TT and, as part of our ethics framework, human rights are treated as an equal priority to other business issues. We are committed to upholding the human rights of workers (at all points in our supply chains) and to treating them with dignity and respect.

Supply chain
We procure from a wide network of suppliers and distributors through global supply chains. It is important to us that our suppliers share our values and our approach, and we seek out those that do.

Our Corporate and Social Responsibilities – Supplier Requirements Policy sets out our required standards with regard to supplier social and environmental practices. The Policy is provided to all suppliers with purchase orders. We carry out regular assessments of our suppliers to ensure compliance with our requirements, and we will not do business with suppliers that violate them.

Our Procurement Code of Conduct outlines the standards expected for the purchase of goods and services across the Group. This code focuses on the approval process required for the appointment of new suppliers, together with our ongoing supplier monitoring process which includes the application of a digital supplier risk rating tool.

Our regional sourcing and procurement teams meet on a monthly basis and comprise a senior group of executives with responsibility for global sourcing and procurement activities across TT. The group consider ethical matters including modern slavery, sustainability and risk in the supply chain as part of its remit.

Modern slavery
We have a zero-tolerance approach to modern slavery – whether in the form of servitude; forced, bonded or indentured labour; slavery; child labour; human trafficking or any other activity that amounts to an unreasonable restriction on the free movement of workers.

We recognise that the rights of individual workers can, potentially, be violated within our supply chain and other partnerships. We have had a Modern Slavery Policy since 2016 which applies to all persons working for TT and its subsidiaries, or acting on its behalf in any capacity. The policy is reviewed each year.

Our approach to addressing the challenge of modern slavery is to ensure that there is transparency in our own business and throughout our supply chains. We expect the same high standards from all our contractors, suppliers, distributors and other business partners, consistent with our obligations under the Modern Slavery Act 2015. We include specific prohibitions in our contracting processes against the use of forced, compulsory or trafficked labour, or any other activity that amounts to an unreasonable restriction on the free movement of workers, and we expect that our suppliers will hold their own suppliers to the same high standards.

Our Modern Slavery Statement and our Modern Slavery Policy are published on our website.

HUMAN RIGHTS
Upholding human rights is the responsibility of everyone at TT and human rights are treated as an equal priority to other business issues.

ENVIRONMENT

> Our Group Energy Strategy is the cornerstone of our journey to Net Zero. Driven by the commitment and ingenuity of our site teams, we continue to reduce energy consumption, increase the proportion of electricity sourced from renewables, and realise growing benefits from our own renewable generation. Together, these actions are delivering measurable progress today while building the resilient, low-carbon energy system we need for the future."
>
> **Eric Lakin**
> CEO

Sustainability
This year, TT has continued to make strong progress against its sustainability strategy, delivering tangible results as we transition towards Net Zero.

Our purpose is to engineer and manufacture electronic solutions that enable a safer, healthier and more sustainable world. In doing so, we remain conscious of the need to manage and reduce the environmental impact of our own operations.

A central focus of our day-to-day activities is the reduction of TT's Scope 1 & 2 emissions. In 2025, we delivered further meaningful reductions through the continued implementation of our Group-wide Energy Strategy and the deployment of energy reduction plans by our local site teams.

These actions have reduced overall energy consumption, increased the proportion of electricity sourced from renewables, and expanded on-site renewable electricity generation. Total energy use was down 3% in the year and down 34% from our 2019 baseline.

Each site is actively delivering its own energy-saving initiatives, including the installation of energy-efficient lighting and controls, optimisation of equipment utilisation, improved management of operating hours, and targeted upgrades to facilities and infrastructure. These build on work undertaken in 2024 on lighting, furnace use optimisation and reducing out of hours energy use. These locally driven projects, supported by a consistent Group framework, continue to deliver measurable benefits while reinforcing a strong culture of energy efficiency across TT.

As a result of these collective efforts, TT delivered another year of strong performance. Scope 1 & 2 emissions fell by 20% year-on-year and by 78% compared with our 2019 baseline, reflecting the sustained impact of our energy efficiency initiatives and transition to lower carbon energy sources.

We recognise that our environmental impact extends beyond our direct operations, particularly through indirect carbon emissions generated across our value chain. While the collection of robust data for indirect emissions assigned as Scope 3 remains challenging, we acknowledge the opportunity to further enhance the quality and scope of our reporting on emissions from external sources. Despite these challenges, 2025 marked continued progress in our ability to more accurately quantify and analyse TT's material Scope 3 emissions. Our analysis indicates that Scope 3 emissions decreased by 9% during the year, primarily driven by lower spend on purchased goods and services, together with reduced emissions from the transportation and distribution of our products.

In addition to our focus on reducing carbon emissions, we are committed to minimising the broader environmental impact arising from our use of natural resources, including water consumption, single-use plastics and the waste generated across our operations. We continue to strengthen the quality and coverage of data captured in these areas and remain committed to eliminating, so far as practicable, both single-use plastics and waste sent to landfill by 2035.

We are very proud of the pivotal role that TT's product portfolio plays in driving energy efficiency and supporting decarbonisation in our markets. Through high-efficiency power conversion, sensing, and control technologies, TT solutions enable customers to reduce energy losses, optimise system performance, and transition to cleaner, more electrified architectures. Innovations such as compact, thermally efficient resistors, high-reliability sensors and robust power supply modules help customers design equipment that consumes less energy, operates more intelligently, and integrates renewable or low-carbon power sources.

We are closely monitoring the development of sustainability-related regulation, including the proposed UK Sustainability Reporting Standards ("UK SRS") and evolving FCA sustainability disclosure requirements. Building on our existing sustainability reporting framework, we are preparing for anticipated changes to our future reporting obligations. In this context, and noting the guidance on transition planning set out within the proposed regulatory framework, we intend to align our approach and publish a climate transition plan in the future. Meanwhile, we continue to report in line with ten of the eleven Task Force on Climate-related Financial Disclosures ("TCFD") recommendations. See page 26 for our TCFD disclosure.

In 2024, we expressed our commitment to developing science-based targets, which has been acknowledged by the Science-Based Targets initiative ("SBTi"). While we continue to work towards establishing robust, science-aligned targets, we have not yet submitted targets for formal validation. This reflects the current challenges in capturing and accurately measuring Scope 3 emissions across our value chain. We recognise that further improvements in data quality and methodology are required to support progress towards validated science-based targets and intend to make a submission once we are confident in the completeness and reliability of our emissions data.

SCOPE 1 & 2 REDUCTION VS 2019 BASELINE

78%

RENEWABLE ELECTRICITY AS A % OF TOTAL ELECTRICITY CONSUMED

67%

ENVIRONMENT CONTINUED

Alongside these challenges, we have made great strides in our Net Zero journey, demonstrating TT's sustained commitment to a successful transition to a low-carbon economy.

Scope 1 & 2 emissions
We made further progress in 2025, achieving a 20% reduction in emissions compared with 2024 and reaching a total reduction of 78% against our 2019 baseline. A significant contributor to this improvement was the purchase of renewable electricity through a green tariff at our Kuantan, Malaysia site for the full year. Combined with on-site solar photovoltaic generation, 100% of Kuantan's 2025 electricity consumption was sourced from renewable energy.

During the year, we also realised the full-year benefit of renewable electricity generated by two major solar photovoltaic installations that became operational in 2024 at our Mexicali, Mexico and Suzhou, China sites. In addition, a phase 2 solar photovoltaic installation was commissioned in Suzhou towards the end of 2025. This new installation is expected to generate approximately 600 MWh of renewable electricity per annum.

Our target is to achieve Net Zero (combined Scope 1 & 2) emissions across our operations by 2030.

Key drivers for achieving this target include:

- Continued transition to green electricity tariffs.
- Procurement of high-quality Energy Attribute Certificates ("EACs") where required.
- Increased use of self-generated renewable electricity through solar installations at suitable locations.
- Transition of fleet vehicles to electric and hybrid alternatives.
- Adoption of green heat solutions by replacing fossil fuel energy sources with electric options or alternative fuels.
- Relocating production to modern, energy-efficient facilities where appropriate.
- Further improvements in energy efficiency across our sites.

Scope 3 emissions
Our Scope 3 data and reporting are less mature, reflecting the inherent uncertainties associated with the calculation of Scope 3 emissions. As a result, we have adopted a continuous improvement approach to enhance the quality, coverage and robustness of our reporting over time.

In 2025, our focus was on improving data collection and calculation methods following an assessment and preliminary measurement of our most material Scope 3 emissions categories. Category 1 – Purchased goods and services, our most significant Scope 3 category, was prioritised. We established a critical path centred on supplier engagement and enhanced emissions reporting supported by high-quality industry average emission factors.

During the year, we continued to deliver supplier training sessions covering topics such as climate change impacts and carbon emissions calculation methodologies, alongside surveying our major suppliers to obtain emissions data. However, the availability of high-quality, supplier-specific emissions data remains limited. As a result, our methodology for Category 1 primarily applied a spend-based approach, utilising Watershed's CEDA spend-based emissions database.

Overall, Scope 3 emissions decreased by 9% during the year. This reduction was primarily driven by lower expenditure on purchased goods and services, together with reduced emissions associated with the transportation and distribution of our products. Reported emissions are calculated using primary data where available, with data gaps addressed through the use of proxy data, extrapolation and sampling methodologies, as appropriate.

We remain committed to reporting, managing and, where possible, eliminating all material emissions across our value chain, while maintaining our immediate priority of eliminating emissions from our own operations.

SCOPE 3 CATEGORIES DATA PROCESSES

Category 1: Purchased goods and services
Our process follows an environmental input-output ("EIO") methodology supported by Watershed's CEDA spend-based emissions database.

Category 4: Upstream transportation and distribution
We have partnered with our key logistics providers to gain access to emissions data.

Category 5: Waste generated in operations
We have in place a system to measure and report waste streams at our facilities.

Category 6: Business travel
We have partnered with our centralised travel providers to gain access to emissions data.

Category 7: Employee commuting
We have calculated these emissions centrally, taking into consideration employee data supplied by all locations.

Category 9: Downstream transportation and distribution
Downstream transportation (services paid for by ourselves) is included in Category 4. The remaining data for Downstream transportation and distribution (not paid for by ourselves) cannot currently be measured and we are assessing the viability to measure this in the future.

Data
Our environmental data is calculated centrally from data collected locally. For 2025 we have applied a consistent methodology with the prior year to enable us to better understand movements. We use the market-based method for emissions calculations and, in line with GHG Protocol guidelines, we use the following information in this order of priority: energy attribute certificates; contracts; supplier emission

"We remain committed to reporting, managing and, where possible, eliminating all material emissions across our value chain, while maintaining our immediate priority of eliminating emissions from our own operations."

ENVIRONMENT CONTINUED

rates; residual mix or grid average emission factors.

We are using an operational control boundary for direct GHG emissions. We have adopted a cross-sector calculation method in line with the GHG Protocol Corporate Standard. For Scope 1 emissions, we include our total owned and leased vehicle direct emission impact. Emissions factors, for conversion of activity or energy consumption into emitted CO_2e, are taken from widely used sources, often governmental. The emissions factors used in this report are the most recently available at time of publication.

EMISSIONS, WATER AND WASTE DATA

	Change vs previous year	Change vs 2019 baseline	**2025**	2024	2019
GHG emissions Scope 1 & 2 (tCO_2e)					
Scope 1	(32)%	(55)%	**671**	991	1,479
Scope 2 (location-based)	(3)%	(42)%	**15,128**	15,582	26,066
Scope 2 (market-based)	(19)%	(80)%	**5,338**	6,587	26,066
Scope 1 & 2 (location-based)	(6)%	(43)%	**15,800**	16,772	27,545
United Kingdom only	(8)%	(53)%	**2,286**	2,484	4,862
Scope 1 & 2 (market-based)	(20)%	(78)%	**6,009**	7,506	27,545
United Kingdom only	(25)%	(93)%	**343**	456	4,862
Intensity ratio Group (market-based tCO_2e/£m revenue)	(17)%	(79)%	**12**	15	58
GHG emissions Scope 3 (tCO_2e)[1]					
Category 1 – Purchased goods and services	(9)%	–	**171,365**	187,394	–
Category 4 – Upstream transportation and distribution	(23)%	–	**3,337**	4,310	–
Category 5 – Waste	(17)%	–	**231**	277	–
Category 6 – Business travel	(3)%	–	**1,230**	1,264	–
Category 7 – Employee commuting	(6)%	–	**3,280**	3,478	–
Category 9 – Downstream transportation and distribution[2]					**Included in Category 4**
Scope 3 Total	(9)%	–	**179,444**	196,723	–
Intensity ratio Group (tCO_2e/£m revenue)	(6)%	–	**366**	388	–
Energy consumption (MWhs)					
Electricity (non-renewable)	(15)%	(77)%	**13,366**	15,729	59,261
Electricity (renewable)	5%	–	**27,253**	25,883	–
Natural gas	3%	(27)%	**3,047**	2,971	4,185
Vehicle fuel	(73)%	(95)%	**132**	493	2,890
Total energy	(3)%	(34)%	**43,798**	45,076	66,336
United Kingdom only	(5)%	(45)%	**11,181**	11,782	20,509
Intensity ratio Group (Total energy/£m revenue)	1%	(36)%	**89**	89	139
Water, Waste, and single-use plastics					
Total waste (tonnes)	(13)%	–	**1,201**	1,381	–
Waste to landfill (tonnes)[3]	(25)%	–	**402**	539	–
Single-use plastics (tonnes)[4]	(3)%	–	**62**	63	–
Intensity ratio Group (Total waste/£m revenue)	(10)%	–	**2**	3	–
Water use (m^3)	(9)%	–	**115,850**	126,785	–
Intensity ratio Group (Water use/£m revenue)	(6)%	–	**236**	250	–

1 Categories 3, 8, 10, 11, 12, 13, 14 and 15 are not included as they are not relevant to the Group business model. Category 2 (Capital Goods) is included in Category 1 (Purchased Goods & Services).

2 Downstream transportation (services paid for by ourselves) is included in Category 4 (Upstream Transportation & Distribution) per GHG Protocol guidance. The remaining Downstream Transportation & Distribution (not paid for by ourselves) cannot currently be measured and we are assessing the viability of measuring this in the future.

3 Excluding diverted from landfill (typically incineration).

4 Single-use plastics utilised for packaging. TT does not have any widespread or significant single-use plastics consumption, other than for packaging.

TCFD

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES ("TCFD")

TT Electronics solves technology challenges to power a sustainable future. Our innovative solutions enable our customers to create products that are cleaner, smarter, and healthier – delivering measurable benefits for people and the planet today, while shaping a better world for generations to come.

As a global electronics manufacturer, we recognise the urgent need to address climate risks and protect the environment for future generations. In 2023, we conducted a comprehensive analysis of climate-related risks and opportunities across multiple scenarios and timeframes.

We support the transition to a low-carbon economy through our products and operations and are committed to achieving Net Zero Scope 1 & 2 emissions by 2030.

The Board acknowledges mandatory disclosure requirements under the Companies (Strategic Report) (Climate-related Financial Disclosure) Regulations 2022 and FCA Listing Rule 6.6.6R(8). Our disclosures align with ten of the eleven TCFD recommendations, guided by the 2017 and 2021 TCFD frameworks. We are not yet fully aligned with Strategy (b), as our analysis of physical and transition risks remains qualitative. These disclosures comply with the Companies Act 2006 as amended.

In 2025 we performed an internal review of the Group's climate-related risks and opportunities, building upon the work performed in previous years, which is detailed in the Strategy section of this TCFD disclosure (see page 28). Our view remains that significant financial planning or budgetary change as a result of climate change is not likely to be required and the transition to Net Zero is taken into account in the Group's strategic planning.

Detail on the 11 recommended disclosures can be found on the pages highlighted below.

"We recognise the critical need to analyse both current and future impacts of climate change on our operations, while taking urgent action to safeguard the environment for future generations given the severity of the climate crisis. At the same time, we understand that building business resilience to climate-related shocks is essential to ensure continuity, protect value, and enable long-term sustainable growth."

Eric Lakin
CEO

TCFD RECOMMENDATION	RECOMMENDED DISCLOSURE	ANNUAL REPORT REFERENCE
GOVERNANCE Disclose the organisation's governance around climate-related risks and opportunities.	a. Describe the Board's oversight of climate-related risks and opportunities.	Page 27
	b. Describe management's role in assessing and managing climate-related risks and opportunities.	Page 27
STRATEGY Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning where such information is material.	a. Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long term.	Page 32
	b. Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning.	Page 28
	c. Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	Page 29
RISK MANAGEMENT Disclose how the organisation identifies, assesses and manages climate-related risks.	a. Describe the organisation's processes for identifying and assessing climate-related risks.	Page 28
	b. Describe the organisation's processes for managing climate-related risks.	Page 28
	c. Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organisation's overall risk management.	Page 28
METRICS AND TARGETS Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.	a. Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	Page 34
	b. Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas ("GHG") emissions, and the related risks.	Page 25
	c. Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	Page 23

GOVERNANCE

Board oversight of climate-related risks and opportunities

At TT, the Board of Directors oversees all ESG matters, including climate-related issues, across Group culture, strategy, compliance, risk and internal controls as part of our overall governance, budgetary approval and risk management frameworks and receives updates on the status of Group environmental issues (including sustainability and climate-related risks and opportunities). The Board also received updates on the progress made against targets and ongoing action items in the form of periodic presentations from the Sustainability Director and supplementary updates.

An overview of risks and opportunities is provided to the Board as part of ongoing operational and risk reporting. In addition, an update on the progress of current projects related to strengthening the reporting infrastructure for climate-related risks and opportunities was provided by the Sustainability Director. A review by the Board of the Group's Net Zero planning and Sustainability Strategy is undertaken at least annually.

The Board's oversight and support for the Group's Net Zero targets has resulted in further investment in renewables enabling the 2025 expansion of the Suzhou solar panel installation.

Audit and Governance & Risk Committees

The Board is also responsible for risk management, supported by the Audit Committee and informed by the executive Governance & Risk Committee, under which there is a periodically scheduled risk meeting which covers climate risks. The Board defines risk appetite and monitors the management of significant risks. Climate-related risks are included in the Group risk register.

Management's role in assessing and managing climate-related risks and opportunities

At the direction of the Board, management are assigned the responsibility to assess, monitor and manage climate-related risks and opportunities, with day-to-day management assigned to the Sustainability Director. We used our existing risk management structure to manage these processes. Management received emissions data aggregated from site data and the details of any actions, strategic or financial planning required to address climate-related issues.

Responsibility for local risk management, planning and performance lies with our site managers who work with our site environmental champions to formulate and deliver projects and engage employees with our local and global agendas. The Sustainability Director advised our sites as appropriate and receives updates on progress.

CLIMATE-RELATED GOVERNANCE FRAMEWORK

Board of Directors

Chair: Warren Tucker
Number of meetings in 2025: 8
Overall responsibility for climate-related policy, plans and budget as well as mitigation of key climate-related risks and leveraging opportunities.

Audit Committee	Governance & Risk Committee	TT Executive Committee
Chair: Anne Thorburn. Senior Independent Director **Number of meetings in 2025:** 6 Supports the Board on risk management. Oversees risk management and internal control processes.	**Chair:** Eric Lakin, CEO **Number of meetings in 2025:** 4 Supports the Board and the Audit Committee in monitoring the exposure to risks, reviewing risk management processes and controls. Provides the framework for managing Group risks and regularly reviews principal risks.	**Number of meetings in 2025:** Scheduled weekly Responsible for implementation of the Group's ESG strategy, including climate change risks and opportunities.

Group Sustainability

The Sustainability Director updated the Board and the TT Executive Committee on risks and opportunities, the outcome of climate-related scenario analysis exercises, action plans and/or amends business processes.

Management

Help achieve goals, feedback areas for improvement, and update business continuity plans. Responsible for data collection, reporting, risk assessment and mitigation at site level. Also, the integration of climate strategy into local business plans.

RISK MANAGEMENT

Our processes to identify, assess and monitor climate-related risks

Climate-related risks are fully integrated into and considered as part of our overall Group risk management processes. Our climate-related risk assessment considers existing and emerging risks and all risk categories outlined in the TCFD recommendations in relation to all TT's global operations, selected key suppliers and selected key customer locations. Not all risk categories are applicable or material to the business.

Climate-related risk identification is performed both bottom-up, through a detailed assessment at operational site level, as well as top-down, through an assessment of strategic and market risks.

Site-level environmental risks are identified as part of our operational risk assessments. The work undertaken in 2023 enhanced our site-level assessment of physical climate-related risks using a natural hazards risk analysis software tool (Munich Re Location Risk Intelligence Tool), which provided greater depth to our analysis of all our global operations. We also extended this analysis to some of our key suppliers and customers. Site-level risk assessments are monitored and consolidated at regional and then Group level. Alongside risk identification and assessment, regions provide action plans to incorporate a consideration for mitigation in the analysis. This assessment of physical climate-related risks was initially performed as a "one-off" and will be repeated at suitable regular intervals, at least every three to four years, and updated when material changes occur.

Climate-related transition risks are discussed in periodic Risk Meetings. We have a "sustainability, climate change and the environment" risk on our Group risk register but it is not considered to be a principal risk. The Group risk register is reviewed by the Governance & Risk Committee and the Board. See page 41 for principal risks and uncertainties.

Ongoing data and information relevant to climate-related risks is supplied through regular Board reports in the form of dashboards and written submissions. As part of the risk management processes, the Board regularly considers its risk appetite in terms of the tolerance it is willing to accept in relation to each principal risk based on key risk indicators to ensure it continues to be aligned with the Group's goals and strategy. Each risk is considered as to whether it currently falls within the Group's appetite for that risk and a decision is made on whether to mitigate, control or accept that risk. As a result, the relative materiality and the prioritisation of climate-related risks is considered alongside other Group risks within the existing Group risk management framework.

STRATEGY

Climate-related risks and opportunities

Outlined in detail from page 31 are the climate-related physical risks, three climate-related transition risk categories, and three climate-related opportunity categories identified during scenario analysis as being relevant to our business. The Group's strategic planning for Net Zero and our emissions reduction initiatives form the basis of our mitigation strategies for our risks and our business and product positioning to benefit from the opportunities.

For the purposes of this disclosure, TT defines time horizons of where our climate-related risks and opportunities first occur as follows:

Impact of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning

The qualitative analysis of our climate-related risks indicates that the climate risk exposure of the Group in the short term is mostly Very Low, rising to mostly Low in the medium term. Long term, some climate-related risks rise to Medium and High levels but, in that time horizon, it is expected that growth in the business will facilitate mitigation measures if required.

The Group's climate-related opportunities are also expected to be mostly Low in the short term. In the medium- and long-term horizons the analysis indicates that climate-related opportunities are potentially transformational for the Group. The margin of error in long-term forecasting is high and thus there is a high level of uncertainty in our long-term impact estimations for both our risks and opportunities.

Identifying these risks has enabled us to integrate targeted risk management and mitigation measures into our plans. While the Group's existing business strategy, disclosures, and Net Zero ambition already provide a degree of financial resilience and strategic strength against climate change, we are aiming to refine our product and service strategy to capitalise on the opportunities identified.

The relative materiality and the prioritisation of climate-related risks is considered alongside other Group risks within the existing Group risk management framework.

ASSESSMENT TIMESCALE

SHORT TERM	2025–2029	In line with specific business plan forecasting
MEDIUM TERM	2030–2035	Encompassing the Group's ambition to achieve and sustain Net Zero Scope 1 & 2
LONG TERM	2036–2100	Encompassing long-term industry and policy trends, such as UK Net Zero 2050, the useful life of our facilities and equipment (often >10 years and up to 50 years) and the manifestation of long-term climate-related risks

STRATEGY CONTINUED

Resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario

The transition to Net Zero is already incorporated into the Group's strategic planning and is considered "business as usual" with respect to operational and capital costs. There are no effects of climate-related matters reflected in judgements and estimates applied in the financial statements as a result. We will continue to develop our analysis as new data becomes available, both internally and externally, and we will continue to monitor our climate exposures and action plans through the Group's risk management framework.

Our approach to climate scenario analysis

We undertook a substantial qualitative and quantitative analysis of the resilience of our business model and strategy in 2023. To compare potential climate outcomes, we used widely referenced public climate scenarios selected for their relevance to our business and operating environment. The analysis confirmed that our strategy is resilient and does not require significant changes to financial planning or budgeting within the Group's strategic framework. This assessment continues to be considered valid as of 2025.

Physical risks were analysed using three scenarios from the Intergovernmental Panel on Climate Change ("IPCC") embedded in the software tool used to analyse physical risks of climate change:

- *RCP 2.6:* a "very stringent" pathway, likely to keep global temperature rise below 2°C by 2100.
- *RCP 4.5:* an intermediate more likely than not to result in global temperature rise between 2°C and 3°C, by 2100.
- *RCP 8.5:* a bad-case scenario where global temperatures rise between 4.1–4.8°C by 2100.

To understand their potential future impact, our transition risks and opportunities are modelled out to 2050 against two International Energy Agency's ("IEA") scenarios. These were selected as they are accompanied by supportive datasets, forecasts and industry projections which are useful for modelling climate positive outcomes:

- *Net Zero Emissions by 2050 Scenario ("NZE"):* a narrow but achievable pathway for the global energy sector to achieve Net Zero CO_2 emissions by 2050. This scenario meets the requirement for a "below 2°C" scenario. NZE also informs the decarbonisation pathways used by the SBTi.
- *Stated Policies Scenario ("STEPS"):* representing projections based on the current policy landscape. Global temperatures rise by around 2.5°C by 2100 from pre-industrial levels, with a 50% probability.

CLIMATE-RELATED PHYSICAL RISKS

With locations (including both offices and manufacturing sites) across the world, TT maintains a large and diverse geographical footprint. Work completed in 2023 enhanced our physical risk assessment, using geospatial risk modelling software to analyse the Group's exposure to natural hazards and how these risks may change in the future under various scenarios for global temperature rise by 2030, 2050 and 2100.

Physical climate-related risks incorporate changes to the environment from the impact of climate change. The assessment considers acute risks, defined by the TCFD as the change in frequency and/or intensity of extreme events, such as river flooding; and chronic risks, defined as longer-term shifts in climate such as rising mean temperatures, rising sea levels, changes in precipitation and weather extremes. The primary physical climate-related risks for TT are flood, storm and fire weather stress.

All Group sites were assessed. Five of our sites (Suzhou, Kuantan, Plano, Mexicali and Juarez) were deemed to be the most susceptible to climate-related risk and the potential future risk for these sites, within the timescales presented here, was classified as serious. In 2023 Cardiff was included in this list, but this site was divested during 2024 as part of Project Albert and production has now ceased at Plano. Our definition of "serious" in this case is a 100-year return period meaning that there is a 1 per cent chance (or 1 in 100 chance) of a significant weather event in a given year. The nature of the potential climate-related risk is detailed further in this section. Any other sites with heightened risk exposure were deemed to be of low impact to the Group's ongoing business resilience.

The primary potential financial impact of climate-related physical risks is business or production disruption and/or asset damage leading to loss of revenue, increased insurance premiums, reduced asset value and reduced labour productivity. In addition, climate-related physical risks may result in disruption to local or regional infrastructure or transportation, and thereby cause disruptions to our upstream and downstream supply chains.

Five of our sites (Suzhou, Kuantan, Plano, Mexicali and Juarez) were deemed to be the most susceptible to climate-related risk.

CLIMATE-RELATED PHYSICAL RISKS CONTINUED

We also carried out a climate-related physical risk assessment covering nine key customers (primarily distributors) and ten key suppliers. The results suggested that many of the sites assessed are exposed to heightened physical climate-related risks. The findings from this analysis have been integrated into TT's risk management model, supporting the ongoing monitoring of business resilience to climate change across the value chain.

On the back of the analysis, our site managers provided feedback on individual sites' historical exposure to natural hazards and their impact, which to date has been insignificant. Each individual site reviews and/or amends business continuity plans and investigates the requirement for mitigation. The following existing features and mitigations have been identified:

- All TT sites are insured for both property and asset damage as well as business interruption (i.e. loss of profit), which materially limits the Group's exposure to climate-related financial impact. Sites are periodically visited by insurers, at their discretion, for risk assessment, including climate-related risk.
- Affected assembly operations can be moved and/or dual manufacturing strategies could be developed.
- Multiple sites operate on more than one floor for part of their operations. They could be consolidated on upper floors (partial manufacturing) with notice (c. one year).
- At least one site is at a higher elevation than the surrounding area.

For more complex manufacturing facilities a timeline for a factory move could be lengthy (in the region of two to three years); however, these facilities could be moved within the period implied by physical risks and therefore a plant move is possible as a pre-emptive mitigation action in the event that the physical risk were to be considered unacceptable.

TT does not extensively use water-intensive production processes, so drought risks are minor and relate to employee wellbeing and services.

CLIMATE-RELATED TRANSITION RISKS

We continue to leverage the work performed in 2023 where we enhanced our transition risk assessment via a more detailed analysis of our climate risk exposures and the impact of scenarios. Climate-related megatrends, which feature in our analysis, are powerful, transformative forces that can change the trajectory of the global economy by shifting the priorities of societies, driving innovation and redefining business models.

Climate risks and opportunities are assessed on the timescale (below) and a five-point scale based on gross impact on business performance.

ASSESSMENT TIMESCALE

SHORT TERM	**2025–2029**	In line with specific business plan forecasting
MEDIUM TERM	**2030–2035**	Encompassing the Group's ambition to achieve and sustain Net Zero Scope 1 & 2
LONG TERM	**2036–2100**	Encompassing long-term industry and policy trends, such as UK Net Zero 2050

All TT sites are insured for both property and asset damage as well as business interruption (i.e. loss of profit), which materially limits the Group's exposure to climate-related financial impact.

CLIMATE-RELATED TRANSITION RISKS CONTINUED

RISK	RISK DESCRIPTION	RISK TYPE	FINANCIAL IMPACT	MITIGATION AND RESPONSE	IMPACT SHORT (2025–2029)	IMPACT MEDIUM (2030–2035)	IMPACT LONG (2036–2050)	SCENARIO IMPLICATIONS
Growing UK and global regulations on carbon emissions and increasing reporting requirements.	Operational exposure to carbon pricing mechanisms. The adoption of carbon pricing instruments is rising globally, driving the price levels of all carbon pricing systems and therefore the overall risk exposure. UK requirements may exceed global industry standards.	Current & Emerging Regulation	Higher energy costs or direct carbon tax related to Scope 1 & 2 emissions	Our target is to achieve Net Zero Scope 1 & 2 emissions by 2030.	Very low	Very low	Very low	No change in exposure between STEPS and NZE scenarios, given our projected emissions profile
	Value chain exposure to carbon pricing mechanisms. The adoption of carbon pricing instruments is rising globally, driving the price levels of all carbon pricing systems and therefore the overall risk exposure. The impact is likely to be felt through potential increases to the cost of raw materials and transport costs as suppliers pass on the added costs to their customers.		Higher cost of raw materials and transport should suppliers pass on added costs	Our ambition is to achieve Net Zero. We are working to set near-term targets for Scope 3.	Very low	Moderate	Low	No change in exposure between STEPS and NZE scenarios, given our Scope 3 projected emissions profile
	UK listed companies reporting requirements. UK listed companies reporting requirements become onerous. In addition, the risk that UK legislation becomes onerous for specific products and in the extreme drives them out of existence. Potential loss of revenue and risk of insufficient internal resource and data management for Group-level and product-level compliance reporting.		Loss of revenue	Resource and data management for Group-level and product-level compliance and reporting.	Very low	Very low	Very low	Requirements may increase under the NZE scenario, but we expect no change to our risk exposure
Growing global scrutiny of commercial businesses' impact on, and preparedness for, climate change and the low-carbon transition.	TT's position within sustainability relative to performance and reporting. Investors, lending banks and customers represent the key stakeholders demanding sustainability performance from TT, especially around climate change. Areas of scrutiny may include the Group's relative sustainability performance, delivery on targets and the Net Zero roadmap and strategic plan.	Reputation	Not deemed reasonably possible to define reputational financial impact	Additional sustainability resources applied. Additional reporting and data management resource and systems.	Low	Low	Low	No change in exposure between STEPS and NZE scenarios, given our projected emissions profile
	Net Zero roadmap and targets. Investors, lending banks and customers represent the key stakeholders demanding sustainability performance from TT, especially around climate change.		Not deemed reasonably possible to define reputational financial impact	Additional sustainability resources applied. Additional reporting and data management resource and systems.	Low	Low	Low	No change in exposure between STEPS and NZE scenarios, given our Scope 3 projected emissions profile
	Legacy business, new business and NPI supplied to fossil fuel industry. Risk related to TT's direct exposure to the fossil fuel industry.		Not deemed reasonably possible to define reputational financial impact	Reduce and phase out exposure to fossil fuel industries.	Very low	Very low	Very low	No change in exposure between STEPS and NZE scenarios, given our Scope 3 projected emissions profile

Materiality

Impact Very low · Low · Moderate · High · Very high

CLIMATE-RELATED TRANSITION RISKS CONTINUED

RISK	RISK DESCRIPTION	RISK TYPE	FINANCIAL IMPACT	MITIGATION AND RESPONSE	IMPACT SHORT (2025–2029)	IMPACT MEDIUM (2030–2035)	IMPACT LONG (2036–2050)	SCENARIO IMPLICATIONS
Rapid transition to a low-carbon economy and technological advancement stranding legacy technology, or impeding businesses supplying customers caught with legacy technology.	Legacy business, new business and NPI supplied to aerospace industry. Loss of revenue as aerospace industry becomes restricted and taxed to deter emissions.	Market	Loss of revenue	Additional sustainability resources applied. Additional reporting and data management resource and systems.	Very low	Very low	Very low	No change in exposure between STEPS and NZE scenarios, given our projected emissions profile
	Technology – excessive technology redundancy in our manufacturing, product and NPI portfolio. Our technology (design/manufacturing) must keep pace with market and customer requirements.	Technology	Loss of revenue	Additional sustainability resources applied. Additional reporting and data management resource and systems.	Very low	Moderate	High	Large impact under STEPS and NZE scenarios
	Technology – excessive technology redundancy in our customers' manufacturing, product and NPI portfolio. Our customers fail to transition to a low-carbon economy.		Loss of revenue	Reduce and phase out exposure to fossil fuel industries.	Very low	Low	Moderate	Large impact under STEPS and NZE scenarios

CLIMATE-RELATED TRANSITION OPPORTUNITIES

OPPORTUNITY	OPPORTUNITY DESCRIPTION	OPPORTUNITY TYPE	FINANCIAL IMPACT	ADAPTATION AND RESPONSE	IMPACT SHORT (2025–2029)	IMPACT MEDIUM (2030–2035)	IMPACT LONG (2036–2050)	SCENARIO IMPLICATIONS
Ability to capitalise on megatrends associated with the low-carbon economy.	Annual profitability from alignment of products that drive a low-carbon economy.	Market	Increased revenue	Invest in aerospace and automation and electrification products that drive a low-carbon economy.	Very low	Low	High	Large impact under STEPS and NZE scenarios
	Significant majority of products are universal enablers.		Increased revenue	Invest in aerospace and automation and electrification products that enable a low-carbon economy.	Very low	Moderate	Very high	Large impact under STEPS and NZE scenarios
	Exposure to megatrends – technology and products (additional profitability).		Increased revenue	Invest in technology and products aligned to climate megatrends.	Very low	Low	Moderate	Large impact under STEPS and NZE scenarios

Materiality

Impact Very low Low Moderate High Very high

CLIMATE-RELATED TRANSITION OPPORTUNITIES CONTINUED

OPPORTUNITY	OPPORTUNITY DESCRIPTION	OPPORTUNITY TYPE	FINANCIAL IMPACT	ADAPTATION AND RESPONSE	IMPACT SHORT (2025–2029)	IMPACT MEDIUM (2030–2035)	IMPACT LONG (2036–2050)	SCENARIO IMPLICATIONS
Products with applications that directly reduce energy consumption and emissions may outperform market average for growth.	In-house technology and products for decarbonising the aerospace industry.	Products & Services	Increased revenue	Expand our exposure to megatrends and applications related to aerospace. Product marketing and marketing resource in conjunction with future NPI.	Very low	Very low	Very low	Large impact under STEPS and NZE scenarios
	In-house technology and products for decarbonising the on-road vehicle, off-road vehicle and traction industries.		Increased revenue	Expand our exposure to megatrends and applications related to transport. Product marketing and marketing resource in conjunction with future NPI.	Very low	Very low	Low	Large impact under STEPS and NZE scenarios
	In-house technology and products for systems, software and devices that sense, control and manage energy consumption.		Increased revenue	Expand our exposure to megatrends and applications related to energy. Product marketing and marketing resource in conjunction with future NPI.	Very low	Low	Moderate	Large impact under STEPS and NZE scenarios
Growth through sustained energy and carbon reductions, and exceeding sustainability requirements.	Renewables (Scope 2): purchase of renewable electricity certificates or corporate power purchase agreements ("PPAs"). Installation of solar photovoltaic ("PV") facilities, reducing reliance on local grid, emissions and operating costs.	Energy Source	Reduced costs, decreased exposure to carbon price risks (Scope 2)	Net Zero programme, switch to renewable electricity.	Very low	Very low	Very low	No change in exposure between STEPS and NZE scenarios, given our projected emissions profile
	Energy strategy. Energy use reduction programmes, elimination of use of fossil fuel & related equipment (Scope 1 & 2 initiatives). Net Zero factory.	Resource Efficiency	Reduced costs	Net Zero programme, energy reduction. Employee engagement to reduce energy consumption. LED lighting, renewable energy installations – solar PV, insulation, boilers.	Very low	Low	Moderate	No change in exposure between STEPS and NZE scenarios, given our projected emissions profile
	Reduce focus on airfreight, eliminate waste from operations, employee travel assistance, minimise business travel, partner with suppliers on a Net Zero journey (Scope 3 initiatives). Logistics strategy.		Reduced costs	Net Zero programme, Scope 3 reduction. Non-hazardous waste landfill target. Recycling, waste reduction initiatives.	Low	Low	Moderate	n/a

Materiality

Impact Very low Low Moderate High Very high

METRICS & TARGETS

CLIMATE-RELATED METRICS AND TARGETS

TT uses a wide variety of metrics to assess climate-related risks and opportunities. Metrics (and reduction targets) for emissions of GHGs play a key role in reducing our impact on the planet, addressing a principal risk of reputational damage and bolstering our climate change opportunities.

In addition to Scope 1 & 2, TT reports the following material categories of Scope 3: purchased goods and services, employee commute, business travel, upstream transportation and distribution, waste and downstream transportation and distribution (the upstream element only of the latter).

Targets to manage climate-related risks and opportunities

Our initial Scope 1 & 2 (market-based) emissions target of 50% reduction by 2023 (from a 2019 base year) was achieved in 2022, one year early. Our remaining target is Net Zero Scope 1 & 2 by 2030. There are also additional targets to transition all sites to renewable electricity supply, where at all possible, either externally supplied or internally generated by 2030.

Executive Director remuneration is linked to sustainability performance and the achievement of ESG targets. For 2025, the Short-Term Incentive ("STI") plan is weighted as follows: 70% financial performance, 10% ESG measures, and 20% strategic objectives.

The ESG component for 2025 focuses exclusively on delivering measurable reductions in our Scope 1 and 2 emissions intensity ratio – a metric also included in the STI plan for the TT Executive Committee.

For the wider leadership group, the 2025 STI plan includes a 5% weighting tied to the same ESG target. The table below highlights some of the key metrics and targets used within the Group.

Executive Director remuneration is linked to sustainability performance and the achievement of ESG targets.

METRIC	DEFINITION	TARGET	LINK TO CLIMATE-RELATED RISKS AND OPPORTUNITIES	METRIC REPORTING STATUS
Energy consumption (intensity)	KWhs of consumption for all Group locations per annum, in ratio to revenue (£m)	Year-on-year reductions	Opportunity to reduce both emissions and costs with better use of energy source and efficiency.	Energy consumption is tracked monthly as part of our emissions data management system. Intensity is reported annually. Group intensity ratio in 2025 was 91 against 89 in 2024.
Switch to renewables	Percentage of consumed electricity derived from renewable sources	100% by 2030 (subject to availability)	Risk exposure to emerging regulation, reputation and future carbon pricing mechanisms.	Tracked monthly and reported annually. In 2025 67% of our electricity was from renewable sources, against 62% in 2024.
Emissions Scope 1 & 2 (market-based, absolute)	Absolute CO_2e emissions from our own operations	Net Zero 2030 Scope 1 & 2. Net Zero being a state where the amount of GHGs released into the earth's atmosphere is balanced by the amount of GHGs removed	Risk exposure to emerging regulation, reputation and future carbon pricing mechanisms.	Tracked monthly and reported annually. 2025 Scope 1 & 2 emissions 20% lower than 2024 and 78% down versus the 2019 baseline. See data on page 25.
Emissions Scope 1 & 2 (intensity)	CO_2e emissions from our own operations, in ratio to revenue (£m)	Net Zero 2030 Scope 1 & 2	Risk exposure to emerging regulation, reputation and future carbon pricing mechanisms.	Tracked quarterly and reported annually. Group emissions intensity in 2025 was 12, against 15 in 2024.
Waste to landfill	General waste, that cannot reasonably be recycled or diverted, sent to landfill (measured as a percentage of total)	Zero by 2035	Opportunity to improve resource efficiency.	Tracked monthly as part of our emissions data management system and reported annually. In 2025 33% of our total waste was sent to landfill, 137 tonnes less than 2024.

STAKEHOLDER ENGAGEMENT AND SECTION 172 STATEMENT

ENGAGING OUR STAKEHOLDERS

Read more about governance from page 45

Under Section 172 of the Companies Act 2006, Directors are required to promote the success of the Company for the benefit of our shareholders, while having regard to the factors set out in Section 172 including the interests of our other stakeholders.

The principal decisions taken by the Board in 2025 centred around:

- Consideration of unsolicited proposals for the Group leading to the recommendation of the Cicor Offer. The Board's engagement with investors and advisers informed the Board's responses to the unsolicited conditional proposals received during the year and its recommendation of the Cicor Offer.
- Organisational response to market and operational challenges. Feedback from our sites, senior management and customers all played a role in the Board's analysis and the Company's response to operational challenges in 2025, including the decision to deploy specialist external resources and capability into the Company's Cleveland manufacturing facility to accelerate the required turnaround programme.
- Closure and last time buy initiative for the Company's Plano site. Engagement with our team at the Plano site as well as customers and suppliers affected by the decision played a significant role in the work undertaken to complete this project.
- The decision to assess all options in respect of the Company's Components business was informed through engagement with our teams in the business, our investors and our customers.

The Board believes that engagement with our stakeholders is key to the long-term success of our business. We use the knowledge and feedback gained from our stakeholders to push our business forward and respond to key requirements and challenges in the industries in which we operate. The Board considers its current engagement mechanisms to be effective.

The Board fully understands its role in this process and regularly reviews the Group's key stakeholders and the impacts our activities have on these groups. The Board encourages open and purposeful engagement so that they can use clear and honest feedback to assist in their decision-making processes. The nature of Board meetings allows information about our stakeholders to flow from the workforce, through commercial teams and senior management to the Board and back down the organisational structure. The Board also actively seeks feedback from external advisers to help form its strategic decisions. Throughout the year, the Board considered how stakeholders are affected by its key decisions.

The following engagement disclosures describe how the Board has had regard to the matters set out in Section 172 (1) (a) to (f) and forms the Directors' statement required under Section 414CZA of the Companies Act 2006.

STAKEHOLDER ENGAGEMENT AND SECTION 172 STATEMENT CONTINUED

STAKEHOLDER	OUR ACTIVITIES THAT AFFECT THEM	HOW WE ENGAGE AT BOARD LEVEL	HOW WE ENGAGE ACROSS THE GROUP	OUTCOMES OF ENGAGEMENT
CUSTOMERS AND SUPPLIERS	– R&D and new product introduction – Products, including those supporting environmental sustainability – Operations and production pipeline – Safety, environmental quality control and reliability – Sustainability targets – Legal and regulatory compliance – Payment practices/prompt payment – Inventory management – Responsible business practices – Supply chain management – Modern slavery review	– CEO, ExCo and the Board regularly receive reports from functional leads and regional divisions on key customer and supplier initiatives – The Board reviews and approves responsible business practices – Overview of environment and sustainability actions and targets through reports from functional leads – Engagement with Executive Directors and senior management on organisational structuring to improve customer experience and product development	– Day-to-day contact on supply chain, products and service – R&D partnerships with customers and universities – Collaboration across regions to meet customer needs – Undertaking Voice of the Customer surveys to receive customer feedback – Supplier assessments – Engagement with customers regarding downturn in the Components business and last time buy arrangements at Plano	– Additional support provided at Cleveland site to ensure we deliver to customer and supplier expectations – Closure of Plano site whilst supporting customers through a last time buy initiative and providing certainty to suppliers – Product roadmaps aligned to customer needs – Feedback from Voice of the Customer survey programme – Monitoring of global supply chain, inventory management and export risks
EMPLOYEES	– TT Way values and conducting business with integrity – Safety and wellbeing, including financial planning and security – Employee Assistance Programme – Training and development – Group employment policies – Engagement and community support activities – ED&I activities – Environmental sustainability – Pensions – Flexible working initiatives	– Oversight of Group culture – Board, CEO, CFO and ExCo site visits – Reviewing employee pulse surveys results and action plans – Oversight of ED&I actions – Regular workforce, talent and succession updates – Support for Employee Assistance Programme – Board carries out Employee Engagement Sessions with sample of workforce during site visits – Oversight and review of changing strategic priorities and the effects on the workforce **Read more** on page 54	– Employee pulse surveys – Site employee forums and Town Halls with ExCo members during site visits – Regular Company-wide communication and on-demand access to information and employee forums via ConnecTT – BE Inspired recognition scheme – Training and development activities aligned to business and employee needs – Regular employee information sessions on personal wellbeing, salary review, pay rates and company-wide employee benefits – Stakeholder consultation on major changes to process and policy – Career conversations and personal performance development plans **Read more** on pages 20 to 21	– Employees proactively informed and engaged during the Cicor Offer process – Closure of Plano site with appropriate employee engagement and consultation – Employees engaged in assessing strategic focus – Further development of sustainability initiatives with employee engagement – Investment in employee education and training activities – Financial wellbeing initiatives

STAKEHOLDER ENGAGEMENT AND SECTION 172 STATEMENT CONTINUED

STAKEHOLDER	OUR ACTIVITIES THAT AFFECT THEM	HOW WE ENGAGE AT BOARD LEVEL	HOW WE ENGAGE ACROSS THE GROUP	OUTCOMES OF ENGAGEMENT
INVESTORS	– Financial performance – Leadership – Governance and transparency – Sustainability/ESG – Reputation – Communication	– Regular reports to the Board on investor views on the business including ESG matters – Direct Shareholder engagement on the business including on results and ESG programme – Results announcement and presentation – Publication of the Annual Report – Voting and engagement at AGM and General Meetings – CEO, CFO, and Board engagement with investors and advisers on enhancing the purpose of the Company and external comms to give a better understanding of our investment case **Read more** on page 49	– Appropriate governance policies – Alignment of business and employees around the Group strategy – Collection of data supporting external reporting and ESG strategy	– Appropriate consideration and response to unsolicited conditional proposals for the Group and recommendation of the Cicor Offer – Review of all options in respect of the Components business – Additional support provided at Cleveland site to drive turnaround and results. – Stable access to capital – Ambitious environmental sustainability targets
SOCIETY	– Products that enable a safer, healthier and more sustainable world – Responsible business practices – Environmental practices and sustainability – Employment training and apprenticeships – ED&I focus – Employee Assistance Programme – Local supply chains – Supporting local communities	– Oversight of Group strategy including ESG strategy and performance – The Board reviews and approves responsible business practices – Receipt of reports from functional and regional leads – Net Zero consideration	– Legal and regulatory compliance – Responsible business practices including environmental practices and approach to modern slavery – STEM education activities in local communities – Charitable initiatives in local communities – Regular monitoring of our ESG and sustainability programmes **Read more** on page 19	– Suzhou solar panel installation expansion – Focus on products that enable a safer, healthier and more sustainable world – Driving Sustainability and ED&I strategy at Board, Group and site level

ROBUST PRACTICES IN SUPPORT OF OUR BUSINESS MODEL

RISK MANAGEMENT

Our focus has been to ensure the Group is well positioned to respond to the requirements of the new UK Corporate Governance Code, not only ensuring compliance but also strengthening our confidence in the resilience and effectiveness of our governance framework."

Jennifer Chase
Group Financial Controller

The Board of Directors is responsible for risk management and internal controls, supported by the Audit Committee and informed by the executive Governance & Risk Committee. The Board defines risk appetite and monitors the management of significant risks to ensure that the nature and extent of significant risks taken by the Group are aligned with overall goals and strategic objectives.

The Governance & Risk Committee supports the Board and the Audit Committee in monitoring the exposure through regular reviews, including reviewing the effectiveness of risk management processes and controls.

The Group Head of Internal Audit & Risk assists the Governance & Risk Committee by advising management on improvements to the overall risk management framework, facilitating the risk review process and providing independent experience and input to the process.

Risk management processes and internal control procedures are established within business practices across all levels of the organisation. Risk identification, assessment and mitigation, including climate-related risks, are performed at an operational level, as well as through top-down assessment of strategic and market risk at the Executive management and Board level.

RISK MANAGEMENT POLICY

The Group's risk management strategy sets out the Group's approach to risk management including its risk appetite, oversight and monitoring and roles and responsibilities. The Group's risk management framework draws from the three lines of defence:

- The first line comprises the site operational and finance teams responsible for day-to-day management of risk and delivery of control procedures with oversight from site management.
- The second line reflects the risk management framework and includes regional and functional teams who drive compliance including Group Legal, Finance, Human Resources and HSE, with oversight and monitoring from senior management and Executive management.
- The third line comprises oversight from the Board, Audit Committee and Governance & Risk Committee with independent assurance from the Group Internal Audit function.

RISK APPETITE

Risk management and internal controls provide reasonable but not absolute protection against risk. The Board acknowledges and recognises that in the normal course of business, the Group is exposed to risk and that it is willing to accept a level of risk in managing the business to achieve its strategic priorities.

Risk appetite is not static and, as part of its risk management processes, the Board regularly considers its risk appetite in terms of the tolerance it is willing to accept in relation to each principal risk based on key risk indicators to ensure it continues to be aligned with the Group's goals and strategy.

Each principal risk is considered as to whether or not it currently falls within the Group's appetite for that risk. As part of the year-end risk assessment with the Board, it was confirmed that all of the principal risk areas continue to be within Board and Executive management's appetite for that risk.

RISK PROFILE AND EMERGING RISKS

At the direction of the Board, Executive management performed a robust assessment of the principal and emerging risks facing the Group, taking into account those that would threaten the business model, future performance, solvency or liquidity, as well as the Group's strategic objectives. This process includes a bottom-up analysis of key risks at a site, functional and regional level, including climate-related risks.

This year, we undertook a comprehensive review of the significant risks facing the business and the material controls designed to mitigate them. We have stratified the risk landscape into two categories – principal risks and Group risks – and identified five principal risks. These are the risks that, if they materialised, could threaten the Company's business model, future

Risk management processes and internal control procedures are established within business practices across all levels of the organisation.

OUR RISK MANAGEMENT FRAMEWORK

performance, solvency, liquidity, or reputation. They represent the risks the Board considers most critical to TT's long-term success. This exercise has resulted in a new principal risk: "Resilience and recovery", aimed at strengthening our ability to maintain business continuity and adapt effectively to potential disruption events.

Supporting these principal risks is a broader set of Group risks, which are regularly reviewed and reported to ensure a holistic view of the risk landscape, see page 41 for further detail.

Executive management and the Governance & Risk Committee perform further analysis to prioritise these risks, with a focus on those principal elements posing the highest current risk to the achievement of the Group's objectives or the ongoing viability of the business. Risks assessed as higher priority are consolidated into a Group Risk Register. The Governance and Risk Committee reviews the actions put in place at the site and regional level to manage these current and emerging risks. Risks included on the register are monitored closely by the Board in terms of both prioritisation and mitigation strategies.

It is recognised that, while these "top risks" represent a significant proportion of the Group's risk profile, Executive management and the Governance & Risk Committee continue to monitor the entire universe of potential risks to identify new or emerging threats as well as changes in risk exposure and a risk horizon scanning exercise is performed annually.

The risk horizon scanning exercise includes consideration of the emerging risks facing TT as a global provider of electronics technologies and, as a result, if any new emerging risks or additional mitigating controls require inclusion on the Group risk register. The Governance & Risk Committee reviews the Group risk register to ensure that the risk profile is appropriate and includes all relevant risks including emerging risks as needed.

The Group has long been conscious of the ESG agenda which is reported to the Board through our Executive Committee. There continues to be a risk that a negative perception of our ESG profile could impact on our ability to attract new talent to the

business, build relationships with our customers, positively impact the communities in which we operate, and attract investment from potential shareholders. The risks in relation to these areas are captured in two Group risks, "Sustainability, climate change and the environment" and "Health and safety". TT is committed to achieving its sustainability objectives, reducing carbon emissions and improving efficiency. We have set out our approach and our progress in these areas in the "Our people, communities and environment" section of this report from page19 and in the TCFD section of this report from page 26.

INTERNAL CONTROL ENVIRONMENT

The Internal Audit function is operated under a directed co-sourced arrangement with PwC to enhance the levels of resource and expertise available to the Group in specific areas, with its activities under the direction of the Governance & Risk Committee and the Audit Committee. A risk assessment is performed each year when building our internal audit plan to ensure that it continues to be focused on the risks that are relevant and important to the Group and reflects the latest changes and developments. All of our manufacturing sites perform a self assessment against the Control Framework and the results inform the scope of the site level internal audit programme of work.

The Board monitors the Company's internal control systems and has reviewed their effectiveness in 2025. The review process considered all material controls including, (i) the information relating to the general controls environment as outlined in the Internal Audit reports submitted to the Audit Committee at each meeting; (ii) financial controls; (iii) compliance controls; (iv) the key outputs of the controls framework programme; and (v) management actions in relation to internal and external audit findings.

PREPARATION FOR THE UK CORPORATE GOVERNANCE CODE CHANGES

Provision 29 of the UK Corporate Governance Code places a clear responsibility on boards to monitor their company's risk management and internal control framework and to review its effectiveness at least annually. From financial years beginning on or after 1 January 2026, companies will be required to report in their annual report:

- How the Board monitored and reviewed the effectiveness of the framework;
- A formal declaration on the effectiveness of material controls; and
- Details of any material controls that did not operate effectively, together with actions taken or planned to address them.

Recognising the importance of these changes, 2025 has been a year of preparation and alignment. Our goal is to ensure that, when the new requirements take effect, the Board can confidently confirm the effectiveness of TT's risk management and internal control systems, with particular emphasis on material controls.

To achieve this, we established a dedicated Provision 29 readiness project, led by a Governance and Controls Lead, sponsored by the CEO, and overseen by both the Governance & Risk Committee and the Audit Committee. This project has provided a structured approach to readiness, ensuring strong governance and clear accountability at every stage.

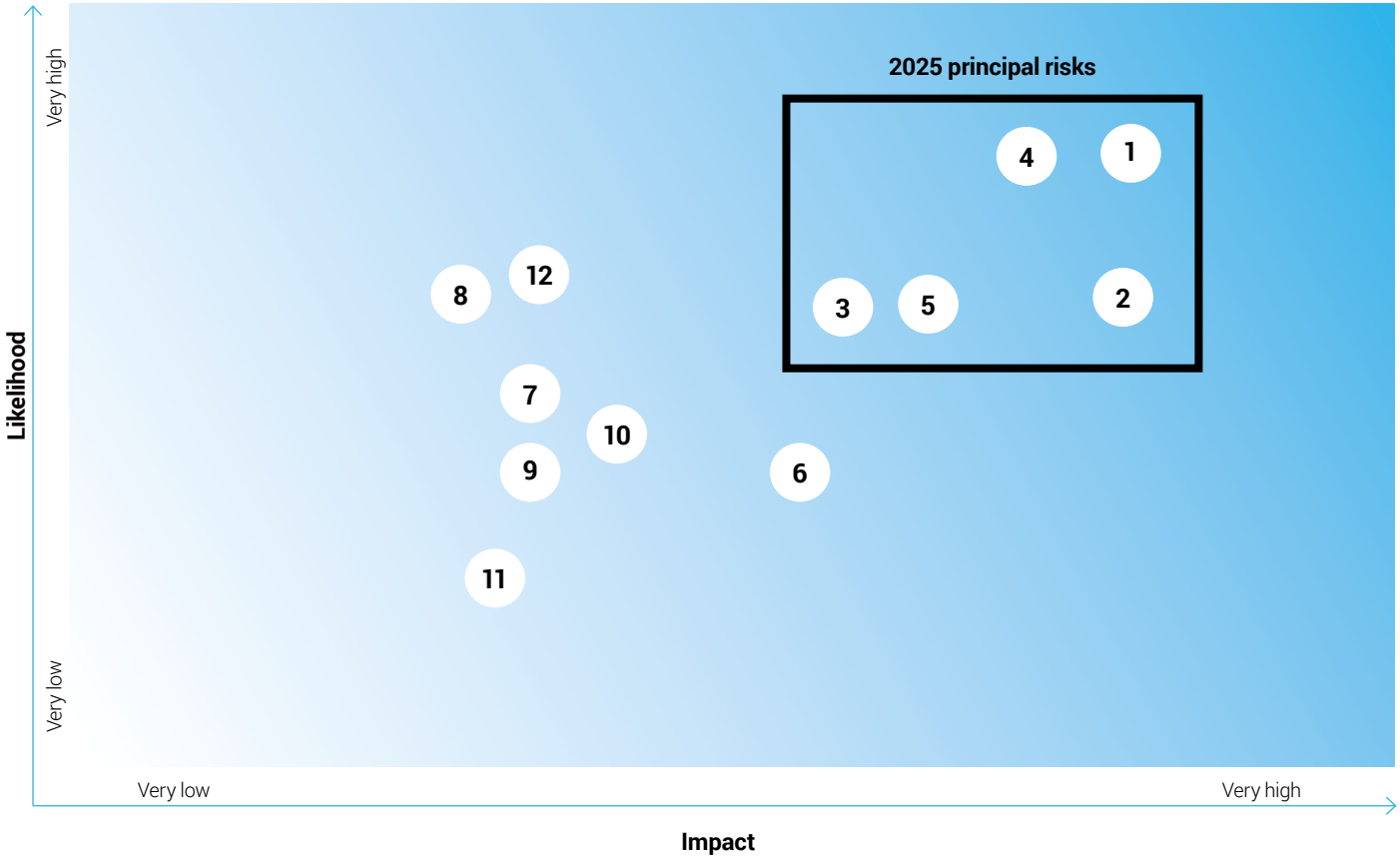
Looking ahead, testing of material risks and controls will be a key focus during 2026 providing the foundation for the Board's declaration in the 2026 Annual Report. This work will not only ensure compliance with the Code but also strengthen confidence in the resilience and effectiveness of TT's governance framework.

Read more about internal controls in the Audit Committee report on page 63

PRINCIPAL RISKS AND UNCERTAINTIES

The risk management framework is described on page 39. Using this framework the Board sets out the risks that it currently believes to be most significant to the Group as they have the potential to undermine the achievement of our strategic objectives.

The Group risk matrix represents the risks and uncertainties faced by the Group. These risks, identified by the Board through a robust risk evaluation described on page 38. These risks, if materialised, could threaten the Group's business model, future performance, solvency, liquidity, or reputation. The Group's five principal risks are framed in the upper right of the matrix and highlighted in bold. These risks and their corresponding mitigating actions are summarised in the table on page 42.



Group risks

1. **IT systems and information**
2. **Resilience and recovery**
3. **General revenue reduction**
4. **Geopolitical**
5. **Research and development**
6. Contractual risks
7. People and capability
8. Supplier resilience
9. M&A and integration
10. Health and safety
11. Sustainability, climate change and the environment
12. Legal and regulatory compliance

RISK MANAGEMENT CONTINUED

RISK #	RISK DESCRIPTION	POTENTIAL IMPACT	MITIGATING ACTION	CHANGE IN THE YEAR
1	**IT systems and information** Cyberattacks which may affect the confidentiality, integrity and availability of our IT systems and the data held **Sponsor** Eric Lakin	– Reputational impact, business disruption and potential deterioration in customer relationships	– Regular analysis of cybersecurity and data management – IT strategy reviewed by management and the Board – Information security policies in place – IT security and enterprise resource planning ("ERP") specialists in place – Processes and tools put in place to support cybersecurity certifications – Annual penetration testing – Internal vulnerability scanning – Alignment to regulatory cyber standards	**2025** Risk increased. We continually update and strengthen our cyber controls in response to ongoing cyber risks which are increasing in complexity and magnitude.
2	**Resilience and recovery** Failure to adequately prepare for a significant event that affects business operations resulting in prolonged down time and loss of revenues **Sponsor** Eric Lakin	– Business disruption, revenue reduction and deterioration in customer relationships	– Disaster recovery plans in place in case of system failure – Business continuity plans in place with procedures to be implemented in case of an incident – Ability to manufacture products over several manufacturing sites – Review and prioritisation activities relating to key infrastructure and operations	New principal risk for 2025, ensuring business continuity amid disruptions.
3	**General revenue reduction** Reduction in demand and orders due to an economic downturn **Sponsor** Eric Lakin	– Decelerating sales growth affecting operating profit	– Monitor the wider economic conditions of our markets – Timely financial reporting to monitor performance and provide a basis for corrective action when required – Ongoing optimisation of our cost base and strategic moves creating a more resilient portfolio – Management structures in place to enable a rapid response to changing circumstances	**2025** Risk stable. We continue to monitor the wider economic conditions and any impacts on our sites. Targeted improvement programmes have resulted in improved efficiency and cost reduction.

RISK MANAGEMENT CONTINUED

RISK #	RISK DESCRIPTION	POTENTIAL IMPACT	MITIGATING ACTION	CHANGE IN THE YEAR
4	**Geopolitical** War, the threat of war, trade wars, blockades, sanctions, political polarisation either globally or locally that might affect our ability to trade, resulting in reduced sales and profitability **Sponsor** Eric Lakin	– Reduction in revenue, profitability and cash generation – Supply chain challenges – Non-conformance/inability to trade with restricted countries/entities	– Diversification of manufacturing sites strategy – Diverse product offering – Management structures in place to enable a rapid response to changing circumstances – Strong customer relationships with key account managers	**2025** Risk increased. Geopolitical tensions remain elevated; however, our diverse offering across North America, Europe and Asia reduces any individual event impacting on our business and customers.
5	**Research and development** Delay in new product development which is intended to support revenue growth **Sponsor** Eric Lakin	– Increased cost in product development – Delay in achieving projected revenue – Inability to meet the latest requirements due to a step change in technology	– Close collaboration with key customers – Active monitoring of costs and milestones – Target R&D more effectively – Implementation of standard project management disciplines	**2025** Risk stable. A rise in engineering productivity and efficiency in 2025 has underpinned improved results.

VIABILITY STATEMENT AND PROSPECTS

In accordance with the UK Corporate Governance Code, the Directors have assessed the viability and long-term prospects of the Group over the period to December 2028, taking into account the Group's current position and the potential impact of the principal risks and uncertainties set out on pages 41 to 43 of the Strategic report. Based on this assessment, the Directors confirm that they have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the period to December 2028.

The Group delivers engineered electronics that help customers meet performance-critical requirements. From custom components to complex assemblies, we design, engineer and manufacture vertically integrated solutions tailored to highly regulated markets. We deliver high-reliability electronic products and manufacturing solutions that enable healthcare innovation. We provide high-reliability solutions that enable the next generation of aerospace and defence technologies across land, air, and sea platforms. Our solutions for automation and electrification enhance performance, improve efficiency and support dependable operation across a broad range of industrial and infrastructure applications, from factory automation to EV charging and smart energy systems.

While the Directors have no reason to believe the Group will not be viable over a longer period, the period over which the Directors consider it possible to form a reasonable expectation as to the Group's longer-term viability is the three-year period to 31 December 2028 and aligns with the business cycle including product development and order intake trends. At 31 December 2025 the Group's Revolving Credit Facility ("RCF") of £162.4 million had a maturity date of June 2027 and drawings under this facility were £14.5 million. In March 2026, the RCF was amended and extended with a new expiry date of June 2028 and revised facility size of £105.0 million. The first £37.5 million tranche of the Private Placement ("PP") unsecured loan notes mature in December 2028 and the Directors have taken the view that replacement debt funding of a broadly similar nature should be available to the Group in advance of this maturity date.

In making this statement, the Directors have carried out a robust assessment of the principal risks facing the Group, including those that would threaten its business model, the underlying mitigation planning, the assessment of future performance, solvency and liquidity, and the Group's internal controls environment.

In performing the assessment, the Directors have further stress-tested the Group's financial projections for the period covered by the viability statement, testing it for "business as usual" risks (such as profit growth and working capital variances), the combined impact of "severe but plausible events", as well as a "reverse" stress test to understand the conditions which could jeopardise the future viability of the Group. This work included assessing against financial covenants and facility headroom. See note 1.

This severe but plausible events stress testing included consideration of the potential impact of the Group's principal risks and uncertainties outlined on pages 41 to 43. The stress testing specifically included the impact of the following principal risks crystallising during the three-year period to 31 December 2028: IT systems and information, resilience and recovery; general revenue reduction; geopolitical; and research and development. The financial impact associated with the other principal risks were considered not likely to have a material impact within the viability period or their financial effect was covered within the overall downside economic risks implicit within the stress testing.

The Group's wide geographical and sector diversification helps minimise the risk of serious business interruption or catastrophic reputational damage. Furthermore, the business model is structured so that the Group is not overly reliant on any single customer, market or geography. While this review does not consider all of the risks that the Group may face, the Directors consider that this stress testing-based assessment of the Group's prospects is reasonable in the circumstances of the inherent uncertainty involved.

GOING CONCERN

In determining the appropriate basis of preparation of the financial statements, the Directors are required to consider whether the Group can continue in operational existence for the foreseeable future.

After making enquiries and having considered forecasts and appropriate sensitivities, the Directors have formed the judgement that there is a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future, being at least 12 months from the date of these financial statements.

More information on the going concern judgement can be found in note 1 to the financial statements. Accordingly, the financial statements have been prepared on a going concern basis with no material uncertainties identified.

The 2025 Strategic report, from pages IFC to 44, has been reviewed and was approved by the Board of Directors on 24 March 2026.

Eric Lakin
Chief Executive Officer

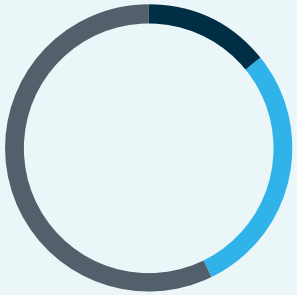
Richard Webb
Interim Chief Financial Officer

GOVERNANCE AT A GLANCE

KEY GOVERNANCE HIGHLIGHTS FOR 2025

Board changes	– CEO transition to Eric Lakin – CFO transition to Acting CFO Richard Webb – Appointment of Karina Rigby as a Non-executive Director ("NED")	**Read more** on page 49
Organisational restructuring	– Plano site closure – Cleveland turnaround strategy utilising external resource – Assessment of Components potential divestment	**Read more** on page 49
Cicor recommended Offer	– Considering unsolicited offers for the Company from Cicor and DBAY – Recommending Cicor's offer for the Company – Stakeholder engagement on the unsolicited offers	**Read more** on page 49
Board engagement with employees	– Direct employee engagement by all NEDs throughout the year. – Two site-based employee/NED sessions completed in 2025 – Board discussions and actions completed relating to employee feedback from engagement sessions	**Read more** on page 50

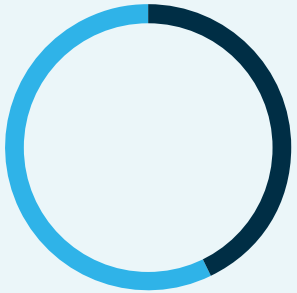
BOARD COMPOSITION



7 Board members

- **1** – Independent Non-executive Chair
- **2** – Executive Directors
- **4** – Independent Non-executive Directors

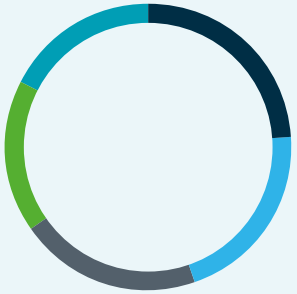
BOARD DIVERSITY – GENDER



Our Board split

- **3** – Women
- **4** – Men

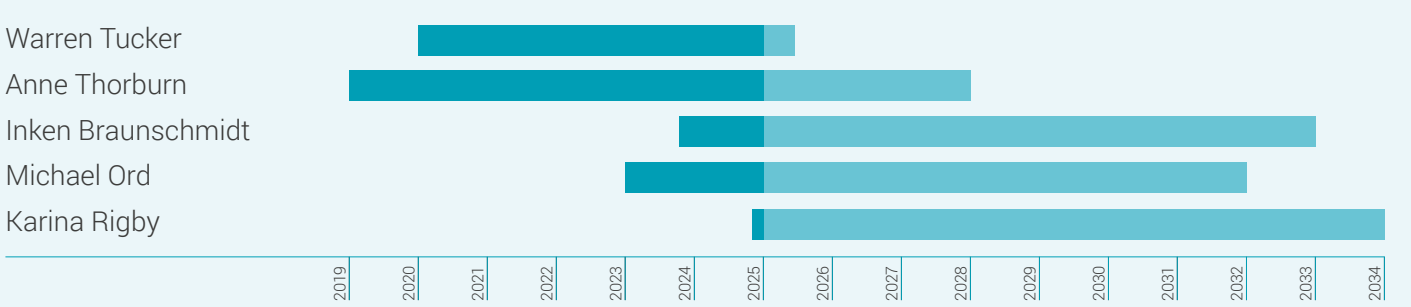
DIRECTORS' SKILLS AND EXPERTISE



- **7** – Strategy/Growth
- **6** – M&A/Financing
- **6** – Manufacturing/Engineering
- **5** – Finance/Risk
- **5** – Leadership/management

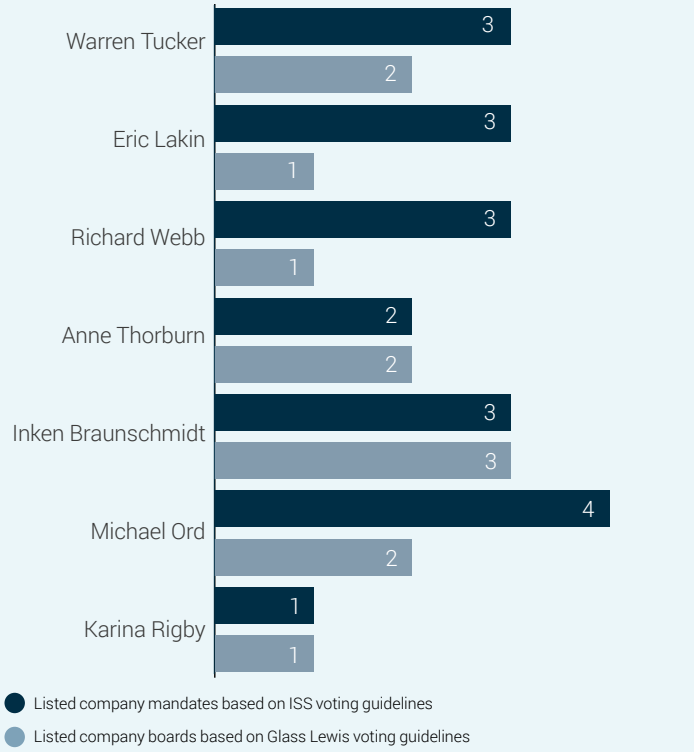
GOVERNANCE AT A GLANCE CONTINUED

BOARD TENURE IN YEARS



The Nominations Committee monitors a schedule of the Directors' tenure and reviews potential departure dates assuming the relevant Directors are not permitted to serve more than three three-year terms (nine years) from their appointment date, unless in exceptional circumstances.

BOARD EXTERNAL APPOINTMENTS



BOARD ATTENDANCE 2025

	Board	Audit Committee	Nominations Committee	Remuneration Committee
Number of meetings held	**8**	**6**	**2**	**4**
Chair				
Warren Tucker	8/8	–	2/2	4/4
Executive Directors				
Erik Lakin[1]	6/6	–	–	–
Richard Webb[2]	5/5	–	–	–
Peter France[3]	2/2	–	–	–
Mark Hoad[4]	2/2	–	–	–
Non-executive Directors				
Anne Thorburn	8/8	6/6	2/2	4/4
Inken Braunschmidt[5]	8/8	6/6	2/2	4/4
Michael Ord	8/8	6/6	2/2	4/4
Karina Rigby[6]	2/2	1/1	-	-
Alison Wood[7]	5/5	4/4	2/2	3/3

1 Eric Lakin was appointed to the Board on 10 April 2025.
2 Richard Webb was appointed to the Board on 12 May 2025.
3 Peter France stepped down from the Board on 9 April 2025.
4 Mark Hoad stepped down from the Board on 10 April 2025.
5 Inken Braunschmidt was appointed Chair of the Remuneration Committee on 30 June 2025.
6 Karina Rigby was appointed to the Board on 1 October 2025.
7 Alison Wood stepped down from the Board on 30 June 2025.

UK CORPORATE GOVERNANCE CODE COMPLIANCE STATEMENT

1. Board leadership and Company purpose	**Read more on page**
A. Board effectiveness, long-term value and sustainability	49
B. Purpose, values, strategy and culture	51
C. Governance framework	52
D. Stakeholder engagement	50
E. Workforce policies and practices	55
2. Division of responsibilities	
F. Roles and responsibilities	56
G. Leadership structure	55
H. External appointments	47
I. Board policies and processes	51
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BOARD OF DIRECTORS

OUR TEAM

Warren Tucker
Chair

N R

Joined: April 2020
Current external appointments:
- Non-executive director and chair of the audit committee of Tate & Lyle plc (UK Listed)
- Non-executive director and chair of the audit committee of BCP V Modular Services Holdings Limited (operating globally as Modulaire)
- Trustee on the board of Magna Learning Partnership and Chalke History Festival

Relevant skills and experience:
- Strategy/Growth
- M&A/Financing
- Equity and Debt Capital Markets
- Financial and Risk Management
- International Business
- Manufacturing/Engineering
- Operations/Supply Chain
- Aerospace & Defence sector
- Investor Relations

Past appointments:
- Non-executive director of Reckitt Benckiser Group plc and the Foreign, Commonwealth and Development Office
- Chief financial officer of Cobham plc

Eric Lakin
Chief Executive Officer

G

Joined: January 2025
Relevant skills and experience:
- Strategy Growth
- M&A
- Integration
- Innovation
- International Business
- Risk Management
- Talent Succession
- Leadership Management
- Engineering/Manufacturing
- Sales and Marketing

Past appointments:
- Chief Financial Officer of Ceres Power plc
- Chief Financial Officer of Smiths Interconnect
- Chief Financial Officer of Morpho Detection

Richard Webb
Interim Chief Financial Officer

G

Joined: May 2025
Relevant skills and experience:
- Strategy/Growth
- Leadership/Management
- Financial Management
- International Business
- Transformation
- M&A/Financing
- Equity and Debt Capital Markets
- Aerospace & Defence sector

Past appointments:
- Group Finance Director, Wickes Group plc
- Group Chief Financial Officer, Ultra Electronics Holdings Limited
- Group Financial Controller & Group Treasurer, Ultra Electronics Holdings plc

Anne Thorburn
Senior Independent Non-executive Director

A N R

Joined: July 2019
Current external appointments:
- Senior independent director of IMI plc (UK listed)
- Board member and chair of the audit committee of SPT LabTech Limited

Relevant skills and experience:
- Strategy/Growth
- Financial Management
- Risk Management
- Audit and Internal Control
- M&A/Financing
- International Business
- Operations/Supply Chain
- Medical and Industrial sectors

Past appointments:
- Senior Independent director and chair of Audit Committee of Diploma PLC (UK listed)
- Chief financial officer of Exova Group plc
- Group finance director of British Polythene Industries plc
- Non-executive director of BTG plc

OUR COMMITTEE KEY

N	Nominations Committee
R	Remuneration Committee
G	Governance & Risk Committee
A	Audit Committee
	Chair of the Committee

BOARD OF DIRECTORS CONTINUED

Michael Ord
Independent
Non-executive Director

N R A

Joined: January 2023
Current external appointments:
- Group Chief Executive of Chemring Group plc (UK listed)

Relevant skills and experience:
- Strategy/Growth
- Transformation
- Technology/Innovation
- Manufacturing/Engineering
- Product Technology
- Risk Management
- Leadership/Management
- Aerospace & Defence sector

Past appointments:
- Managing director of business units of BAE Systems plc
- Trustee of The Education & Training Foundation

Inken Braunschmidt
Independent
Non-executive Director

N R A

Joined: July 2024
Current external appointments:
- Non-executive director and chair of the remuneration committee of Xaar plc (UK listed)
- Non-executive director and chair of the remuneration committee of James Fisher and Son plc (UK listed)
- Member of Digital Programme Board of the Royal Academy of Engineering Society

Relevant skills and experience:
- Strategy/Growth
- International Business
- Technology/Innovation
- Transformation
- M&A/Financing
- Manufacturing/Engineering
- Remuneration Policy-setting
- Talent/Succession
- Leadership/Management
- Medical, Energy and Marine Services sectors

Past appointments:
- Chief Innovation and Digital Officer and member of the Executive Board of Halma plc
- Chief Innovation Officer RWE AG & Innogy SE

Karina Rigby
Independent
Non-executive Director

N R A

Joined: October 2025
Current external appointments:
- Member of the Board of BELIMO Holding AG

Relevant skills and experience:
- Strategy/Growth
- M&A
- Restructuring & Transformation
- Operational Excellence
- International Business
- Manufacturing/Engineering
- Product Technology
- Operations/Supply Chain
- Leadership/Management
- Industrial & Energy sectors

Past appointments:
- President of the Critical Systems Division and Global Utilities Head at Eaton Corporation

Ian Buckley
General Counsel
and Company Secretary

G C

Joined: March 2024
Relevant skills and experience:
A qualified solicitor, with a postgraduate diploma in intellectual property law and practice. Ian has over 15 years' experience advising on UK and international matters, focusing on corporate, commercial, regulatory, intellectual property and litigation.

Past appointments:
- Solicitor with Reed Smith LLP, with a practice focused on M&A and life sciences.

OUR COMMITTEE KEY

N	Nominations Committee
R	Remuneration Committee
G	Governance & Risk Committee
A	Audit Committee
■	Chair of the Committee

Read more on Board biographies on our website: www.ttelectronics.com/investors/leadership/

CHAIR'S INTRODUCTION TO GOVERNANCE

DELIVERING GOOD GOVERNANCE

"During a year of executive leadership transition and renewed external interest in the Group, the Group's strong corporate culture and the resourcefulness of its people continues to demonstrate TT's ability to adapt and evolve."

Warren Tucker
Chair

GOOD GOVERNANCE

The Board continues to drive high standards of governance across the Group. Our Governance and Directors' report explains how we have applied the principles and provisions of the UK Corporate Governance Code 2024 ("the Code").

This year we successfully guided the Company through both a CEO transition and CFO interim transition process, together with the engagement of a new Non-executive Director ("NED") Board member. I am pleased to report that this process led to the appointment of Eric Lakin first as acting CEO in April 2025, and then following a process to explore and benchmark other candidates, as CEO in August 2025. Eric brings a proven track record in engineering and industrial sectors. He was previously CFO of Ceres Power, a FTSE clean energy technology business. Before that he spent ten years at Smiths Group in a variety of roles, latterly as CFO of Smiths Interconnect.

Given the CEO change it was important to make a prompt transition from our previous CFO and, accordingly, Richard Webb was appointed as Interim CFO in May 2025. Richard brings a proven track record of driving organic growth, change initiatives and cost efficiencies. He was previously Group Chief Financial Officer at Ultra Electronics having worked there for 12 years, including when it was a constituent of the FTSE 250.

Additionally in October we were pleased to welcome Karina Rigby as a new NED, her wealth of international experience in value creation, driving business excellence, growth, manufacturing and transformation is already benefiting the Group.

In accordance with our succession planning, Inken Braunschmidt was appointed as Chair of the Remuneration Committee, as Alison Wood had completed nine years of service and stood down at the 2025 AGM.

For more information on the CEO and CFO transition process, together with the NED appointment, please see the Nominations Committee report on page 58.

Recommended Offer for the Company
In October 2025 the Board made the unanimous decision to recommend Cicor's Offer for the Company (an offer Cicor subsequently improved to 150 pence in cash per TT share), following a number of prior unsolicited proposals from Cicor and DBAY on less attractive terms which had been rejected by the Board. The rationale for such recommendation was set out in the 30 October 2025 announcement of the recommended offer, and followed extensive advice from financial advisers and shareholder engagement.

Given the value of the offer the Board submitted the acquisition to TT shareholders for their consideration. At the shareholder meeting on 7 January 2026 only 51.77% of shareholders by value voted in favour of the Scheme, and, accordingly, Cicor's proposed acquisition did not proceed.

Our people have shown great commitment through maintaining their focus on supporting the needs of the business and delivering for our customers during this offer period.

Chair transition
It was clear to me that following the January shareholder vote the Company is at an inflection point and, accordingly, after two three-year terms as Chair, I informed the Board that I intended to step down. The Board asked that I remain as Chair until the 2026 AGM in order to allow for an orderly transition. The process to identify my successor is advancing well.

I would like to take this opportunity to acknowledge formally my appreciation for the significant contribution and support which I have received from my fellow directors throughout my time with the Company. It has been an honour to work with them and to serve the Company in my capacity as Chair of the Board.

Strategic prioritisation for future growth
The Strategic report highlights the key areas of focus for the Board in 2025 in driving forward TT's strategic plan. The following initiatives are particularly noteworthy, in highlighting the Board's focus on TT's strategic prioritisation:

"I would like to take this opportunity to acknowledge formally my appreciation for the significant contribution and support which I have received from my fellow directors throughout my time with the Company. It has been an honour to work with them and to serve the Company in my capacity as Chair of the Board."

Warren Tucker
Chair

- The decision to close the Company's Plano manufacturing site, to focus resource and time on the areas of the business with the greatest growth potential.
- The announced deployment of specialist external resource and capability to the Company's Cleveland manufacturing site to accelerate the required turnaround strategy. Such deployment has helped to stabilise the site and position it for future growth. In September the Board visited the Cleveland site to review progress and to discuss future plans in person.
- The announced and ongoing assessment of all options in respect of the Company's Component business.
- The Board's decision during the offer period to focus on the delivery of the 2025 plan and building order intake for 2026 and beyond.
- Ongoing operational improvement initiatives including inventory management, commercial pricing and operational excellence.
- Preparation and alignment for the implementation of the new Corporate Governance requirements in respect of material controls,
- The implementation of a review and strengthening of our approach to identifying and addressing key risks for our business (see page 65 for further details).
- The Group's continued commitment to achieving Net Zero, and the further progress made on that journey.
- The continued focus on talent management, ED&I and succession planning (as described in more detail in the Nominations Committee report on page 59).
- Cash flow generation and debt reduction.

Whilst responding to the developments noted above, the Board has also remained focused on strategic risk considerations and on delivering the other strategic priorities of the Group in 2025, and has continued to prioritise operational improvement in key areas such as Health and Safety, Sustainability, ED&I and linking our corporate purpose and values to our culture. These are reinforced in the "People, environment and communities" section (on page 19) and the stakeholder engagement summary on page 35 (which also includes our s172 statement). These sections outline the continued focus on people and sustainability initiatives throughout the year.

Diversity and stakeholder engagement

Following the appointment of Karina Rigby on 1 October 2025, the female composition of our Board is 42.85%, in compliance with the UK Listing Rules (UKLR 6.6.6R(9)) target of 40% female representation on listed company boards. In addition, with Anne Thorburn as the Group's Senior Independent Director, the Company is in compliance with the UK Listing Rules target that at least one senior Board position is held by a woman. This evidences the Group's continued direction of travel in terms of promoting gender diversity at the Board level. As at the date of publication, we have not met the FCA target as stated in UKLR 6.6.6R(9) that at least one member of the Board should come from an ethnic minority background (read more in the Nominations Committee report on page 60).

As we explain in the Nominations Committee report on page 60, the Board is committed to working on NED succession planning over the next year and we are hopeful that this will improve the level of gender and ethnic diversity on our Board in the future. A core element of our approach to diversity is based around the wide range of experience that our Board members bring to the decision-making process, as well as their capability in sectors that are close to TT's business operations. It is my view that this wealth of expertise, together with the honest, open and collegiate way in which the Board operates, lies at the heart of how we operate as a collective group in progressing TT's growth agenda.

The Board has maintained a strong focus on stakeholder engagement, in particular in considering and responding to the unsolicited offers made for the Company. Wherever possible, meetings have been held face to face, and with a wide range of important stakeholder groups, including TT staff and senior management, and shareholder representatives, with due consideration given to customers and suppliers.

These key stakeholder events in the 2025 Board schedule included the following:

- Board visits to our Bedlington (UK) and Cleveland (US) sites, to meet senior management and staff working in these business units.
- As part of her induction programme Karina spent one-on-one time with key personnel within the Group's leadership team and time at TT's sites, including Kuantan (Malaysia), with further visits scheduled in 2026.
- Additional NED visits to Barnstaple and Abercynon (UK) and Kuantan (Malaysia).
- Various face-to-face sessions were conducted by the NEDs throughout the year with site leaders and divisional/functional heads to discuss business dynamics and operational challenges (through Board dinners and ad hoc meetings).
- Face-to-face dialogue was held with key advisers (including TT's brokers and financial advisers) on key areas of strategic planning and investor relations, together with targeted engagement with investors involving (at separate times) the Chair, CEO and CFO (see page 37 for more detail).
- As part of the annual Board cycle, the Chair met with a number of shareholders who accepted his invitation to discuss TT's business; this process was supplemented by additional shareholder meetings to discuss the market and operational developments in the second half of the year.

The Board believes that these meetings have been important in setting the Group's strategic direction, across various regions (with different cultural approaches), reflecting factors such as cost inflation pressures, geopolitical challenges and staff retention/hiring considerations, without losing sight of TT's corporate purpose. Some examples of how these factors have impacted the Board's decision-making in 2024 are set out in the "Stakeholder engagement" section (on page 35) and elsewhere throughout the Strategic report.

UK Corporate Governance Code compliance

TT is committed to achieving and maintaining the highest standards of corporate governance. Throughout the year, the Group was compliant with all of the relevant provisions of the Code. The Code is available to view at the website of the FRC, www.frc.org.uk. The table on page 46 sets out where details and explanations of the application of the principles of corporate governance can be found in this Annual Report.

Conclusion

During a year of executive leadership transition and renewed external interest in the Group, the Group's strong corporate culture and the resourcefulness of its people continues to demonstrate the Group's ability to adapt and evolve. That evolution is ongoing, through the strategic changes being implemented by our CEO with Board oversight. In 2026 the Board will continue to play a proactive role in building upon our strong corporate culture, and our business fundamentals, to deliver future growth.

COMPANY PURPOSE, STRATEGY AND VALUES

The Board's main role is to provide oversight and leadership of the Group, to determine and ensure the implementation of the Group's strategy, and to maintain the highest standards of corporate governance. Underpinning these aspects of the Board's responsibilities lies the principal aim of ensuring the sustainable, long-term success of the Company.

The Board understands the relationship between the Company's purpose, strategy and values and their importance to the long-term success of the Group. The Board oversees and monitors our culture to enable the Board to be satisfied that it aligns with the Group's purpose, values and strategy and is reflected consistently in our workplace policies and practices.

LEADERSHIP STRUCTURE

During 2025, with the change in leadership in April 2025, the governance framework was re-structured to create a clearer, more streamlined line of reporting. The Executive Leadership Team was replaced by the Executive Committee. The Executive Committee was expanded compared to the previous Executive Leadership Team and comprises of the CEO, CFO, EVP HR, General Counsel & Company Secretary together with each of the regional EVPs, with collective responsibility monitoring and driving delivery of the Group's strategy.

The Senior Leadership Team constitutes the Executive Committee, together with site and specific functional leads, with the remit to review and discuss strategic and operational matters, and to aid onward information sharing. The Governance & Risk Committee is responsible for compliance with regulatory requirements, policy-setting, identifying and creating a framework for the Company's internal audit and risks and managing Business Continuity Plans.

During 2025 sustainability and climate-related activities were managed by the Group Head of Sustainability who is responsible for setting policies and procedures, ensuring best practice and regulatory compliance and reporting to internal and external stakeholders as well as developing actions and frameworks to inform TT's strategic planning process. Health and Safety and Environment ("HSE") activities were managed and overseen by the Group Head of HSE, their work monitors statutory compliance, the development of HSE management systems and tools, reporting on HSE performance and evaluating risks relating to the Company's activities. The Executive Committee and the Board received reports and updates on Sustainability and HSE throughout the year.

Read more about our people on page 20

The Company's Purpose statement is:
To engineer and manufacture electronics solutions that enable a safer, healthier and more sustainable world.

The Board considers that this Purpose is an appropriate reflection of the Group's culture, strategic direction and impact on the world.

RELATIONSHIP BETWEEN PURPOSE, STRATEGY AND VALUES

WHY?

Our corporate **Purpose** describes **why we do what we do** and aligns the whole of the Company.

WHAT?

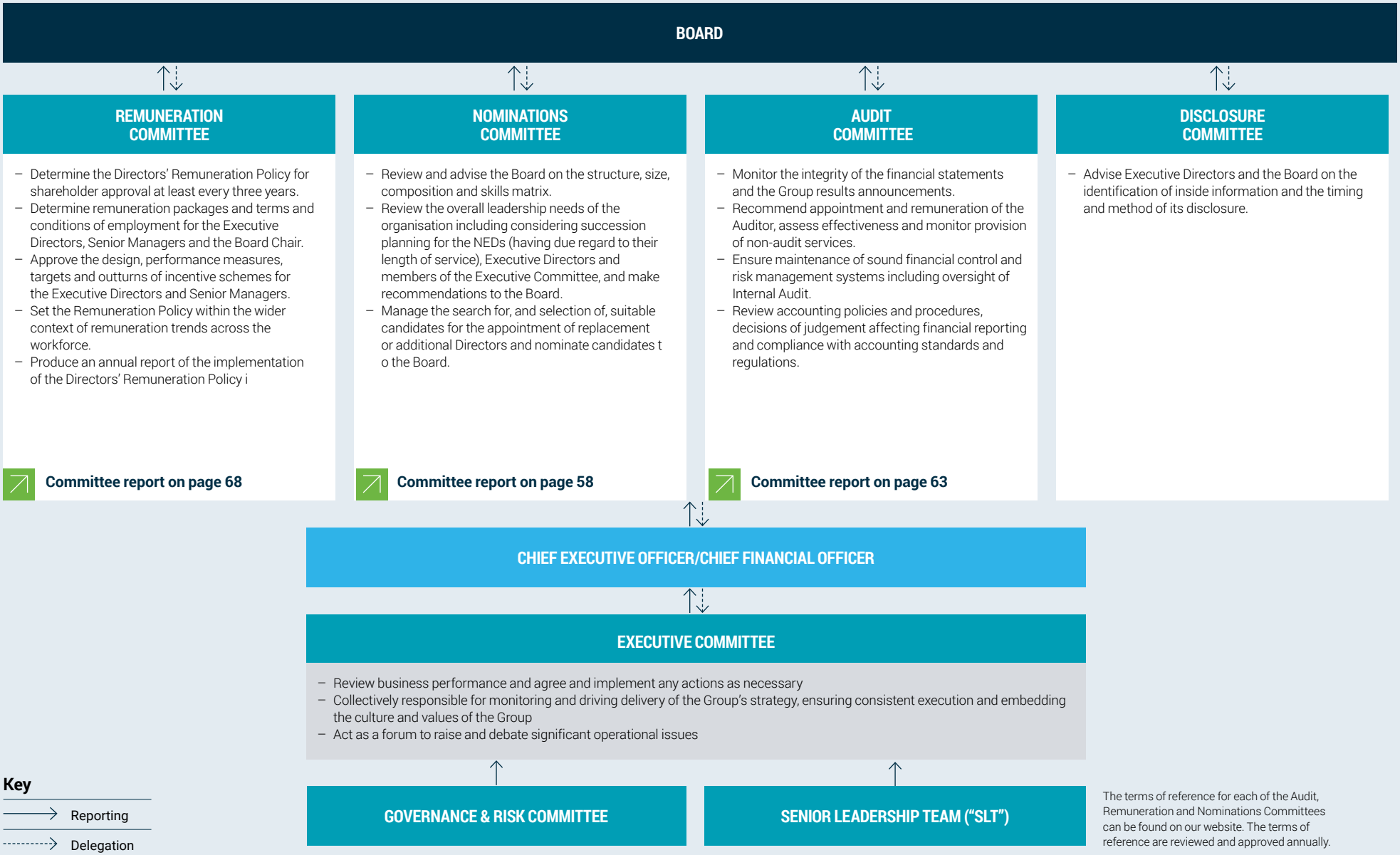
Our **strategy** defines **what we do** for both our employees and our wider stakeholders. The Company's strategy is clearly defined and regularly reviewed by the Board. The multi-year strategic plan is discussed in detail and is approved annually, based on the Company's activities; its progress on delivering strategic priorities; and challenges identified within the business and in the wider macroeconomic and geopolitical environment.

HOW?

The Company's **values**, culture and behaviours drive **how we execute our relationships** with internal and external stakeholders and our **strategic vision**. Our TT Way values (see page 44) describe our culture and set out how we expect our employees, from the top down, to conduct business and act with integrity, transparency and professionalism.

Good governance sets the tone for the culture of TT. The Board and Executive Directors strive to promote an atmosphere of openness and trust throughout the Group.

LEADERSHIP STRUCTURE



The terms of reference for each of the Audit, Remuneration and Nominations Committees can be found on our website. The terms of reference are reviewed and approved annually.

LEADERSHIP AND COMPANY PURPOSE

BOARD ACTIVITIES & KEY DECISIONS

During the year, in addition to standing items on the agenda, the Board discussed and implemented the following business items. The stakeholder groups considered in the decision-making process are identified for each area.

STRATEGY

Key decisions
- Recommended offer from Cicor Technologies Ltd (read more on page 49)
- Review and approve closure plan of the Plano (US) site
- Cleveland (US) site operational improvement plan (read more on page 50)
- Components business strategic review (read more on page 50)
- Strategic planning for future growth
- Oversight of engineering, technology and product roadmaps

Stakeholders considered
- Our people, customers & suppliers, investors

PEOPLE

Key decisions
- CEO and CFO changes and transition processes (read more on page 49)
- Induction programme for new NED
- Recruitment and retention processes and succession planning
- Direct employee engagement sessions with the Board in Cleveland (US) and Bedlington (UK)

Stakeholders considered
- Our people, customers & suppliers, investors

FINANCIAL

Key decisions
- Deep dive review of inventory management
- Cost efficiency planning
- 2026 budget review
- Improving financial reporting from site level to Group Executive Committee
- Regular review of existing and emerging financial risks
- Tax/Treasury reviews
- CFO appointment and transition

Stakeholders considered
- Our people, customers & suppliers, investors

ESG/ENGAGEMENT

Key decisions
- Project Lighthouse – controls framework reforms
- Investor engagement on bid defence and CEO change
- Sustainability planning and progress (including continued development of our Net Zero journey)
- Site visits: Bedlington (UK) and Cleveland (US) (aligned with scheduled Board meetings) and other ad hoc visits for individual Board members (see page 50)
- Investor feedback on financial results

Stakeholders considered
- Our people, investors, society

OPERATIONS

Key decisions
- Plano site closure
- Cleveland improvement plan
- Customer engagement and improving customer relationships and service
- Board-level CRM, Marketing and Net Promoter Score review
- Contract wins and commercial bids reported at each meeting
- Overview of supply chain resilience
- Overview of site-specific operational performance
- Global geopolitical events

Stakeholders considered
- Our people, customers & suppliers, investors

BOARD OVERSIGHT OF CULTURE MATTERS
OUR TT WAY VALUES

WE DO THE RIGHT THING

From ethics within our workforce and safety matters, to consideration of our wider impact on the environment and our communities, we pride ourselves on doing the right thing and encourage others to do the same. Our customers benefit from our focus on providing cleaner, smarter and healthier solutions to technology challenges.

- Statement of Values and Business Ethics Code
- Whistle-blowing reports
- Safety metrics
- Integration of ESG and sustainability matters into decision-making and business practices
- Net Zero Scope 1 & 2 target by 2030 and other environmental impact reduction work
- Anti-bribery and corruption policies
- Modern Slavery Policy
- Global supplier standards for corporate and social responsibilities
- Gender Pay Gap reports
- ED&I Policy

WE BRING OUT THE BEST IN EACH OTHER

Our people are our greatest asset. We know that supporting development, promoting wellbeing, ED&I and collaborating with our colleagues leads to better performance for our people and our business.

- Leadership programmes and conferences
- Succession planning/talent reviews
- Remuneration schemes and employee benefits
- Cross-divisional working and information sharing
- Workforce engagement on remuneration

WE ACHIEVE MORE TOGETHER

Throughout the business, our people are encouraged to share their ideas and feedback to improve the way we work. Our culture of openness and transparency is demonstrated through the reporting systems we have in place and the two-way conversations we have with our employees, our customers and our suppliers.

- Best practice sharing across the Group
- Ensuring transparency in reporting systems
- Site-specific pulse surveys
- Voice of the Customer surveys
- Board engagement directly with employees throughout the year
- Continuous improvement employee ideas

WE CHAMPION EXPERTISE

Our talented team of design, engineering and manufacturing experts operates in a supportive culture that champions knowledge, skills, innovation, problem-solving and service. We cannot achieve our purpose without passionate support for technical expertise in the business – from R&D and manufacturing to marketing and sales.

- Focus on capabilities – power, connectivity, sensing, and manufacturing and engineering
- R&D investment as a percentage of sales target
- Review of product roadmaps
- BE Inspired awards for individual achievements
- Focus on training, STEM and=apprenticeship initiatives

WE GET THE JOB DONE... WELL

TT's performance outcomes are an indicator of getting the job done, but our success is based on a culture of pride within our organisation to do the best job we can. From the boardroom to our manufacturing sites, decision-making is based on achieving the best results the TT Way.

- Strategic decisions for long-term success
- Strong capital discipline and financing to ensure continued availability of funds to invest in the business
- Continual site rationalisation reviews
- Improved asset and product roadmaps
- Customer feedback and Voice of Customer surveys

BOARD ACTIONS

The Board is active in establishing, embedding and maintaining culture. The Board sets the tone from the top embodied in the 'TT Way' values set out above. Translated into the everyday actions through the Board's interactions with the wider business team and oversight of the Executive Directors. Informing the risk appetite and degree of risk mitigation undertaken (see page 38). Guiding the positive impact the business has on its people, communities and environment (see page 19). Monitored via actions including the Audit Committee receiving reports from the Whistleblowing hotline and updates to the Board received from the EVP HR.

"What sets us apart isn't just what we achieve, but how we achieve it. Our values shape our decisions, our behaviours, and our impact — creating a culture where we build a business that is resilient, responsible, and ready for the future."

Viki Matthews
EVP Human Resources

LEADERSHIP

The Board

Subject to the Company's Articles of Association, UK legislation and any directions given by special resolution, the Board manages the Company's business. The Board has reserved certain specific matters to itself for decision. These include strategic development; financial policy/reporting; internal control and capital structure (including tax and treasury matters); policy relating to acquisitions and disposals; contracts exceeding certain thresholds; and corporate governance matters (including non-financial policies and appointments/remuneration at a management layer below Board level).

The Board appoints its members, and those of its principal Committees, having received the recommendations of the Nominations Committee. It also reviews recommendations of the Board Committees and the financial performance and operation of the Group's businesses. It regularly reviews the identification, evaluation and management of the principal risks faced by the Group, including emerging risks, and the effectiveness of the Group's system of internal control as set out on pages 63 to 67. Board and Committee meetings are scheduled in line with the Company's financial calendar, thereby ensuring that the latest operating data is available for review and sufficient time and focus can be given to matters under consideration. During the year, there were eight principal Board meetings on scheduled dates, for which full notice was given. A large number of additional meetings were held in the year to address performance, trading updates, site performance challenges and bid defences. The Board has held two principal meetings to date during 2026. The NEDs regularly meet, without the Executive Directors present, as a standing agenda item.

The main events in the Board calendar are the approval of the half-year and full-year results, the Board site visits, the review of the multi-year strategic plan and the approval of the budget towards the end of the year. At each meeting during 2025 the Board discussed strategic issues (principally focused on organisational restructuring, financial performance from site-level to Group-level, operational restructuring, opportunity pipeline and climate-related risks and opportunities) together with operational, financial, human resources, IT security, HSE and sustainability, legal, governance and investor relations items.

The Directors reviewed, throughout the year, the opportunities and risks to the future success of the business by receiving and discussing information from both internal and external sources regarding the issues affecting the business, the wider industry and the macroeconomic/geopolitical environment. The non-standard areas of focus for the Board in 2025 are shown on page 49.

Leadership structure

Details of TT's Board of Directors are set out on pages 47 to 48 of this report. The leadership structure chart on page 52 provides further information on how leadership at the Board level is discharged. Most importantly, the Board comprises a majority of independent NEDs, with the division of responsibilities between the Chair and Chief Executive Officer having been clearly articulated. The Board believes that its composition, the structure of its principal Committees and the processes it has in place to discharge its primary areas of responsibility, meet the requirements of "Board Leadership" and "Composition" under the Code.

The Board has established a number of Committees, each with its own delegated authority defined in terms of reference. The Board reviews these terms periodically (the last occasion being in December 2025) and receives reports and copies of minutes of Committee meetings. The Board appoints the members of all principal Board Committees, having received the recommendations of the Nominations Committee.

For the purposes of engagement with the workforce under the Code, the Board has continued the method of engagement adopted in 2024. The Board believes that all NEDs should have responsibility for employee engagement to maximise overall engagement and exposure.

All members of the Board engage directly with the workforce through site visits and a rotation of live employee engagement sessions at different sites throughout the year. The Board considers this arrangement to be effective because it allows every Board member to participate, rather than channelling engagement through a single Director, enabling insights and engagement to occur collectively and giving more members of the Board access to direct engagement activities with our employees. The Board receives a report summarising engagement feedback and outcomes from the Board engagement sessions.

The ESG reporting structure was restructured in 2025, to ensure those with responsibility for ESG have regular access to the Executive Committee to align on strategy and actions. The Governance & Risk Committee was given greater emphasis to assist with its focus on responding to the material controls requirement implemented under the revised UK Corporate Governance Code.

Additionally, the Board directly received regular updates from the:

- EVP HR whose role is to: initiate, monitor and regularly review employee engagement activities across all sites; manage the format and process of Board engagement with employees; monitor and assess the Company culture and how it is being reflected in employees' actions and behaviour from the top down, and to keep the Board is fully informed of the voice of the employee. More information on our employee engagement activities is provided on page 50 and sustainability initiatives, including climate-related risk are described from page 23;
- Sustainability Director on sustainability progress and initiatives including climate-related risks; and
- Global Director Health, Safety & Environment on all matters relating to health and safety and the environment including relevant metrics.

DIVISION OF RESPONSIBILITIES

Chair, Chief Executive Officer and Senior Independent Director
The division of responsibilities between the Chair and the Chief Executive Officer has been defined, formalised in writing and approved by the Board:

ROLES AND RESPONSIBILITIES

Chair	Chief Executive Officer	Senior Independent Director
Maintains responsibility for: – The leadership and effectiveness of the Board and for setting its agenda – Ensuring all Directors receive accurate, timely and clear information on financial, business and corporate matters so they can participate in Board decisions effectively – Facilitating the effective contribution of NEDs – Ensuring constructive relations between Executive and Non-executive Directors – Ensuring effective communication with shareholders – Ensuring the performance of individual Directors, the Board as a whole, and its Committees are evaluated at least once a year	**Maintains responsibility for:** – The operations of the Group – Developing Group objectives and strategy, having regard to the Group's responsibilities to its shareholders, customers, employees and other stakeholders – Successful implementation and achievement of strategies and objectives, as approved by the Board – Managing the Group's risk profile, including its HSE/Sustainability performance – Ensuring the Group's businesses are managed in line with strategy and approved business plans, and complying with applicable legislation and Group policy – Ensuring effective communication with shareholders – Setting Group human resource policies, including management development and succession planning for the senior management team	**Maintains responsibility for:** – Reviewing the performance of the Chair – Providing a sounding board for the Chair on strategic matters/succession planning – Supporting the Board on the delivery of key objectives – Acting as an intermediary for Board members and/or an alternative point of contact for investors (as required)

DIRECTORS' INTERESTS

The table showing the beneficial interests held by Directors of the Company (directly or through their connected persons) at 31 December 2025 is shown in the Remuneration report on pages 89 and 93. The only change to the number of shares held by Directors between 31 December 2025 and 24 March 2026 is the reduction of Warren Tucker's interests to nil.

CONFLICTS OF INTEREST

In accordance with the provisions on conflicts of interest in the Companies Act 2006, the Company has put in place procedures for the disclosure and review of any conflicts, or potential conflicts, of interest Directors may have, and for the authorisation of such conflicts by the Board. All new external appointments taken on by Directors in 2025 were pre-approved by the Board before the effective date of the appointment.

In deciding whether to authorise a conflict or potential conflict, the Directors must have regard to their general duties under the Companies Act 2006. The Board reviews the overall time commitment and responsibilities of any new external appointment for a current Director. The authorisation of any conflict, and the terms of authorisation, may be reviewed at any time and, in accordance with best practice, we conduct an annual review of Director conflicts of interest and external appointments.

APPOINTMENTS TO THE BOARD

Rules for the appointment and replacement of Directors are set out in the Company's Articles of Association. Directors are appointed by the Board on the recommendation of the Nominations Committee. Directors may also be appointed or removed by the Company by ordinary resolution at a general meeting of holders of ordinary shares. The office of a Director shall be vacated if his or her resignation is requested by all the other Directors, not being fewer than three in number. Further details of the activities of the Nominations Committee are set out on page 58.

COMPENSATION FOR LOSS OF OFFICE

There are no agreements between the Company and its Directors or employees providing for compensation for loss of office or employment that occurs as a result of a takeover bid except that provisions of the Company's share plans may cause options and awards granted under such schemes to vest on takeover, subject to the satisfaction of any performance conditions. Further details of the Executive Directors' service contracts can be found in the Directors' Remuneration Policy. Copies of the Executive Directors' service contracts and letters of appointment of the NEDs are available for inspection by any person at the Company's registered office, during normal business hours on any weekday (other than public holidays) and at the AGM from 15 minutes before the start of the AGM until its conclusion.

BOARD SUPPORT

All Directors have access to the advice and services of the Group General Counsel and the Company Secretary. They are also offered training to fulfil their role as Directors, both on appointment and subsequently. In 2025 there were Board sessions aimed at developing a greater awareness and understanding of our business and stakeholders as well as tailored sessions led by relevant advisers regarding bid defence and directors' responsibilities and liabilities. The Board visited our sites in Bedlington (UK) and Cleveland (US) where they received presentations about site-based operations and completed employee engagement sessions. During the year Inken Braunschmidt visited Barnstaple and Abercynon in the UK, Warren Tucker visited Kuantan, Malaysia and Karina Rigby visited Suzhou, China. There were also update sessions around cybersecurity and the changing legal and regulatory landscape. There is an agreed procedure for any individual Director to take independent professional advice at the Company's expense if they consider it necessary.

The Group maintains Directors' and Officers' Liability insurance. The Directors of the Company also benefit from a qualifying third party indemnity provision in accordance with Section 234 of the Companies Act 2006 and the Company's Articles of Association. The Company has provided a pension scheme indemnity within the meaning of Section 235 of the Companies Act 2006 to Directors of associated companies.

Each member of the Board, including the SID, has the right to include items on the Board agenda or the agenda of the Committees they sit on.

RELATIONS WITH SHAREHOLDERS

The list of engagement activities and our relations with shareholders during the year are set out on pages 50 and 35 to 37.

Find our Articles of Association at www.ttelectronics.com/investors/governance

COMPOSITION, SUCCESSION AND EVALUATION

NOMINATIONS COMMITTEE REPORT

MEMBERSHIP

Warren Tucker (Chair)

Inken Braunschmidt

Alison Wood (resigned 30 June 2025)

Anne Thorburn

Michael Ord

Karina Rigby (appointed 1 October 2025)

KEY ACTIVITIES DURING THE YEAR

- CEO transition following 2024 year-end results, leading to the appointment of Eric Lakin first as acting CEO in April 2025 and following a process to explore and benchmark other candidates as CEO in August 2025.
- Recruitment process and appointment of Richard Webb as Interim Group CFO in May 2025.
- NED recruitment process completed, culminating in the appointment of Karina Rigby to the Board in October 2025.
- Ongoing review of the Listing Rules requirements for Board and senior management ED&I targets.
- Succession/recruitment project ongoing with an external agency to consider future NED requirements, factoring in ED&I considerations, NED length of service and the future needs of the business.

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2025 REVIEW

During 2025, the Committee comprised a majority of Independent Non-executive Directors in line with governance principles. The Committee's principal duties include overseeing the identification and evaluation of potential Board and senior executive candidates; reviewing Board composition, diversity and skills; and supporting robust succession planning for Directors and key leadership roles.

The Committee's activities are carried out with access to external search and assessment resources where appropriate and with regard to the Committee's terms of reference and the Board Diversity Policy. The Committee reports to the Board on its deliberations and recommendations.

As announced on 10 April 2025, the Chief Executive Officer, Peter France, stepped down from the Board with immediate effect; and Eric Lakin (previously CFO designate) was appointed Acting Chief Executive Officer and joined the Board as an Executive Director to minimise disruption and ensure continuity and stability at an uncertain time for the Group. The Committee swiftly commenced the process to interview CEO candidates, with external recruitment consultants engaged. Eric Lakin was considered through the same recruitment process as all other candidates. After an extensive search and benchmarking process that considered a strong field of external candidates, the Committee recommended to the Board that Eric was the best person to lead TT forward given his proven leadership skills and the good progress he had made in stabilising the Company since taking over in April 2025. Eric was formally appointed as CEO on 12 August 2025.

Concurrently, the Committee also initiated the search for an interim Chief Financial Officer to replace Mark Hoad who retired on 10 April 2025 (such retirement as previously announced on 14 November 2024). The Committee completed an externally facilitated search and recommended the appointment of Richard Webb as Interim Chief Financial Officer and Executive Director on the Board with effect from 12 May 2025.

The Committee also completed the search for another NED and was pleased to recommend Karina Rigby who brought excellent international experience as well as recent relevant experience in value creation, driving business excellence, growth, manufacturing and transformation. Karina was appointed to the Board on 1 October 2025 as Non-executive Director and a member of the Nominations, Remuneration and Audit Committees. Karina joined the Board for the site visit to Cleveland (US) in September and the Committee engaged in planning Karina's induction programme with the majority of the induction activities being pushed out to 2026 given the Cicor recommended offer during the last quarter of 2025.

As announced on 2 September 2024, Alison Wood stepped down as Independent Non-executive Director and Chair of the Remuneration Committee at the 2025 AGM. The Committee's succession plan had already placed Inken Braunschmidt in line to replace Alison as the Chair of the Remuneration Committee and she smoothly transitioned to this role with effect from the 2025 AGM.

All of the changes above were considered against the backdrop of continued strategic execution and the need to ensure the Board has the right balance of experience, independence and sector insight to support the Group through a period of operational transformation and market challenges.

The Committee notes that the following external agencies were engaged in the recruitment exercises completed in 2025: CEO and CFO – Henrok Consultants; and NED – Lygon. The Committee confirms that here are no connections between TT, its Directors and any of the external agencies that require disclosure in relation to the 2025 recruitment exercises.

The Committee held two scheduled meetings in 2025 (supported by unscheduled meetings to support CEO and CFO transition) at which, in addition to the recruitment exercises described above, the Committee kept under review TT's senior management team (operating at Executive Committee level and a layer below), together with selected members of the wider leadership group.

In addition to the activities referenced above:

- The Committee assessed its performance in 2025 as part of the Board evaluation. It was concluded that the Committee had performed effectively and was structured appropriately to provide effective support to the Board.
- The Committee kept under review ED&I performance, both from a perspective of compliance with LR 9.8.6(9) Board requirements, and in conjunction with the Board through the wider organisation.

Looking forward to 2026, the Committee will:

- **Lead the process for appointing a new Chair of the Board** to succeed Warren Tucker following his planned departure post the 2026 AGM.
- **Continue oversight of executive succession planning**, particularly for senior leadership roles to sustain continuity and capability amid ongoing transformation initiatives.
- **Evaluate Board skills and diversity needs** in light of strategic priorities, including future growth markets and stakeholder expectations.
- **Support governance enhancements** consistent with best practice and emerging regulatory expectations for listed company boards.

During 2025, the Committee has sought to ensure that the Board has the right balance of experience, independence and sector insight to support the Group through a period of operational transformation and market challenges.

EQUALITY, DIVERSITY & INCLUSION ("ED&I")

The Committee continues to review the diversity of the Board and the effectiveness of the Board's composition. Diversity considerations include a range of factors, such as gender, age, ethnicity, geographic and sector experience, and professional background.

As at 31 December 2025 the female composition of our Board is 42.85%, in compliance with the UK Listing Rules target of 40% female representation on listed company boards. Anne Thorburn continues as the Group's Senior Independent Director, in compliance with the UK Listing Rules target that at least one senior Board position is held by a woman. This evidences the Group's continued direction of travel in terms of promoting gender diversity at the Board level. We do, however, recognise that our female representation on our Executive Committee is very low, being only 11% and we are committed to improving the diversity of our Board, Executive Committee and the senior leadership below the Executive Committee level.

TT's stated position on ED&I (together with its Board policy in this area) were key drivers in its approach to the NED, CEO and CFO recruitment. In particular, our appointed external recruitment agent was asked to consider candidates from non-traditional professional and academic backgrounds, whose career history and experience might not typically be aligned with a search process for a UK listed engineering company.

We recognise that as at 31 December 2025, and as at the date of publication, we do not meet the FCA's target (as stated in the UK Listing Rules) that at least one member of the Board should come from an ethnic minority background. The Committee understands the intent behind LR 9.8.6(9) and remains committed to maintaining its focus on increasing the diversity of thinking/decision-making at the Board level, whilst also developing a path to full compliance in the future. The Committee would hope to achieve this as part of future NED recruitment exercises, recognising the fierce competition for talent in this area; however, it is also important to recognise the additional objective of enhancing the Board's diversity of perspective, which means identifying future candidates capable of contributing fully to the Board debate, with experience and capability in sectors that are closely aligned to TT's business operations.

Numerical data on the gender diversity and ethnic representation of the Board and senior management, as at 31 December 2025, is set out in the table on page 61. Each member of the Board and the Executive Committee submitted a completed questionnaire to enable us to gather the numerical data required.

A Board-level diversity policy (which also applies to Board Committees) was adopted in 2022, which requires the Committee to have regard to issues such as culture and diversity when reviewing recruitment practices and succession planning. This ED&I Board policy assists the Committee in overseeing a diverse pipeline for senior management and Board positions.

At all times during 2025, the Committee has sought to ensure that the Board is balanced and effective, with diverse skills, knowledge and experience, as highlighted in the Directors' biographies on pages 47 to 48. The Committee attaches a high degree of importance to diversity at all levels across the Group and is committed to recruiting the best talent available, based on merit, and assessed against an objective criteria of skills, knowledge, independence and experience. We do not advocate a forced approach to diversity at any level of the organisation.

For more detail on TT's approach to ED&I across the organisation, see page 20 of the "People and culture" section.

BOARD COMPOSITION

Warren Tucker (Chair), Eric Lakin (CEO), Anne Thorburn (SID), Inken Braunschmidt and Michael Ord (NEDs) were continuously in place as members of the Board throughout 2025, with Richard Webb (Interim CFO) and Karina Rigby (NED) joining on 12 May 2025 and 1 October 2025 respectively. We provide full details of each Director's Board and Committee meeting attendance on page 46 and Directors' biographies, including the Committees they serve on and chair, which can be found on pages 47 to 48.

At the time of his appointment as Chair, Warren Tucker was considered to be independent in accordance with the provisions of the Code. All the remaining NEDs are also considered to be independent as defined by the Code.

In accordance with the Company's Articles of Association and the Code, Directors must offer themselves for re-election at the forthcoming AGM. This practice will continue in the future, to ensure compliance with the requirements of the Code and the Company's Articles of Association. Following formal performance evaluation, the Board has concluded that the performance of each Director continues to be effective and to demonstrate commitment to the role. The Notice of AGM will set out details of the key areas of contribution made by each of the Directors in providing leadership to the Company.

Read more about Board and Committee performance evaluation on page 61

BOARD DIVERSITY – GENDER AND ETHNICITY

	TT Electronics plc Board of Directors		Senior positions	Executive Management (defined as Executive Committee)	
	Number of Board Members	% of Board members	Number of senior positions on the Board (CEO, CFO, SID & Chair)	Number in Executive Committee	% of Executive Committee
Men	4	57.1%	3	7	87.5%
Women	3	42.9%	1	1	12.5%
Other/Not specified/Prefer not to say	–	–	–	–	–

	TT Electronics plc Board of Directors		Senior positions	Executive Management (defined as Executive Committee)	
	Number of Board Members	% of Board members	Number of senior positions on the Board (CEO, CFO, SID & Chair)	Number in Executive Committee	% of Executive Committee
White British or other White (including minority-white groups)	7	100%	4	8	100%
Mixed/Multiple ethnic groups	–	–	–	–	–
Asian/Asian British	–	–	–	–	–
Black/African/Caribbean/Black British	–	–	–	–	–
Other ethnic group	–	–	–	–	–
Not specified/ prefer not to say	–	–	–	–	–

The Group has selected 31 December 2025 as the reference date for the data provided above. The CEO and CFO are included in the Board and Executive Management.

BOARD AND COMMITTEE PERFORMANCE EVALUATION

In accordance with the Code, the Board has conducted an evaluation of its performance and that of its principal Committees during 2025.

Following the external evaluation exercise conducted for the 2024 reporting period, the Board decided to undertake an internal assessment for the 2025 reporting period. The Chairman supported by the Company Secretary created a set of questions and discussion points which formed the basis for interviews they then conducted with each member of the Board individually. The results were then summarised and shared with the Board to form the basis for further Board discussion on Board performance.

The 2025 evaluation exercise once again reinforced the positive working dynamics at Board level, with the CEO transition and interim CFO transition together with the appointment of a the Non-executive Director strengthening Board performance. It was noted that the Board had acted unanimously and decisively in rejecting a number of unsolicited proposals which undervalued the Company during 2025, ultimately leading to the unanimous recommendation of Cicor's Offer which was put to forward to shareholders.

The 2025 evaluation exercise concluded that the Board had been effective in discharging its responsibilities throughout the year and operated as a high-performing team, in an environment of openness, transparency and trust. In particular, it was noted that:

- The Board exhibited a positive and resilient culture characterised by openness, collaboration, willingness to contribute, willingness to take tough decisions and constructive challenge.
- The NEDs were seen as being appropriately challenging on key issues (bringing the benefit of their respective experience and knowledge), with the appointment of a new NED (Karina Rigby) bringing additional expertise on value creation, business excellence and transformation. Likewise, the Executive team was regarded as transparent and collegiate. The importance of maintaining TT's unique and positive culture was very much understood and promoted by the Board

"The evaluation exercise highlighted the broad range of talents, skills and experience within the Board, with Board relationships described as productive, professional and appropriately challenging."

Warren Tucker
Chair, Nominations Committee

- .Key positives for 2025 included: (i) managing the successful CEO transition and interim CFO transition (coupled with the appointment of an additional NED); (ii) the Board having navigated such transitions while minimising disruption to the business; (iii) the Board's continued focus on key strategic topics, including the Cleveland site improvements; and (iv) the timely progression of Cicor's Offer to a shareholder vote whilst maintaining business focus on the delivery of the 2025 plan coupled with building order intake for 2026 and beyond.
- The Board composition was seen as having the right mix of skills and experience, including operational, financial, and compliance expertise. The addition of Karina was seen as a positive addition to enhance market and customer insights.

In summary, the Board concluded from the evaluation exercise that it (and its Committees) had performed well in 2025 and that the performance of each Director was effective.

Discussion points and areas of focus
The 2025 evaluation exercise highlighted several developmental areas for further consideration, which included the following:

- The Board recognised the need to ensure that operational execution remained at the centre of its thinking which would be assisted through the businesses' reorganisation to a divisional structure. of Power, EMS and Components, which better aligned the business to its customers, markets and operations.
- The Board recognised the need to ensure that strategic planning for the future remained a focus area, including the review of possible discontinuities in our markets and strategic risk analysis.
- The Board noted the importance of driving a performance culture throughout the business which would be a focus of the Executive Directors, with the reorganisation to a divisional structure additionally enabling clearer reporting lines.

Having considered these issues in detail, the overall outcome of TT's evaluation exercise was that the Board was operating in an effective manner and that the structure of the Board remained fit for purpose, given the diversity of experience, approach, mindset and thinking around the Board table. The Board also agreed that this outcome had been observed across the Board Committees, each of which had been well chaired in year.

DIRECTORS' PERFORMANCE EVALUATION

In accordance with the Code, the performance of individual Directors was evaluated during 2025.

For the NEDs, the output from a private meeting held between the Chair and the Executive Directors formed the basis for individual appraisals held by the Chair with each NED. This also provided an opportunity to discuss any issues which had arisen from either their individual assessments or those of the Board and its principal Committees. For the Chair's performance, the other NEDs, led by the Senior Independent Director, and, with input from the Chief Executive Officer and Chief Financial Officer, held meetings privately to discuss this, with the outcomes being fed back to the Chair by the Senior Independent Director for discussion.

Annually we set each Executive Director challenging performance objectives, and reviewed progress against these as the year progressed.

Both of the Executive Directors take part in the Group's performance management programme which, together with a review of progress against agreed goals and objectives, is used to assess performance and to set clear objectives and developmental plans for the following year (which are closely aligned with the Group's strategic priorities and values). The Chief Executive Officer meets with the Chief Financial Officer to discuss and review performance against objectives.

The Chair conducted the performance evaluation of the Chief Executive Officer, taking account of the output from the Group's performance management programme together with feedback provided by the other NEDs at a private meeting held to discuss this and any other matters which the NEDs wished to raise.

Warren Tucker
Chair, Nominations Committee
24 March 2026

AUDIT, RISK AND INTERNAL CONTROL

AUDIT COMMITTEE REPORT

MEMBERSHIP

Anne Thorburn (Chair)

Michael Ord

Alison Wood (resigned 30 June 2025)

Inken Braunschmidt

Karina Rigby (appointed 1 October 2025)

KEY ACTIVITIES DURING THE YEAR

- Key areas of accounting judgement considered in detail, including: (i) going concern and viability; (ii) goodwill and the annual impairment review; (iii) consideration of items excluded from adjusted profit; and (iv) Group tax rates and provisions.
- Performance assessment of the external Auditor and overall audit quality and effectiveness, identifying areas of potential improvement for the audit teams.
- Detailed consideration of findings from the risk/assurance reviews undertaken by the Internal Audit function, including structuring the 2026 programme to align with key Group-level risks.
- Preparation for Provision 29 of the UK Corporate Governance Code through a comprehensive gap analysis to ensure that our material controls sufficiently and appropriately address the Group's principal risks.

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PROCEDURAL AND GOVERNANCE MATTERS

Meetings of the Committee are structured on the following basis:

- The CFO, the Group Financial Controller, the Company Secretary and external and internal auditor representatives attend each Committee meeting, at which they present reports and provide analysis on key areas within the remit of the Committee. At the request of the Committee, other members of the Board (including the Chair and the CEO) also attend for part of the scheduled Committee meetings.
- The Head of Internal Audit & Risk presents on the progress of the internal audit plan (undertaken in conjunction with PwC under the co-sourced partnering arrangement) and provides updates on the Group's risk management framework, to allow members to review principal risks and the effectiveness of risk management processes.
- The Committee meets with the Auditor on a regular basis, without Executives being present. The Committee also has the opportunity to meet with the Internal Audit function on the same basis.

In relation to Governance considerations:

- The Committee Chair, Anne Thorburn, fulfils the Code requirement of at least one member of the Committee having recent and relevant financial experience (as a former CFO of several listed companies and as prior audit committee chair of Diploma PLC).
- The Committee was comprised of four independent NEDs throughout the year, except for the period following Alison Wood's resignation until 30 September 2025 during which time there were three independent NEDs.
- The Committee assessed its performance in 2025 as part of the Board evaluation, further details of which are provided on page 61. It was concluded that the Committee had performed satisfactorily in the year and was structured appropriately to provide effective support to the Board.

2025 REVIEW

The Committee held five scheduled meetings during 2025. A summary of the key financial reporting and judgement issues considered by the Committee in 2025 is set out in the table on page 66.

The key activities for the Committee in 2025 are set out on page 67. The following specific audit matters were considered by the Committee for the reporting period: (i) consideration of items excluded from adjusted profit; (ii) goodwill and the asset impairment review; (iii) Group tax rates and provisioning (with the Committee concluding that, as a result of processes first adopted in 2021, the level of judgemental analysis applied in this area for the current year had been significantly reduced); and (iv) the going concern and viability position for the Group (reflecting current year trading, the US PP arrangement and the Amendment and Restatement Agreement signed in March 2026 extending the RCF to June 2028.

The Committee also assessed the outputs of the internal audit reviews conducted during 2025, which are undertaken: (i) on a site-specific basis (with the target of reviewing each principal TT site at least once every three years, or two years for sites generating revenues in excess of £50 million per annum on a risk assessed basis); and (ii) for targeted functional areas; for 2025 these functional reviews included Treasury, Cyber Security and Starters, Leavers and Movers.

Preparation for Provision 29 of the UK Corporate Governance Code

In preparation for the UK Corporate Governance Code changes the project team, mobilised in 2024, has performed a comprehensive gap analysis to ensure that our material controls sufficiently and appropriately address the Group's principal risks.

Board engagement, led by our CEO as project sponsor, remains strong with regular progress updates provided to both the Governance & Risk Committee and the Audit Committee for oversight.

The material controls have been documented and a robust testing approach is in place to evaluate their design and operating effectiveness throughout 2026. The project team will continue to report on testing status and progress throughout the year and there remains clear action plans in place to ensure we meet the revised requirements.

FRC audit quality review

During 2025, the Committee was made aware that the FRC's Audit Quality Review Team ("AQRT") would be reviewing Deloitte's audit of the Group's 2024 financial statements as part of its annual inspection of audit firms. The Committee received and reviewed the final report from the FRC in November 2025, which noted only limited improvements required, and discussed the findings with Deloitte's new lead audit partner. The Committee was satisfied that the matters raised by the AQRT were appropriately incorporated into the 2025 external audit plan.

FRC letter

In October 2025, the Company received a letter from the FRC advising that it had conducted a limited scope review of the Company's 2024 Annual Report and Accounts in accordance with the FRC Corporate Reporting Review Operating Procedures. The Company was selected as part of its thematic review of share-based payment disclosures for a sample of annual reports and accounts. The FRC's letter provided no assurance that the Annual Report and Accounts were correct in all material respects; the FRC's role being not to verify the information provided to it but to consider compliance with reporting requirements. The letter confirmed that based on its review, there were no questions or queries that the FRC wished to raise.

External auditor

Following the last tender process in 2019, Deloitte LLP was appointed as auditor of the Company in 2020. Robert Knight became the lead audit partner for the year ended 31 December 2020. After five years in the role, after his mandatory rotation period, Robert stepped down as the lead audit partner at Deloitte on the conclusion of the audit for the year ended 31 December 2024. We thank Robert for his conduct of the audit during his tenure. He has been replaced by Edward Hanson. The selection process for the new lead audit partner commenced in 2024 and was designed to identify the best qualified partner for the

role, to ensure audit quality. A shortlist of candidates was identified and interviewed by the Chair of the Audit Committee and the Chief Financial Officer. The final selection was based on feedback from those interviews as well as an assessment of the candidates' experience and expertise. To ensure Edward has a full understanding of our business, he attended the Committee meetings in May, September and November 2025 and met with members of senior management. We look forward to working with Edward, who has extensive experience of working with global UK listed corporates, and who we believe will continue to ensure the quality of the audit.

Risk assessment

During 2025, the Governance & Risk Committee continued to conduct a detailed review of possible emerging risks (in consultation with the Internal Audit function), which were not currently addressed in the Group risk register but could have application in the future to an international business operating in TT's sector. This review was undertaken in support of preparation for Provision 29 implementation. The outputs of this analysis were discussed further at both the Board and Audit Committee level, which included a review of the risk appetite. For further details of the Board's approach to assessing the Group's risk appetite, see pages 38 to 43.

FAIR, BALANCED AND UNDERSTANDABLE

In accordance with the Code, the Board requested the Committee to advise it on whether it believed the Group's Annual Report, taken as a whole, is fair, balanced and understandable, and provides the information necessary for shareholders to assess the Company's position and performance, business model and strategic plan. Procedures are in place to facilitate the appropriate and timely review of the drafts of the Annual Report and specifically to highlight evidence of a fair and balanced representation, which supports input and challenge from all independent NEDs, the external Auditor and other external advisers. On careful review of the Annual Report for the year ended 31 December 2025, and the basis for the statement made by the Board on "Fair, balanced and understandable" on page 98, the Audit Committee recommended to the Board that, taken as a whole, the Annual Report is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's position and performance, business model and strategic plan.

AUDITOR'S INDEPENDENCE, OBJECTIVITY AND EFFECTIVENESS

The Audit Committee assesses the independence of the Auditor annually to ensure suitable policies and procedures are in place to safeguard the Auditor's independence and objectivity. No concerns were identified with respect to the independence of the external Auditor. In addition, Deloitte has provided a statement to the Committee confirming it remains independent within the meaning of the relevant regulations and in accordance with its professional standards.

The Committee also assessed the quality and effectiveness of the audit programme through engagement with Deloitte, both during Committee meetings and through ongoing dialogue with the lead audit partner. Additionally, management provides an annual report to the Committee evaluating the audit's effectiveness, based on feedback gathered from local site leads and other internal stakeholders via a structured questionnaire. Any issues identified are discussed by the Committee and incorporated into future audit planning.

POLICY OF NON-AUDIT SERVICES

The Company has an established policy regarding the provision of non-audit services by the external Auditor, which was last refreshed in 2021. This policy provides that non-audit services may be obtained from the most appropriate source, having regard to expertise, availability, knowledge and cost as confirmation that they comply with the whitelist of permitted services as set out in the Revised Ethical standard 2019. Non-audit services where fees are expected to exceed £25,000 should be approved, in advance, by the Chair of the Audit Committee or, in her absence, by another member of the Audit Committee. Any arrangement with the Auditor that includes contingent fee arrangements is not permitted. There is also a restriction that fees for non-audit services will not exceed 50% of the annual audit fee which is more stringent than the FRC imposed cap of 70% of the average audit fees paid for the audit of the parent and its controlled subsidiaries in the last three years. This limit will only be exceeded in unusual circumstances and only with the pre-approval of the Audit Committee. The overriding preference of the Committee is not to engage the Auditor for additional non-assurance services, unless there are compelling reasons to the contrary, such as capability, time or cost.

In 2025, the total audit fees paid to Deloitte were £2.1 million, with no non-audit services provided.

SIGNIFICANT ISSUES CONSIDERED IN RELATION TO THE FINANCIAL STATEMENTS

The key areas of judgement and estimation are outlined in the accounting policies on pages 119 to 124. The Committee reviewed reports from management and the external Auditor detailing significant issues related to the 2025 financial statements, as noted on page 66. These matters were discussed with management throughout the year and with the external Auditor during key stages: when reviewing and approving the external Auditor's Group audit plan, during the interim audit work completed during the second half of 2025, and upon completion of the audit.

The Committee is satisfied that the significant assumptions used in valuing assets and liabilities have been thoroughly examined and appropriately challenged, ensuring their robustness. Management has confirmed to the Committee that there are no material uncorrected misstatements or intentionally made immaterial misstatements designed to achieve a specific presentation. The Committee also confirms its satisfaction with the external Auditor's diligence and application of professional scepticism.

After reviewing management's presentations and reports and consulting with the Auditor where necessary, the Audit Committee concluded that the financial statements adequately address critical judgements and key estimates, both in terms of reported amounts and related disclosures.

Read more about Significant issues on page 66

SIGNIFICANT ISSUES

SIGNIFICANT ISSUE	COMMITTEE ACTIONS/WORK UNDERTAKEN
Going concern and viability (see note 1d) The Committee considered the outcome of management's reviews of current and forecast net debt positions and the various financing facilities and options available to the Group, including the risk and potential impact of unforeseen events. In addition, this considered the covenant arrangements associated with the borrowings of the Group and the extension of the RCF to June 2028.	The Committee reviewed the going concern and viability assessment based upon the 2026 budget and the strategic plan to 2028. The Committee confirmed that the application of the going concern basis for the preparation of the financial statements continued to be appropriate. In consideration of this, the Committee took into account the material uncertainty over going concern that was disclosed in the 2024 financial statements. This arose in part due to emerging geopolitical and macroeconomic risks, including uncertainty from the evolving US tariff regime. As the tariff position has now settled, there has been a significant reduction in the Group's borrowings resulting in significant headroom over the covenants throughout the forecast period, and operational challenges have been addressed, the Committee were satisfied there are no material uncertainties in relation to going concern. As part of the work undertaken as a committee on this area, we understood and considered the work that the external auditors undertook, their areas of challenge, the procedures they performed and the conclusions that they reported and discussed with us. The Auditor agreed with management's conclusion on going concern.
Goodwill and asset impairment review (see notes 12 and 13) Cash generating units ("CGUs") to which goodwill has been allocated are tested for impairment annually and assets are reviewed for impairment, when triggers for review have been identified. The Committee has reviewed management's computation of the present value of future cash flows over a five-year plan and the assumed longer-term growth rate. The review identified that an impairment was required with respect to the goodwill in relation to the North America group of CGUs. Furthermore, an impairment of non-current assets was identified with respect to two sites in the North America region.	The Committee reviewed management's conclusion that an impairment charge for goodwill was required for 2025 with respect to the North American group of CGUs. The Committee noted the basis of preparation for the forecast cash flows included in the five-year plan, challenging management's assumptions and concurring with them. In addition, the Committee considered the impairment of non-current assets in the two sites in the North America region, prepared on the same basis as the goodwill test, and concurred with management's conclusion. As part of the work undertaken as a committee on this area, we understood and considered the work that the external auditors undertook, their areas of challenge, the procedures they performed and the conclusions that they reported and discussed with us.
Adjusted profit (see note 6) The Group reports non-trading income or expenditure outside of adjusted profit when the size, nature or function of an item or aggregation of similar items is such that separate presentation is relevant to an understanding of its financial position.	The Committee challenged the items that were excluded from adjusted profit and were satisfied that these were (i) in accordance with the Group's disclosed accounting policy; (ii) were not subject to undue prominence; and (iii) gave a true and fair view of the Group's underlying financial position. In doing so we considered relevant guidance from the FRC and ESMA. As part of the work undertaken as a committee on this area, we understood and considered the work that the external auditors undertook, their areas of challenge, the procedures they performed and the conclusions that they reported and discussed with us.
Provisions – Taxation (see note 7) Current tax provisions held in respect of tax risks are included within current tax liabilities depending on the underlying circumstances of the provision.	Management confirmed to the Committee that the provisions recorded at 31 December 2025 represent its best estimate of the potential financial exposure faced by the Group. The Committee reviewed each significant provision and challenged the basis of management's judgement and concurred with the estimates. This included challenging and confirming the continued appropriateness of policy decisions made in prior years. As part of the work undertaken as a committee on this area, we understood and considered the work that the external auditors undertook, their areas of challenge, the procedures they performed and the conclusions that they reported and discussed with us.

COMMITTEE ACTIVITIES IN 2025

FINANCIAL REPORTING

- Monitored and reviewed the Group's financial statements and results announcements.
- Reviewed significant financial reporting and accounting issues.
- Reviewed going concern and viability statements, including appropriate sensitivity analysis.
- Reviewed the fair, balanced and understandable process for the financial reports.

GOVERNANCE

- Monitored and reviewed implementation of the revised requirements of the UK Corporate Governance Code in respect of material controls.
- Reviewed Terms of Reference.
- Received and considered whistle-blowing matters reported through the Group's multi-lingual, anonymous ethics and integrity portal.
- Undertook an evaluation on the effectiveness of the Committee.

INTERNAL AUDIT AND RISK AND ASSURANCE

- Reviewed the internal audit programme of work and resource and received a report at each meeting on progress and any changes to the plan.
- Reviewed and approved the 2026 internal audit plan.
- Conducted the annual review of the Group's internal audit function.
- The Committee reviewed the effectiveness of the Internal Controls environment through the following activities; review of the Internal Audit reviews agreed to be undertaken during the year, review of the results of the Internal Controls framework self-assessment completed by the first line and the assessment of key control observations and risks as presented during the quarterly Committee meetings. The Committee continues to review the remediation of prior year internal controls findings via the reporting of the Internal Control framework results.
- Ongoing monitoring of the Group's internal controls environment throughout the year, including risk management. For further detail on risk refer to the "Risk management" section on pages 38 to 43.
- Reviewed annual fraud risk assessment.

EXTERNAL AUDIT

- Discussed and approved the external audit plan and audit fee.
- Reviewed external Auditor planned activity.
- Reviewed and confirmed the independence of the external auditor. This was undertaken by the Committee completing the following activities; reviewing any non-audit related fees, assessment of the external auditors challenge and professional scepticism and ensuring the due rotation of the Audit partner.
- Selected and transitioned a new Lead Audit Partner following rotation.
- Assessed and confirmed the quality and effectiveness of the audit. This was undertaken by the Committee completing the following activities; assessment of the Auditor relative to the prior year and through separate meetings held with the Auditor at each Committee meeting without management being present to ensure appropriate rigour and challenge was being applied.
- Reviewed compliance with FRC guidance on minimum audit standards as set out within the activities noted above.
- Reviewed the Audit Quality Review final report.

Anne Thorburn
Chair, Audit Committee
24 March 2026

REMUNERATION COMMITTEE REPORT

MEMBERSHIP

Inken Braunschmidt (Chair since 30 June 2025)

Alison Wood (until 30 June 2025, Chair to that date)

Warren Tucker

Michael Ord

Anne Thorburn

Karina Rigby (appointed 1 October 2025)

KEY ACTIVITIES DURING THE YEAR

- On 10 April 2025, we announced that Peter France had stepped down as CEO and Board Director. Mark Hoad, who in 2024 announced his intention to retire during the 2025 financial year, stepped down from the Board on the same day. In January 2025, we welcomed Eric Lakin as CFO Designate, pending his appointment to the Board. On 10 April 2025, Eric was appointed to the Board as acting CEO and, on 12 August 2025, was appointed as CEO on a permanent basis. On 12 May 2025, Richard Webb joined the Group as Interim CFO and Board Director, on a fixed term contract. In managing these transitions, the Committee determined the remuneration arrangements for the departing CEO and CFO, as well as the remuneration packages for the incoming Executive Directors.
- We undertook a triennial review of the Remuneration Policy ahead of submitting this to shareholders for re-approval at the 2026 AGM. In doing so, we considered developments in market practice, as well as ongoing evolution of regulations and proxy voting guidelines. No material changes to the Policy are proposed.
- We approved the 2025 remuneration outcomes to ensure they are fair, appropriate, and in line with our remuneration principles and Company performance. We also determined how the proposed Remuneration Policy will be implemented in 2026. Further details are set out in this report.

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ANNUAL STATEMENT

On behalf of the Remuneration Committee ("the Committee"), I am pleased to present the Directors' Remuneration report for the financial year ended 31 December 2025. This is my first report since assuming the role of Committee Chair.

CONTEXT FOR EXECUTIVE REMUNERATION

Our approach to remuneration is driven by the need to attract, retain and motivate the right calibre of talent to deliver long-term sustainable growth and stakeholder value. It also reflects that TT Electronics is a diverse, complex, multi-national company competing for talent with global peers in tight labour markets.

Our remuneration principles (pay for performance, strategic progress and the delivery of sustainable value to shareholders), combined with our strong organisational culture and underpinned by our TT Way behaviours, define how decisions are made, how people act and how we assess and reward them.

The majority of the Executive Directors' remuneration opportunity is made up of variable, performance-related pay. This is linked to stretching financial, strategic, cultural and ESG targets, and in the ordinary course is proportionately delivered in shares to strengthen stakeholder alignment.

2025 for TT Electronics was a year of operational turnaround with improved financial performance. During the year, the management team took action to successfully close the Plano site, make great progress in the Cleveland facility turnaround plan, and complete the strategic review of the Components business. The Group observed good European performance, driven by strong growth in Aerospace & Defence, and we delivered an adjusted profit before tax outturn for the year of £28.7 million, notwithstanding challenges in Asia. The actions taken by Management during the year have allowed us to enter 2026 with a clearer strategic direction and stronger platform for growth and we believe we have the right calibre of talent to enable us to deliver further financial and operational progress.

CHANGES TO THE BOARD

During the year, there were several changes to the Board. As discussed in last year's Annual Statement, in January 2025 we welcomed Eric Lakin as CFO Designate following the announcement in November 2024 that Mark Hoad intended to retire during the 2025 financial year. On 10 April 2025, we were delighted to appoint Eric to the Board as acting CEO (a position made permanent in August 2025) following the announcement that Peter France (former CEO) and Mark Hoad (former CFO) had stepped down from their Executive Director roles and the Board on 9 and 10 April 2025 respectively. Peter remained on gardening leave until 9 October 2025, and Mark remained employed until 30 September 2025 to ensure an orderly transition. We also announced that Richard Webb joined the Group on 12 May 2025 as Interim CFO and Board Director.

The remuneration arrangements for the outgoing and new Executive Directors are in line with both the Policy approved by shareholders and good governance practice.

Eric's remuneration as CEO was set in line with his predecessor, reflecting the scope, complexity and accountability of his role during a critical time of the Group, as follows:

- Base salary: £550,000 per annum
- Benefits: in line with the approved Policy
- Pension: workforce aligned contribution
- STIP: 150% of salary
- LTIP: 150% of salary

Richard's remuneration package reflects his appointment on a fixed term contract, the base salary for which is set below that of Mark Hoad (and Eric Lakin in that role), as follows:

- Base salary: £375,000 per annum
- Benefits: not eligible
- Pension: workforce aligned contribution
- STIP: 150% of salary, paid 100% in cash
- LTIP: not eligible

In line with the Policy and the terms mutually agreed with Peter France, Peter continued to receive salary, benefits and pension until he left the Group on 9 October 2025. For the remaining six months of his contractual notice period, Peter is receiving a monthly payment equivalent to his contractual salary only. Peter remained eligible to receive a pro-rated 2025 STIP award in respect of the first three months of the 2025 financial year, payable at the normal payment date subject to performance testing. A portion of the bonus earned will be deferred into shares in line with the Remuneration Policy. He retained his 2024 award under the DSBP (less those shares which lapsed following the application of malus reported last year in respect of the 2023 revised results) and his buy-out award granted to him in 2023. He also retains his 2023 and 2024 LTIP awards which will vest subject to performance testing over the normal period and be pro-rated for time. All share awards will continue to vest on the normal vesting dates and Peter remains subject to the post-employment shareholding requirement in line with our Policy.

Details of the leaving arrangements for Mark Hoad are consistent with those set out in last year's report.

Two Non-executive Director ("NED") changes occurred in 2025. Alison Wood stepped down as Committee Chair and from the Board at the 2025 AGM and, on behalf of the Committee, I would like to thank Alison for her significant contribution as a Committee member and, of course, as Committee Chair. Karina Rigby joined the Board as NED in October 2025, from which date she also joined the Committee as a member.

2025 INCENTIVE ARRANGEMENTS

A summary of the approach to variable remuneration in 2025 was as follows:

- STIP: a maximum opportunity of up to 150% of base salary for the Executive Directors, pro-rated for their respective period of service in the financial year. The STIP was based on profit before tax (up to 70% of salary), free cash flow (up to 35% of salary), ESG (up to 15% of salary) and personal strategic objectives (up to 30% of salary).

Read more about the Group's financial performance in the CFO review on page 10

– LTIP: an award was granted to Eric Lakin in April 2025 with a face value of 150% of base salary. Further details of the award are set out in the Annual Report on Remuneration. No awards were made to other Executive Directors during the financial year.

2025 STIP outturn
Profit before tax and free cash flow performed strongly, with outcomes of 62.5% and 100% of maximum respectively. Our quantitative ESG Scope 1 & 2 carbon reduction ratio was between the target and maximum performance targets set, warranting payout of 87.5% of maximum. Taking into account performance against the personal strategic objectives, and the Committee's holistic review of the wider stakeholder experience, the Committee concluded that an outturn of 85% of maximum was appropriate for that element for the current Executive Directors. The Committee was comfortable that the formulaic outturn was appropriate and no discretion needed to be applied to the 2025 STIP outturn. Following a review of performance against the STIP performance targets, a STIP outturn of 78.2% of maximum was awarded to Eric Lakin and Richard Webb in respect to the year ended 31 December 2025.

For the former Executive Directors who left during the year, their STIP outturn was assessed against the same scorecard of financial and ESG targets, as well as personal performance. The Committee decided that outturns of 61.2% and 66.2% of maximum for Peter France and Mark Hoad respectively were appropriate. As discussed earlier in this Chair's statement, their awards will be pro-rated for time served. In line with their respective departure agreements, a portion of Peter's STIP will be deferred into shares and Mark's STIP will be paid in cash.

2023–25 LTIP outturns
Peter France and Mark Hoad retained pro-rated interests in the 2023 LTIP cycle, which will vest at 25.0% of maximum. Vesting was based on three performance measures: absolute adjusted Earnings Per Share ("EPS") (50% weighting), relative total shareholder return ("TSR") performance (25%) and average cash conversion (25%) over three years to 31 December 2025. The EPS and TSR components lapsed as a result of outcomes being below the threshold performance levels required to trigger vesting, with full vesting under the cash conversion element. The awards will be subject to a two-year post-vesting holding period in line with the Remuneration Policy.

2022–24 LTIP outturn
As reported last year, Mark Hoad participated in the 2022 LTIP cycle. This award lapsed in full during the 2025 financial year following an assessment of the relative TSR performance to the third anniversary of the date of grant (the EPS element having already been assessed as lapsing based on performance to 31 December 2024).

The Committee concluded that the vesting outcomes were appropriate and no adjustments or discretion needed to be applied.

Further details on the Group's financial performance are provided on page 10.

2026 REMUNERATION POLICY

Our current Remuneration Policy ("the Policy") was approved by shareholders in 2023 with a 90.6% vote in favour. In line with the remuneration reporting regulations which apply to UK companies listed on the FTSE Main Market, we are required to submit the Policy for approval at least every three years. Accordingly, we will submit the Policy to a binding resolution at the 2026 AGM.

During 2025, the Committee reviewed the existing Policy to ensure that it continues to support our strategy and provides alignment with stakeholder interests. The Committee concluded that the 2023 Policy remained broadly appropriate and required only limited updates reflecting recent revisions to the 2024 UK Corporate Governance Code ("the Code"). As a result, the proposed Policy is largely a continuation of the current Policy. The proposed changes are as follows:

– **Enhanced disclosure on malus and clawback:** The proposed Policy provides greater detail on clawback and malus provisions, including the circumstances in which they may be triggered, the time period over which they apply and the rationale for their suitability given the nature, scale and risk profile of the Group. The Committee will continue to disclose any instances in which these provisions have been exercised during a given year, alongside the rationale for doing so.
– **Removal of Provision 40 disclosure:** Following recent changes to the Code, the Committee has removed the section which outlined how the Policy aligned with Provision 40 of the 2018 edition of the Code, and the principles of clarity, simplicity, risk, predictability, proportionality, and alignment to culture. Notwithstanding the removal of this specific disclosure, the Committee remains committed to ensuring that these principles continue to underpin its decision-making.

Further detail, including of the Committee's approach to engaging shareholders on its proposals and the feedback received, is set out in the Remuneration Policy section on pages 76 to 84.

IMPLEMENTATION FOR 2026

In early 2026, the Committee reviewed salary budget proposals with effect from 1 April 2026. The typical salary increase for the UK workforce will be 3.75%. The CEO's and CFO's salaries will be increased by 2.5%, below the typical rate awarded to the workforce.

The Remuneration Committee also approved a 2.5% increase to the Board Chair's fee from 1 April 2026.

A 2.5% increase, also from 1 April 2026, was approved by the Board Chair and the Executive Directors in respect of the NED base fees.

Read more about the alignment of workforce remuneration on page 75

The STIP opportunity for the year will remain at 150% of salary for the Executive Directors. The performance measures will be based on adjusted operating profit (75% of salary), free cash flow (37.5%), ESG (7.5%) and personal strategic objectives (30%). The profit measure has been changed from adjusted profit before tax to adjusted operating profit to align more closely with how business performance is assessed and managed throughout the year, and to align the structure of the bonus for the Executive Directors with that cascaded into the business.

In accordance with the Policy, 30% of any award payable to the CEO will be deferred into shares with a two-year holding period. As per the terms of his fixed term contract, any bonus earned by the Interim CFO will be payable 100% in cash. Targets are considered to be commercially sensitive at this time but ordinarily will be disclosed in next year's Annual Report on Remuneration.

An LTIP award of up to 150% of salary is expected to be granted to Eric Lakin in 2026 (per the terms of his fixed term contract, Richard Webb is not eligible to participate in the LTIP). The measures for the 2026 grant will remain: EPS (75% of salary,) cash conversion (37.5%) and TSR (37.5%). Further details of the targets attaching to the award are set out later in this report.

In setting the performance targets for the STIP and LTIP, the Committee is mindful of the underlying performance of the business, internal and external forecasts, the stakeholder experience and the need to meaningfully motivate the new management team over the duration of each incentive.

In line with good practice, the Committee retains discretion to adjust future formulaic vesting outcomes to ensure they reflect underlying business performance and shareholder interests.

BROADER EMPLOYEE REMUNERATION CONSIDERATIONS

The Committee actively reviews and considers wider workforce pay when determining Executive Director remuneration. In 2025, salaries typically increased by 2.5% across our UK workforce, with an average of 3.3%. The higher average reflects the targeted adjustments made in response to statutory and market changes, namely the increases to the national minimum wage and the real living wage which required proportionately larger adjustments for our impacted employees.

A core component of our approach to remuneration is variable performance-related pay. The alignment of incentive schemes and the choice of performance measures, combined with stretching performance targets, means that incentive outcomes closely follow the performance of each site, appropriately reflecting the impact of each role while retaining some linkage to overall Group performance. Business performance was varied across the Group in 2025 and this is reflected in the variable pay outturns for the year.

Our people are a key differentiating factor of our competitive advantage and are fundamental to delivering sustainable future performance and growth. In addition to updates from the Company, the Committee independently receives updates and insights from multiple sources, such as via check-ins between Committee members and key role holders, and from NED site visits. These inputs allow for open and frank dialogue as a Committee (and Board more generally) that is directed by feedback from, and the priority areas highlighted by, our employees.

Further details on the alignment of executive and wider workforce remuneration are provided on page 75.

During the year, we continued to assess the Group's remuneration arrangements to ensure these remain appropriate and enable the Group to unlock the potential to drive the behaviours which are underpinned by our TT Way values. We have agreed a long-term direction of travel for workforce remuneration with wider participation in our discretionary share schemes to drive greater alignment to our Group priorities and improve retention.

MALUS (WITHHOLDING), CLAWBACK (RECOVERY) AND DISCRETION

As disclosed in the 2024 Annual Report, the Committee decided to apply clawback in respect of the 2023 financial year following the revised 2023 results.

The Committee has not applied malus, clawback or discretion in respect of the 2025 financial year, but we remain willing to exercise judgement and discretion when determining remuneration outcomes for the Executive Directors.

Before agreeing remuneration outcomes, we reflect on whether the Company's overall performance and stakeholder experience are appropriately represented by the financial and non-financial performance measures we have set. We also reflect on the demonstration of leadership qualities, living our values and feedback from our major shareholders where relevant.

Where malus, clawback or discretion is exercised, the rationale for this discretion will be disclosed to stakeholders in the relevant Annual Report.

CONCLUSION

On behalf of the Committee, I hope we have succeeded throughout this report in explaining our decision-making for the basis of implementation in 2025 and our proposed Policy and approach for 2026. We have sought to act in the best interests of the Company through our decision-making, aligning pay with performance and delivery of the strategy along with the employee, shareholder and broader stakeholder experience. We hope we can count on your support.

Inken Braunschmidt
Chair, Remuneration Committee
24 March 2026

2025 EXECUTIVE REMUNERATION

AT A GLANCE

To reinforce our philosophy, the majority of the Executive Directors' remuneration package is made up of variable at-risk pay, linked to stretching performance targets that align with our strategy, the financial performance of the Group and the creation of sustainable shareholder value.

CONTEXT FOR REMUNERATION

Creating value

- Leverage our assets and differentiators
- Maintain strong capital discipline
- Grow our exposure to long-term growth markets
- Deliver sustainable stakeholder value

Our TT Way values

We do the right thing

We champion expertise

We bring out the best in each other

We get the job done... well

We achieve more together

Our remuneration principles

- Performance-related
- Strategic alignment
- Alignment with stakeholders
- Transparency and culture
- Competitive

IMPLEMENTATION OF REMUNERATION POLICY IN 2025

Base salary

Eric Lakin, as CEO	Richard Webb, Interim CFO
£550,000	£375,000

Short-term incentive plan ("STIP")

Total STIP payment (% of maximum)

Eric Lakin, CEO	Richard Webb, Interim CFO[1]
78.2%	78.2%

Performance measures	Weighting	Threshold	Outturn	Maximum	Achievement
PBT	46.7%	£26.6m	£30.1m	£34.6m	62.5% of max
Free cash flow	23.3%	£8.5m	£29.2m	£28.4m	100.0% of max
ESG, Scope 1 & 2 carbon intensity ratio reduction	10.0%	14.0	12.25	12.0	87.5% of max
Personal strategic objectives	20.0%	Targets based on a range of objectives.			85.0% of max

Long-term incentive plan ("LTIP")

Total LTIP vesting (% of maximum)

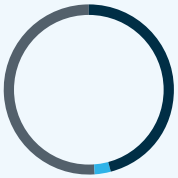
Eric Lakin, CEO[2]	Richard Webb, Interim CFO[1,2]
N/A	N/A

TOTAL REMUNERATION FOR 2025

Eric Lakin, CEO

£0.909m

Salary and benefits	46%
Pension	3%
Short-term incentive	51%
Long-term incentive[2]	n/a



Richard Webb, Interim CFO

£0.539m

Salary	45%
Pension	3%
Short-term incentive	52%
Long-term incentive[2]	n/a

HOW OUR CEO'S REMUNERATION ALIGNS WITH STAKEHOLDERS

Share ownership requirement
200% of salary.

CEO 21% | 200%

Short-term incentive
Awards subject to 30% deferral[1] into shares with a two-year vesting period.

Long-term incentive[2]
Delivered in shares and subject to a three-year vesting period and a two-year holding period.

Workforce alignment
Executive remuneration is set in the context of wider workforce remuneration. Remuneration principles flow through the Group to ensure alignment.

Post-employment share ownership
Shares to the value of 100% of salary to be held until two years after cessation of employment. This requirement does not apply to Richard Webb.

1 Per the terms of Richard Webb's fixed term contract, his STIP is payable in cash. He is not eligible to receive benefits (except a pension contribution) or participate in the LTIP.
2 No LTIP awards were eligible for vesting to either Eric Lakin or Richard Webb in the year. Information on LTIP awards held by former Directors can be found on page 87.

Read more about the Group's financial performance on page 10

Read more about the 2025 STIP outcome from page 85

Read more about the LTIP outcome from page 87

Read more about single figure of remuneration from page 85

STATEMENT OF IMPLEMENTATION OF REMUNERATION POLICY IN 2026

The tables set out a summary of how the proposed Directors' Remuneration Policy will be applied for the year ending 31 December 2026.

The Committee is of the view that the current remuneration framework remains fit for purpose. There are no material changes to the implementation of the Policy compared to 2025. Base salaries were reviewed in early 2026, with changes effective 1 April 2026. Eric Lakin and Richard Webb will receive a 2.5% increase, below to the 3.75% typical increase for our UK workforce.

As described in the Annual Statement, the STIP opportunity will remain 150% of salary for the CEO and Interim CFO. ESG performance will continue to be focused on quantitative reductions of our Scope 1 & 2 carbon intensity; personal strategic objectives will focus on organisational capability, growth and strategic priorities.

As described in the Annual Statement, it is intended that the CEO will receive an LTIP grant of 150% of salary in 2026, as described later in this report. In line with good practice, the Committee retains discretion to adjust future formulaic vesting outcomes to ensure they reflect underlying business performance and shareholder interests. The Interim CFO is not eligible to receive an LTIP award under the terms of his fixed term contract.

Base salary (from 1 April 2026)

Eric Lakin, CEO
£563,750

Richard Webb, Interim CFO
£384,375

Pension

7%
of base salary

Benefits

Benefits package consisting of healthcare, insurance benefits and car benefit. The Interim CFO is not eligible for benefits.

Short-term incentive plan ("STIP")

Target
75%
of base salary

Maximum
150%
of base salary

Performance measure	Weighting (% of maximum)
Adjusted operating profit[1]	50%
Free cash flow[1]	25%
ESG[2]	5%
Personal strategic objectives[2]	20%

– 30% of any STIP award is deferred into shares for two years for the CEO. The Interim CFO's bonus will be payable in cash.
– Specific targets are considered to be commercially sensitive and will be disclosed retrospectively.

1 Financial measures are assessed using constant budgeted exchange rates.
2 To the extent that the threshold performance target for neither financial performance measure is attained, the Committee will consider, if appropriate, a reduction to the outcomes payable in respect to ESG and/or personal strategic objectives, up to and including a reduction to zero.

Long-term incentive plan ("LTIP")

Maximum
Up to 150%[1] (CEO only)
of base salary

Performance measure	Weighting (% of maximum)	Threshold (25% vesting)	Maximum (full vesting)
Adjusted EPS growth[2]	50%	5% p.a.	13% p.a.
Average cash conversion	25%	80%	95%
Relative TSR performance[3]	25%	Median	Upper quartile

– Awards expected to be granted in April 2026, as outlined above, with performance conditions over the three-year financial period.
– Two-year post-vesting holding period applies.

1 Grant levels are intended to be in line with the 2025 awards. Actual grants will be confirmed on the date of grant. The Interim CFO is not eligible for an LTIP award.
2 Adjusted EPS targets are set as a compound annual growth rate on a constant currency basis off a deferred tax asset ("DTA") adjusted 2025 EPS of 12.0p. See page 11 for further detail on the DTA.
3 TSR comparator group is the FTSE SmallCap, excluding Investment Trusts.

PERFORMANCE MEASURES AND LINK TO STRATEGY

Financial measures in our STIP for 2026

Adjusted operating profit	Strong operational execution, encompassing our strategic priorities of strategic business development and operational excellence
Free cash flow	Essential for capital reinvestment to fund technology investment and R&D, reduce leverage and take advantage of market opportunities such as targeted and complementary M&A
ESG	Integration of ESG, doing the right thing with regard to the environment and our stakeholders, ensuring a sustainable business for the future
Personal strategic objectives	Progress of the Group's strategy to deliver sustainable growth in stakeholder value

Financial measures in our LTIP for 2026

Adjusted EPS growth	Sustainable growth in the Group's profitability per share over three years
Cash conversion	Long-term operational cash flow efficiency over three years, supporting cash generation for capital reinvestment
Relative TSR performance	Aligns executive reward to the shareholder experience. Compares the Group's share price and dividend performance relative to a peer group over three years

SHAREHOLDING REQUIREMENTS

Executive Directors are required to build and maintain a minimum shareholding in employment equivalent to 200% of basic salary. Post cessation of employment, Executive Directors are required to maintain for two years a shareholding of half this requirement, or maintain their actual holding if lower. The Interim CFO is exempt from these requirements.

REMUNERATION POLICY OVERVIEW

Read the full Remuneration Policy on pages 76 to 84

Remuneration objectives and key principles

The proposed Remuneration Policy supports and rewards the achievement of the Group's strategy to deliver profitable and sustainable growth over the short and longer term. This is driven and evaluated by how the Group performs against a variety of strategically aligned KPIs, both financial and non-financial. Our Directors' Remuneration Policy will be put forward for shareholder approval at the AGM on 15 May 2026. An illustration of how the Policy is intended to operate is shown below, using the CEO as an example.

EXECUTIVE DIRECTOR REMUNERATION FOR 2026[1]

Element		Policy maximum	2026	2027	2028	2029	2030
Fixed Pay	Salary	Market competitive. Increases set with reference to the wider workforce.	Salary paid.				
	Benefits	Market competitive.	Benefits paid.				
	Pension	Aligned to the rate available to majority of local workforce.	Pension provision paid.				
Variable Pay	Short-term incentive plan	150% of salary. 70% in cash and 30% in deferred shares.	Annual performance conditions apply. Majority weighting on Group financial targets, with the balance on ESG and personal strategic objectives.	Cash element paid (70% of incentive).			
				Two-year share deferral (30% of incentive).			
	Long-term incentive plan	150% of salary. Three-year performance period and two-year holding period.	Based on a variety of financial and/or shareholder value creation and/or strategic measures over a three-year performance period.			Two-year holding period.	
Governance	Malus (withholding), clawback (recovery) and discretion	All incentives.	Malus and clawback: misstatement, serious misconduct, serious reputational damage, error in calculation and corporate failure. Committee discretion: ability to exercise discretion and make adjustments to formulaic outcomes.				
	Share ownership requirement	200% of salary.	Required to build and maintain the share ownership requirement.				
	Post-employment share ownership	100% of salary.	Holding requirement for shares until two years after cessation of employment.				

1 Per the terms of Richard Webb's fixed term contract, his STIP is payable in cash. He is not eligible to receive benefits (except a pension contribution) or participate in the LTIP.

ALIGNMENT WITH THE WIDER WORKFORCE

The Committee considers a range of factors when deciding upon the remuneration for Executive Directors, one of which is the alignment and cascade of reward programmes into the organisation. The Company regularly engages with employees on the alignment of reward practices and to give an opportunity to provide feedback to the Committee. Further details can be found on page 71.

The following summarises the alignment of remuneration for the wider workforce during 2025. The detail of retirement and other benefits are specific to each location and are shown for the UK.

	All employees	Executive Directors[1]
Salary	– Pay increase recommended by site and division – Reviewed and approved by head office (the typical UK increase was 2.5%, the average was 3.3%, in 2025)	– The CEO and Interim CFO were not eligible for a pay rise in 2025; their base salaries were set on appointment
Short-term incentive plan	– All employees are eligible for a bonus – Site incentive targets: customer delivery, productivity, quality, HSE – Leadership and Senior Managers: targets cascade from Executive Director design	– Max 150%, on-target 75% – Performance conditions: profit, cash flow, ESG, strategic personal objectives.
Deferred share bonus plan	– Not applicable	– 30% of short-term incentive deferred for two years
Long-term incentive plan	– Leadership team: three-year period, no holding period	– Max 150% of salary – Three years, two-year holding period – Performance conditions: EPS, TSR, cash conversion
Pension	– Up to 7% of salary contribution	– 7% of salary contribution
Other benefits	– Life cover – Healthcare – ShareSave – Car allowance (Sales and Senior Leadership)	– Life cover – Healthcare – ShareSave – Car allowance – Risk benefits

1 Per the terms of Richard Webb's fixed term contract, his STIP is payable in cash. He is not eligible to receive benefits (except a pension contribution) or participate in the LTIP.

REMUNERATION POLICY REPORT

OVERVIEW

INTRODUCTION

The following pages detail the Directors' Remuneration Policy which will be submitted for shareholder approval at the 2026 AGM. Only minor changes have been made to the existing Remuneration Policy approved by shareholders at the 2023 AGM. If approved, the Policy will apply for up to a three-year term.

The Remuneration Policy supports and rewards the achievement of the Group's strategy to deliver profitable and sustainable growth over the short and longer term. This is driven and evaluated by how the Group performs against a variety of strategically aligned KPIs, both financial and non-financial.

Summary of the key changes from the previous Remuneration Policy
During 2025, the Committee reviewed the Remuneration Policy to ensure that it continues to support our strategy and provides alignment with stakeholder interests. The Committee concluded that the 2023 Policy remained broadly appropriate and required only limited updates reflecting revisions to the 2024 UK Corporate Governance Code.

In reviewing the Policy, we wrote to our major shareholders representing 65% of share capital, to seek their input to our proposals. Those which responded were broadly supportive of the proposals, with some specific constructive suggestions around measure selection. The Committee appreciates the engagement and thoughtful dialogue throughout the process and we are confident that the 2026 Policy will operate as intended, supporting effective alignment between shareholder interests and the priorities of our Executive Directors as we move forward with the next phase of our strategy. As such, the proposed minor changes are as follows:

- **Enhanced disclosure on malus and clawback:** The Policy provides greater detail on clawback and malus provisions, including the circumstances in which they may be triggered, the time period over which they apply and the rationale for their suitability given the nature, scale and risk profile of the Group. The Committee will continue to disclose any instances in which these provisions have been exercised during a given year, alongside the rationale for doing so.
- **Removal of Provision 40 disclosure:** The Committee has removed the disclosure previously required by Provision 40 of the 2018 UK Corporate Governance Code. This outlined how the Remuneration Policy aligned with the principles of clarity, simplicity, risk, predictability, proportionality, and alignment to culture. Notwithstanding the removal of this specific disclosure, the Committee remains committed to ensuring that these principles continue to underpin its decision-making.

KEY POLICY OBJECTIVES

Our remuneration principles, shown below, informed the design of our current and proposed Remuneration Policy and aim to:

- Enable us to attract, retain and motivate high-calibre executive talent in a challenging and competitive business environment to promote the strategic and financial performance of the business.
- Deliver an appropriate balance between fixed and variable remuneration for each Executive Director.
- Place a strong emphasis on performance, both short and longer term.
- Strongly align to the achievement of strategic progress and the delivery of sustainable value to shareholders.
- Avoid creating excessive risks in the achievement of performance targets.

Remuneration principles
- **Performance related:** the majority of the Executive and Senior Manager remuneration packages should be determined based on the performance of the Group, maintaining an alignment of reward outcomes with stakeholder interests.
- **Transparency and culture:** to engender a fair and collaborative culture, total remuneration frameworks should be clear, openly communicated and easy to understand.
- **Competitive:** through a combination of base salaries and performance-related incentive schemes, the Committee aims to provide competitive total remuneration in return for superior performance.

2026 REMUNERATION POLICY

Operation and scope of Remuneration Policy
The future Remuneration Policy ("Policy") will apply to the Executive Directors and Non-executive Directors from the close of the Company's AGM on 15 May 2026, subject to approval by shareholders.

The Committee has written this Policy principally in relation to remuneration arrangements for the Executive Directors, whilst taking into account the possible recruitment of a replacement or additional Executive Director during the term of the Policy. The Policy, if approved, will operate for up to the next three years. However, the Committee may, after due consideration, seek to change the Policy during this period if it believes it is appropriate to do so for the long-term success of the Company, after consultation with stakeholders and having sought shareholder approval at a general meeting.

Future Remuneration Policy table
Subject to shareholder approval at the Company's 2026 AGM, the Remuneration Policy for each remuneration element will be as outlined in the following tables. From time to time, the Committee may consider it appropriate to apply judgement and discretion in respect of the Policy. The scope for doing so is highlighted in the Policy, where relevant, and the use of discretion will always be in the spirit of the approved Policy.

Salary			**No material change**
Purpose and link to strategy	Operation	Opportunity	Performance measures
To provide a core reward for the role. Set at an appropriate level to attract, motivate and retain high calibre individuals needed to deliver the Group's strategic priorities.	Salary is normally reviewed annually, typically effective from 1 January each year. Salaries are normally paid in the currency of the Executive Director's home country. The Committee considers a number of factors in setting salaries, including but not limited to: – Broader Company policy in respect of salaries applied to all employees. – The individual's role and scope, skills, experience and performance. – Competitiveness relative to independently sourced data for relevant comparator groups such as companies of similar complexity, sector and size. – Set at a level to ensure an appropriate level of basic fixed income and avoids excessive risk arising from over reliance on variable income.	There is no prescribed maximum annual increase although increases are usually aligned with the general increase received by the broader employee base in which the Executive Director operates, and market movement. Higher increases may be made at the Committee's discretion in certain circumstances, such as a significant change in responsibility, in the scale of the role or in the size and complexity of the Group. Larger increases may also be considered for progression if a Director has been initially appointed to the Board at a lower than typical salary. Current base salary levels are set out in the Annual Report on Remuneration.	Not applicable, although the overall performance of the individual is taken into account when determining salary increases.

Benefits			**No material change**
Purpose and link to strategy	Operation	Opportunity	Performance measures
To provide market competitive and cost effective benefits to attract and retain high calibre individuals.	Executive Directors are eligible to receive benefits, which typically may include but are not limited to: – Cash allowance in lieu of company car benefit. – The provision of private medical insurance, and health screening. – Life assurance, income protection and critical illness cover. In line with the policy for other employees, Executive Directors may be eligible to receive relocation or overseas relocation benefits and allowances as appropriate. Benefit provision is tailored to reflect geographic market practice in which the Executive Director is based and different policies may apply if Executive Directors are based in a different country.	There is no prescribed maximum as benefit costs can fluctuate depending on changes in provider cost and individual circumstances. Details of the current benefit costs are set out in the Annual Report on Remuneration.	Not applicable.

Pension			**No material change**
Purpose and link to strategy	Operation	Opportunity	Performance measures
To provide a market competitive level of retirement income and assist attraction and retention.	Pension arrangements for Executive Directors are structured in accordance with the provisions available to the majority of the workforce in the country in which the Director is employed. Executive Directors in the UK are entitled either to join the defined contribution pension plan and/or to receive a cash allowance in lieu of the pension contribution. In line with market practice, pensionable pay for Executive Directors in the UK includes salary only.	The maximum contribution for Executive Directors will be aligned with those available to the majority of the workforce in the country in which the Executive is employed.	Not applicable.

Short-term incentive plan			**No material change**
Purpose and link to strategy	Operation	Opportunity	Performance measures
To incentivise and recognise execution of the business strategy on an annual basis. Rewards the achievement of stretching annual financial measures and strategic business targets aligned to the strategy.	Performance measures and targets are typically set at the Committee's discretion at the start of each financial year and are aligned with the strategic business priorities. Financial targets are set with reference to the budget. Incentive awards are assessed and determined by the Committee based on performance against the targets. 30% of any earned incentive is automatically deferred pre-tax into shares for a period of two years. Deferred shares are eligible for dividend equivalents up to the date of vesting and release. Deferred awards (after any sales to pay associated tax withholdings) must be retained until the share ownership guideline and/or post-cessation of employment share ownership guidelines are met. The Committee may apply judgement in making appropriate adjustments to incentive outcomes to ensure they reflect underlying business performance and shareholder interests. Awards are subject to malus and clawback provisions.	The maximum opportunity for Executive Directors is 150% of salary. For target performance, the incentive award will be 50% of the maximum opportunity.	Based on a combination of Group financial (majority weighting) and personal strategic and/or ESG performance measures (minority weighting). The specific measures and weighting between measures will be determined each year to ensure alignment with Company strategy and budgets. The Committee may use its discretion to set financial measures that it considers appropriate in each financial year. Specific performance measures and weightings will be disclosed in the relevant year's Annual Report on Remuneration.

Long-term incentive plan (LTIP)			**No material change**
Purpose and link to strategy	Operation	Opportunity	Performance measures
To incentivise and recognise delivery of longer-term sustainable business performance, aligning Executive Directors' interests with those of shareholders. In addition, provides a retention element, encourages long-term shareholding and discourages excessive risk taking.	Award of shares, either as nil cost options or conditional awards, made annually with vesting dependent on the achievement of performance conditions measured over three years. Vested shares (after any sales to pay tax) are subject to an additional two-year holding period. Performance measures and targets are set at the Committee's discretion; there may be a single target range to be met at the end of the three-year period or annual target ranges to be met throughout the three-year period. Targets are set for each award with reference to the business plan. Awards are eligible for dividend equivalents up to the date of vesting and release. The Committee may apply judgement to adjust the formulaic vesting outcomes (either up or down) to ensure they reflect underlying business performance and shareholder interests over the performance period. Awards are subject to malus and clawback provisions.	The maximum award which may be granted under the LTIP in any one year is up to 150% of salary for the Executive Directors. The amount that is paid out for achievement of threshold performance will be no more than 25% of the maximum. The minimum vesting is zero.	Awards vest based on a variety of financial and/or shareholder value creation and/or strategic measures. The specific measures and weighting between measures will be determined each year to ensure alignment with the Group's strategy and business plan. The Committee may use its discretion to set measures that it considers appropriate each year. Specific performance measures and weightings will be included in the relevant year's Annual Report on Remuneration.

All-employee share plans			**No material change**
Purpose and link to strategy	Operation	Opportunity	Performance measures
To encourage employee share ownership and increase alignment with shareholders.	A number of all-employee share plans are operated across the Group. Executives are entitled to participate in all-employee share plans (ShareSave in the UK, Employee Share Purchase Plan in the US) on the same terms as all other eligible employees.	In accordance with prevailing legislative and plan limits.	Not applicable.

Share ownership guidelines			No material change
Purpose and link to strategy	Operation	Opportunity	Performance measures
To align the interests of Executive Directors with those of shareholders.	Executive Directors are required to build and maintain significant shareholdings over time.	Executive Directors are required to build and maintain a shareholding in employment of 200% of salary. Post-cessation of employment, Executive Directors are required to maintain, for two years, a shareholding of half the in-employment requirement or their actual holding if lower. The post-cessation requirement will be calculated based on the salary at the leave date and applies to shares that vest (after any sales to pay tax) under the LTIP and the deferred share bonus plan ("DSBP").	Not applicable.

Malus (withholding) and Clawback (recovery)	Enhanced disclosure

The Committee may apply judgement to adjust formulaic incentive outcomes (either up or down) prior to payment/vesting to ensure they reflect underlying business performance and shareholder interests. Malus and clawback provisions also apply to all incentive plans. Malus and clawback events include material misstatement, misconduct of the participant, vesting/payments based on erroneous or misleading data, serious reputational damage and corporate failure.

The Committee may enact clawback up to three years from the vesting of share awards under the LTIP and the DSBP. Clawback of the cash element of any payment under the short-term incentive plan may be enacted up to two years after payment. In the event that clawback is enacted, the Committee has the discretion to require repayment or to reduce any unvested or unpaid award made under any employees' share scheme or the short-term incentive plan. In addition, if a participant in the DSBP is subject to investigation then the vesting of their award may be delayed until the outcome of that investigation.

The Committee believes the clawback periods are appropriate in the context of our product lifecycles and the nature of customer collaborations. They also reflect best practice among Main Market companies of comparable size and complexity.

Future Remuneration Policy Table – Non-executive Directors (NEDs)

Non-executive Director fees			No material change
Purpose and link to strategy	Operation	Opportunity	Performance measures
To attract NEDs who have a broad range of experience and skills to oversee the implementation of our strategy.	NED fees (excluding that of the Board Chair) are set by the Board Chair and Executive Directors. The Board Chair fee is set by the Committee. NEDs receive a basic fee paid monthly in respect of their Board duties. Further fees are paid in respect of Board committee chair fees and the role of Senior Independent Director. No additional fees are payable for membership of a Board committee. Fees are reviewed annually and set by reference to independently sourced data for relevant comparator groups, such as companies of similar complexity, sector and size. Fee reviews are typically effective from 1 January each year. Fees are normally paid in the currency of the Director's home country. NEDs are eligible for the reimbursement of Group-related expenses (grossed up for tax where appropriate) relating to the performance of their duties including travel, accommodation and subsistence.	There is no prescribed maximum fee level. Increases are generally aligned with the general increase received by the broader employee base and market movement.	Not applicable.

NOTES TO THE POLICY TABLE

Performance measures and targets

The Committee believes the choice of performance measures for the short-term and long-term incentive plans represent an appropriate balance between the short-term and long-term focus of the Group's strategic aims and key performance indicators, as well as an appropriate balance between internal and external assessment of performance. Performance measures for the short-term incentive are tied to the Company's delivery of key financial metrics and non-financial personal strategic objectives. The measures applicable to the LTIP reward the delivery of long-term returns to shareholders and the Group's financial performance being consistent with the Company's objective of delivering superior levels of long-term sustainable value to shareholders. When setting targets, the Committee takes into account a variety of factors, including but not limited to, market practice, market expectations, and internal business plans and forecasts. In setting the targets, the Committee ensures that they are sufficiently stretching and that there is an appropriate balance between incentivising Executive Directors to meet targets for the year, whilst ensuring that they do not drive unacceptable levels of risk and encourage inappropriate behaviours.

Legacy arrangements

The Committee reserves the right to make any remuneration payments and/or payments for loss of office (including exercising any discretions available to it in connection with such payments) notwithstanding that they are not in line with the Policy where the terms of the payment were agreed:

(i) prior to the implementation of the Remuneration Policy set out above, provided the terms were consistent with the shareholder-approved Directors' Remuneration Policy in effect at the time; or
(ii) at a time when the individual was not a Director of the Company (or otherwise subject to the scope of the Remuneration Policy) and where, in the Committee's view, the payment was not made in consideration for the individual becoming a Director of the Company. For these purposes "payments" include the Committee satisfying awards of variable remuneration and, in relation to an award over shares, the terms of the payment are "agreed" at the time the award is granted.

Consideration of remuneration arrangements throughout the Group
In setting the Policy the Committee considers the remuneration arrangements across the Group and the relativity of Executive Director remuneration. When considering annual salary adjustments, the Committee takes account of the expected increases for the broader employee base.

Remuneration arrangements across the Group are based on the same principles that remuneration should support the delivery of the business strategy and should be sufficient to attract, motivate and retain talent. Although the remuneration offered to the Executive Directors has a stronger emphasis on variable performance-related pay than that offered to other employees, to the extent practicable, remuneration practices are cascaded down the organisation, such that employees are aligned towards common goals.

The Group operates in a number of different geographic territories and has many employees who carry out a range of diverse roles. The ratio of fixed to variable pay differs by employee level and the structure of remuneration varies by local market:

- Salary and benefits (including pension/retirement) are tailored to the local market.
- Short-term incentive plans are operated across the Group, typically on differing metrics aligned to the Company strategy, which may include financial performance, sales team KPIs, operational KPIs, HSE, ESG, individual or team performance.
- Long-term incentive plan awards are made annually to senior leadership roles across the Group, typically on the same terms as those for Executive Directors or as restricted share awards.
- All-employee share plans are available to all UK and US employees.

Recruitment policy
When considering the recruitment of a new Executive Director, the Committee will apply the prevailing Remuneration Policy at the time of appointment.

The Committee will determine remuneration on a case-by-case basis depending on the role, the market from which they will operate, their skills and experience. Total remuneration levels will be set to attract the most appropriate candidate and will take into account remuneration levels for relevant comparator groups. Where appropriate, salaries may initially be set below mid-market levels to allow for future development in the role with the Committee retaining discretion to award increases in excess of those of the wider workforce to bring the salary to the market level over time.

Benefit and pension arrangements will be set in accordance with the terms of the approved Remuneration Policy in force at the time of appointment. The Committee may also agree that the Company will meet certain costs associated with the recruitment, for example legal fees, and the Committee may agree to provide relocation benefits.

It is anticipated that new Executive Directors will participate in short- and long-term incentive plans on the same arrangements as existing Directors. In certain circumstances, the performance measures and/or targets associated with these awards, in the year of joining, may be different from the other Directors.

For an externally appointed Executive Director, the Company may offer additional remuneration that it considers necessary to buy out current entitlements from the existing employer that will be lost, as may be required in order to achieve a successful recruitment when the Committee considers these to be in the best interests of the Company and stakeholders. The Company is mindful of the sensitivity relating to recruitment packages and will seek to minimise buy-out remuneration. The overriding principle for any such remuneration would be that any replacement buy-out award should be of comparable commercial value to the terms, incentives and other compensation which have been forfeited. In order to facilitate buy-out arrangements, existing incentive arrangements will be used to the extent possible although, if necessary, awards may be granted as permitted under the relevant UK Listing Rules exemption.

For an internal Executive Director appointment or the appointment of a new Executive Director following acquisition or merger, any variable pay element awarded in respect of their prior role may be determined according to the original terms, adjusted as relevant to take into account the appointment. In addition, any other ongoing remuneration obligations existing prior to appointment may continue on their original terms.

The Committee retains discretion to make appropriate remuneration decisions outside the standard Policy to meet the individual circumstances of recruitment when:

- an interim appointment is made to fill an Executive Director role on a short-term basis; or
- exceptional circumstances require that the Board Chair or a Non-executive Director takes on an executive function on a short-term basis.

In the event that a Non-executive Director takes on an executive role for a temporary period, the Non-executive Director will be remunerated in line with the prevailing Executive Director Remuneration Policy in force at the time of appointment.

If appropriate, on the recruitment of a new Executive Director, the Committee may agree to an initial notice period in excess of 12 months, reducing to 12 months over a specified period.

Fees for a new Board Chair or Non-executive Director will be set in line with the approved Policy in force at the time of appointment. It is not intended that variable pay, day rates or benefits in kind be offered, although in exceptional circumstances such remuneration may be required in currently unforeseen circumstances.

The Committee will include in future remuneration reports details of the implementation of the Policy as utilised during the period in respect of any such recruitment to the Board.

Service contracts/letters of appointment
Executive Directors' service contracts are normally terminable by either party with 12 months' notice and allow for the Company to impose a six-month non-competition clause.

The Board Chair and Non-executive Directors do not have service contracts but have letters of appointment with the Company. Notice periods are normally set at one month for the Board Chair and Non-executive Directors.

Service contracts are available for inspection at the Company's registered office.

Loss of office policy

In the event that an Executive Director's employment with the Company terminates, the following policies and payments normally will apply.

Element of Remuneration	Loss of office payment policy
Fixed Pay	Up to 12 months' annual salary payable. The contracts contain provision, at the Board's discretion, for payment in lieu of notice. In calculating any termination payment, the Board would take into account the commercial interests of the Company and apply usual common law and contractual principles. Generally, benefits will continue to apply until cessation. The Committee may make payments in connection with an existing legal obligation or in respect of any claim relating to the cessation of employment. This may include fees for outplacement assistance, legal and/or professional advice.
Short-term incentive plan	No award would generally be payable if, on the date the payment is declared, an individual is no longer employed by the Company or has received or given notice to leave the Group. However, the Committee retains discretion to deem an individual a good leaver[1], in which case it may provide a time pro-rated award, determined against the relevant performance conditions. Any award would normally be payable at the normal payment date. In determining the level of short-term incentive to be paid, the Committee may, at its discretion, take into account performance up to the date of cessation or over the financial year as a whole based on appropriate performance measures as determined by the Committee.
Deferred share bonus plan	Deferred short-term incentive awards are governed by the plan rules which have been approved by shareholders. Unvested awards will normally lapse unless the individual is deemed a good leaver[1] in which case the awards will vest in full on the original vesting date. The Committee retains discretion, in exceptional circumstances, to determine an early vesting date. In the event of change in control, awards will vest or may be exchanged for new awards.
Long-term incentive plan	LTIP awards are governed by the plan rules which have been approved by shareholders. Unvested awards will normally lapse unless the individual is deemed a good leaver[1] in which case the awards will normally vest on the original vesting date, subject to the satisfaction of the relevant performance conditions and being pro-rated for time. The Committee retains discretion to determine that awards vest at cessation (for example in the case of death) and/or to disapply time-based pro-rating. In the event of change in control, and unless participants agree with the acquiring company to exchange their awards, awards will vest subject to the satisfaction of the relevant performance conditions and be pro-rated for time. However, the Committee has discretion to disapply time pro-rating.

1 For example: death, disability, redundancy, retirement, or other circumstances at the discretion of the Committee.

External appointments

Executive Directors, with the prior approval of the Board, may accept one external appointment as a Non-executive Director of another company. Experience as a board member of another company is considered to be valuable personal development, which is of value to the Company. The retention of any related fees by the Executive Director or remission to the Company will be determined on a case-by-case basis.

Discretion

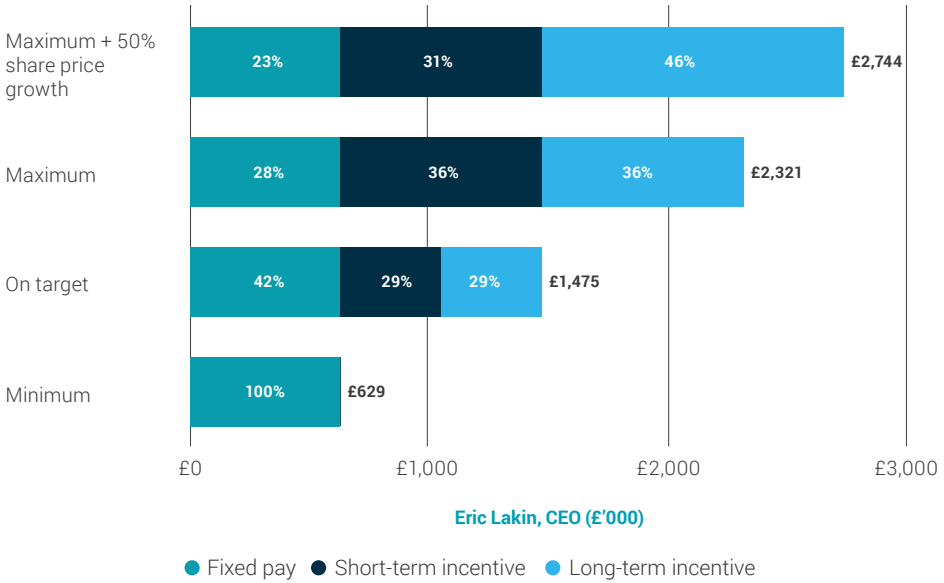
The Committee has discretion in numerous areas of the Policy, as set out earlier in this report. The Committee may also exercise administrative and operational discretion under incentive plan and share plan rules. The Committee may make minor amendments to the Policy set out in this Policy Report (for regulatory, exchange control, tax or administrative purposes or to take account of a change in legislation) without obtaining shareholder approval for that amendment.

The Committee may vary or waive any performance condition(s) if an event occurs which causes it to determine that the original condition(s) have ceased to be appropriate, provided that any such variation or waiver is fair, reasonable and not materially less difficult to satisfy than the original condition would have been but for the event in question (in its opinion). The Committee may also adjust the calculation of performance targets and vesting outcomes (for instance for material acquisitions, investments or disposals and events not foreseen at the time the targets were set) t o ensure they remain a fair reflection of performance over the relevant period. In the event that the Committee was to make an adjustment of this sort, a full explanation would be provided in the next Annual Report on Remuneration. The Committee will also consider shareholder consultation in respect of material adjustments.

REMUNERATION POLICY REPORT CONTINUED

Illustration of total remuneration opportunity

The following charts illustrate the future total remuneration for each Executive Director in respect of the proposed remuneration opportunity to be granted under the Remuneration Policy being tabled for approval at the 2026 AGM. The charts indicate the minimum, on-target and maximum remuneration that could be received. Underlying assumptions follow the charts.



All scenarios:
- Base salary at 1 April 2026 and pension to be paid in 2026, on an annualised basis.
- Benefits in kind received in 2025 as shown in the Single Total Figure of Remuneration table on an annualised basis (n/a for Richard Webb who is appointed on a fixed term contract).
- Short-term incentive is based on 150% of salary for both Executive Directors.
- Long-term incentive is based on the multiple to be awarded for 2026, of 150% for the CEO (n/a for Richard Webb who is appointed on a fixed term contract).

Minimum:
- Minimum pay consists of salary, pension and benefits in kind.

On target:
- For the short-term incentive, 50% of the maximum would be payable. For the long-term incentive, 50% vesting is assumed.

Maximum:
- It is assumed that the short-term incentive would be payable at maximum and that the long-term incentive award would vest in full.

Maximum with share price growth:
- Calculated as per 'Maximum' but includes a 50% share price growth assumption for the long-term incentive award.

Consideration of stakeholder views

The Committee consulted shareholders on the 2026 Remuneration Policy. We wrote to the Company's largest shareholders, representing c.65% of the share capital, as part of the Policy review process. Shareholders who responded were broadly supportive of our proposed Policy, with some specific constructive suggestions around measure selection which fed into the Committee's decision-making on implementation in 2026.

In addition, the Committee consulted with a subset of employees in relation to the formation of the remuneration policy at the time of the last Policy review in 2023. Since no changes to the Policy are being proposed, this specific exercise has not been repeated. However, during the year, the Non-executive Directors met with employees at sites in the UK and US to discuss a variety of issues, including remuneration matters. The feedback from these sessions was shared with the Board and Remuneration Committee members and was taken into account when considering the formation and implementation of the Policy.

ANNUAL REPORT ON

REMUNERATION

IMPLEMENTATION OF THE REMUNERATION POLICY FOR THE YEAR ENDED 31 DECEMBER 2025

Single figure for total remuneration (audited)
Executive Directors' remuneration for the years ended 31 December 2025 and 31 December 2024 was as follows:

£'000		Salary	Taxable benefits	Pension	Total fixed pay	Short-term incentive[1]	Long-term incentive[2]	Total variable pay	Single total figure
Executive Directors									
Eric Lakin[3]	**2025**	**397**	**18**	**28**	**443**	**466**	**n/a**	**466**	**909**
	2024	–	–	–	–	–	–	–	–
Richard Webb[4]	**2025**	**240**	–	**17**	**257**	**282**	**n/a**	**282**	**539**
	2024	–	–	–	–	–	–	–	–
Peter France[5]	**2025**	**151**	**12**	**11**	**174**	**126**	**108**	**234**	**408**
	2024	550	30	38	618	–	–	–	618
Mark Hoad[6]	**2025**	**112**	**16**	**8**	**136**	**111**	**93**	**204**	**340**
	2024	404	34	28	466	–	–	–	466

1 For Eric Lakin, short-term incentive awards are subject to deferral into shares in the Company. The STIP value includes the incentive paid in cash and to be deferred into shares. In line with the current Remuneration Policy, 30% of any STIP is deferred into shares. Deferred awards are not subject to any further performance conditions. Richard Webb is on a fixed term contract, the terms of which provide for the payment of any short-term incentive award to be in cash. As per their respective departure agreements, the Committee determined that a portion of Peter France's STIP is be deferred in shares in line with the current Remuneration Policy and Mark Hoad's STIP is be paid in cash.

2 LTIP values shown in the single figure include dividend equivalents. The 2025 figure comprises the 2023 LTIP award (vesting March 2026 for Mark Hoad and October 2026 for Peter France based on performance to 31 December 2025). The TSR element of the 2022 LTIP award held by Mark Hoad (based on performance to 14 March 2025) lapsed during the year. Eric Lakin and Richard Webb were not participants in either the 2022 or 2023 LTIP award cycles. The three-month average share price to 31 December 2025 used to calculate the value of the 2023 award is 121.47 pence. As this figure is lower than the share price at grant, none of the value shown relates to share price appreciation.

3 Eric Lakin joined TT Electronics on 13 January 2025 as CFO Designate but was not formally appointed to the Board in this position. On 10 April 2025, and with immediate effect, Eric Lakin was appointed as acting CEO and joined the Board as an Executive Director on the same day. The above table reflects all remuneration received by Eric Lakin since appointment to the Board.

4 Richard Webb joined TT Electronics on 12 May 2025 as Interim CFO. As per his fixed term contract, he is eligible for any short-term incentive award to be payable in cash and he is not eligible to participate in the LTIP or receive benefits other than a pension contribution.

5 Peter France stepped down as CEO and as a Board Director on 9 April 2025. The table above captures all remuneration in respect of the period to this date.

6 Mark Hoad stepped down from the Board on 10 April 2025. The table above captures all remuneration in respect of the period to this date.

SALARY

Salaries are pro-rated for the time served as an Executive Director on the Board.

Eric Lakin joined TT Electronics on 13 January 2025 as CFO Designate but was not formally appointed to the Board in this position. As disclosed in the 2024 Annual Report and Accounts, Eric Lakin's base salary as CFO Designate was set at £400,000 per annum. On 10 April 2025, and with immediate effect, Eric Lakin was appointed as acting CEO and joined the Board as an Executive Director. On promotion, the Committee approved a base salary of £550,000 per annum. Eric was appointed as CEO on 12 August 2025, with no changes made to his remuneration terms.

Richard Webb joined TT Electronics on 12 May 2025 as Interim CFO and Board Director on a fixed term contract. His salary on appointment was set at £375,000 per annum.

Peter France stepped down as CEO and as a Board Director with immediate effect on 9 April 2025. His salary was set at £550,000 per annum in 2024 and was not increased during his employment.

Mark Hoad, who served as CFO, stepped down from the Board on 10 April 2025. His 2025 salary remained at its 2024 level of £403,632 per annum.

TAXABLE BENEFITS

The Executive Directors' taxable benefits consist of a car allowance and insurance benefits. Richard Webb is not eligible to receive benefits under the terms of his fixed term contract.

PENSION

Employer contributions were paid at 7% of salary in line with those available to the wider UK workforce. Contributions are made as defined contribution pension and/or a cash supplement.

SHORT-TERM INCENTIVE PLAN

In line with the Remuneration Policy, the maximum opportunity under the STIP for Executive Directors is 150% of salary, subject to the achievement of the stretching performance measures detailed below. For permanent appointments, 70% of any award is paid in cash and 30% is deferred into shares which will vest after two years.

Peter France and Mark Hoad each remained eligible for a pro-rated 2025 STIP. Peter France's award was pro-rated for the first three months of the 2025 financial year, and will be paid 70% in cash with the remaining 30% deferred into shares which will vest after two years. Mark Hoad's award was pro-rated to 30 September 2025 and the resulting bonus was paid in cash.

As disclosed in the 2024 Annual Report and Accounts, Eric Lakin's 2025 STIP was set at 150% of salary in his position as CFO Designate; this opportunity remained unchanged following his promotion to the role of acting CEO (a role subsequently made permanent in August 2025). The STIP value presented above in respect of Eric Lakin reflects that earned in respect of the period in 2025 for which he a Board director.

Richard Webb's 2025 STIP reflects that earned in respect of the period from appointment as Interim CFO. As per the terms of Richard Webb's fixed term contract, this award is payable 100% in cash.

2025 PERFORMANCE TARGETS

The Remuneration Committee sets targets for the Executive Directors to coincide with the start of the financial year. Targets are set primarily by reference to the business plan at the time, with reference to external forecasts of the Group's performance and market conditions. In setting the performance targets, the Committee was mindful to ensure that targets were appropriately stretching and the performance range appropriately positioned. To the extent that performance for each of the financial measures is below threshold, the Committee may reduce the outcomes payable in respect of the ESG and/or personal strategic measures, up to and including to zero.

FINANCIAL PERFORMANCE (70% WEIGHTING)

Performance measure	Weighting (% maximum)	Required for threshold payout of element (25% of maximum) (£m)	Required for target payout of element (50% of maximum) (£m)	Required for maximum payout of element (100% of maximum) (£m)	Outturn (£m)	Outturn (% of element)
Group adjusted profit before tax[1]	46.7%	26.6	28.6	34.6	30.1	62.5%
Group free cash flow[1]	23.3%	8.5	18.9	28.4	29.2	100.0%

1 Performance for the purposes of the short-term incentive is measured using constant budgeted exchange rates.

NON-FINANCIAL PERFORMANCE (30% WEIGHTING)

The 2025 STIP includes two non-financial components, a 10% weighting of the opportunity on ESG and a 20% weighting on personal strategic objectives.

ESG (10% WEIGHTING)

Performance measure	Weighting (% maximum)	Required for threshold payout of element (25% of maximum)	Required for target payout of element (50% of maximum)	Required for maximum payout of element (100% of maximum)	Outturn	Outturn (% of element)
Scope 1 & 2 carbon emission intensity ratio	10%	14	13	12	12.25	87.5%

PERSONAL STRATEGIC OBJECTIVES (20% WEIGHTING)

For 2025, Eric Lakin and Richard Webb shared a set of personal strategic objectives. The Committee received regular performance updates during 2025 in respect of the objectives and noted the progress made. The Committee's assessment of the personal strategic objectives and the determination of the 85% outturn for the current Executive Directors is explained below.

For Peter France, the Committee determined that this element should result in an outturn of 0% of maximum. Mark Hoad supported a smooth handover of responsibilities, which the Committee agreed warranted an outturn of 25% of maximum for this element.

Personal strategic objective	Personal strategic objective detail and rationale	Weighting (% maximum)	Outturn	Outturn (% of maximum)
Strategic review	– The Executive Directors led a comprehensive strategic assessment of our Components business, and embedded a robust framework to enable future critical decisions to be made in a timely, well-informed and strategically-aligned manner.	4%	100%	4.0%
Tone from the top	– Reinforced and advanced the TT 'do the right thing' value through the step-change in tone from the top on integrity, control and discipline, and ethics. – Drove the roll out of key projects across the Group to ensure all critical controls and principal risks have been identified and re-assessed in preparation for progression into 2026.	4%	100%	4.0%
Improve consistency of delivery	– There was improved consistency of delivery with actions that allowed us to deliver against our 2025 Plan, including delivering material debt reduction.	4%	75%	3.0%
Cleveland turnaround	– Cleveland turnaround is on track with improvements in operational and financial performance, warranting an above threshold outturn.	4%	50%	2.0%
Engagement	– Despite corporate transaction uncertainty in the year, the Executive Directors helped re-establish our senior leadership team spirit. As a result, there was observed improvement in our senior leadership team engagement surveys from April 2025 to January 2026.	4%	100%	4.0%

2025 SHORT-TERM INCENTIVE OUTCOMES

Performance measure	Opportunity (% of salary)[1]	Eric Lakin	Richard Webb	Peter France	Mark Hoad
Group adjusted profit before tax	70.0%	43.8%	43.8%	43.8%	43.8%
Group free cash flow	35.0%	35.0%	35.0%	35.0%	35.0%
ESG	15.0%	13.1%	13.1%	13.1%	13.1%
Personal strategic objectives	30.0%	25.5%	25.5%	0.0%	7.5%
Total award (% of salary)	**150.0%**	**117.4%**	**117.4%**	**91.9%**	**99.4%**
Total award (% of maximum)		**78.2%**	**78.2%**	**61.2%**	**66.2%**
Total award (£'000) – pro-rata for time served		**£466**	**£282**	**£126**	**£111**

1 The opportunity as a percentage of salary is the maximum all Executive Directors can receive. Eric Lakin's bonus is for the period from 10 April 2025 and Richard Webb's bonus reflects the period served since joining TT Electronics. Peter France's STIP award is pro-rated for the first three months of 2025. The STIP award disclosed for Mark Hoad reflects the period served as an Executive Director in the year (i.e. to 10 April 2025).

The Committee reviewed the outcomes in the context of underlying performance and concluded that the formulaic results were appropriate and fair. No discretion was applied in respect of the 2025 STIP for the current Executive Directors.

The Committee approved the payment of the STIP awards due to the former Executive Directors in line with the terms agreed at the time they stepped down from the Board. Specifically, 30% of Peter France's STIP will be deferred in shares in line with the current Remuneration Policy and Mark Hoad's STIP is be paid in cash.

LONG-TERM INCENTIVE

Prior to the 2023 cycle, LTIP awards were subject to two separate three-year performance measures. EPS performance was assessed over a three-year period which aligned with the Group's financial year end, while TSR was measured over the three-year period from the date of grant. Consequently, the EPS and TSR outturn was reported in different reporting periods.

The TSR performance period for the 2022 LTIP award ended during the 2025 financial year and so ordinarily would be reflected in the single figure of remuneration for 2025. However, based on performance over that three-year period, the TSR portion of the 2022 cycle lapsed in full. Performance under the EPS element of that cycle was below threshold and reported in last year's annual report.

The 2023 LTIP award was the first award to incorporate a revised structure, under which three performance conditions are all assessed over a single three-year period ending on 31 December 2025. Consequently, the overall vesting outcome under the 2023 LTIP award has been reflected in the single figure of remuneration for 2025.

Award year	Performance measure	Weighting in respect of each award	Threshold (25% vesting)	Maximum (100% vesting)	Outcome	Percentage of maximum achievement
2022 LTIP award[1]	Relative TSR performance against the FTSE SmallCap (excluding Investment Trusts)	50%	Median	Upper quartile	Below median	0%
2023 LTIP award[2]	Adjusted EPS compound annual growth on a constant currency basis	50%	4%	12%	Below 4%	0%
	Average Cash Conversion	25%	80%	95%	124%	25%
	Relative TSR performance against the FTSE SmallCap (excluding Investment Trusts)	25%	Median	Upper quartile	Below median	0%

1 2022 LTIP award (lapsed March 2025): The EPS performance period for this award ended on 31 December 2024; the vesting of the EPS component was below threshold and was reported in the 2024 single figure of total remuneration. The TSR performance period began on the date of grant on 14 March 2022 and ran through to 14 March 2025; the vesting of the TSR component was below median as indicated in the above table.

2 2023 LTIP award (vesting March 2026 for Mark Hoad, and October 2026 for Peter France): this was the first LTIP year in which the performance period for the TSR portion of the award started with the financial year and not the date of grant. The performance period for all measures in this award ended on 31 December 2025 and outcomes are reflected in the 2025 single figure table.

The current Executive Directors were not in-post when either the 2022 or 2023 LTIP awards were granted. Mark Hoad retained a pro-rated interest in the 2022 LTIP, and both Mark Hoad and Peter France retained pro-rated interests in the 2023 LTIP. These retained interests remained subject to performance testing over the full performance period.

The 2022 LTIP lapsed in full. The formulaic outturn for the 2023 LTIP was 25% of maximum. The Committee determined no discretion needed to be applied in respect of the vesting of the 2023 LTIP awards.

In the single total figure of remuneration table, the value of the 2023 LTIP awards is calculated as set out below. As the share price for the final quarter was below the grant share price, no value is attributable to share price growth.

	Number of shares subject to award (pro-rata for time served)[1]	Vesting outturn (% of maximum)	Vested shares	Value of shares (£)[2]	Dividend equivalent (£)	Total for single total figure of remuneration (£)
Peter France	333,284	25%	83,321	101,210	6,835	108,045
Mark Hoad	279,854	25%	69,963	84,984	8,017	93,001

1 Peter France and Mark Hoad's 2023 LTIP awards were pro-rated for time served. See page 90 for more information.
2 In accordance with the relevant regulations, the value of the purpose of the single total figure of remuneration table is calculated by reference to the average share price over the final quarter of 2025 (121.47 pence)

Malus and clawback

In line with the Remuneration Policy, the Committee may apply judgement to adjust formulaic incentive outcomes (either up or down) prior to payment/vesting to ensure they reflect underlying business performance and shareholder interests. Please refer to page 80 of the report for more information on the circumstances in which malus and clawback provisions may be used, the respective time periods when it may apply and also why the Committee deems the clawback period to be most appropriate for TT Electronics.

As disclosed last year, malus and clawback was applied in respect of the certain incentive cycles following the restatement of the Group's 2023 results. Further detail can be found on page 93 of the 2024 Annual Report.

LONG-TERM INCENTIVES GRANTED DURING THE FINANCIAL YEAR (AUDITED)

An LTIP award of conditional shares was granted to Eric Lakin on 22 April 2025. The award is subject to a three-year vesting period plus an additional two-year holding period.

	Basis of award granted (% of salary)	Share price at date of grant (pence)[1]	Number of shares over which award was granted	Face value of award (£)	% of award that would vest at threshold performance	Performance period end date
Eric Lakin	150%	75.52	1,092,425	825,000	25%	31/12/2027

1 The share price used to determine the number of shares granted on 22 April 2025 was 75.52 pence which is the five working day average preceding the date of grant.

Richard Webb, in line with the terms of his fixed term contract, is not eligible to receive an LTIP grant. Peter France and Mark Hoad were not eligible to receive an LTIP in respect of 2025.

PERFORMANCE MEASURES FOR LTIP AWARDS GRANTED DURING THE FINANCIAL YEAR (AUDITED)

The 2025 LTIP award is subject to three performance measures, assessed over the three-year performance period from 1 January 2025 to 31 December 2027. The details of the performance conditions are as follows:

Performance measure	Weighting	Threshold (25% vesting)	Maximum (100% vesting)
Adjusted EPS compound annual growth on a constant currency basis	50%	4%	12%
Average cash conversion	25%	80%	95%
Relative TSR performance against the FTSE SmallCap (excluding Investment Trusts)	25%	Median	Upper quartile

The Committee retains discretion to adjust formulaic incentive vesting outcomes to ensure they reflect underlying business performance and shareholder interests.

DEFERRED SHORT-TERM INCENTIVE AWARDS

No bonuses were awarded to Peter France and Mark Hoad in respect of the year ended 31 December 2024. As such, during the 2025 financial year, no current or past Executive Directors were awarded conditional shares under the deferred bonus share plan.

EXECUTIVE DIRECTOR INTERESTS IN SHARES

The table below sets out details of outstanding share awards held by Executive Directors at 31 December 2025.

	Scheme	Date of grant	Performance conditions apply	Exercise price (pence)	1 January 2025	Granted during the year	Lapsed	Vested	31 December 2025	Market value at 31 December 2025 (£)[1]	Market price at grant date (pence)	Vesting date	Expiry date[2]
Executive Directors													
Eric Lakin	LTIP	22/04/2025[3]	Y	–	–	1,092,425	–	–	1,092,425	1,249,734	76	22/04/2028	–
Total outstanding									**1,092,425**	**1,249,734**			
Former Executive Directors													
Peter France	LTIP	02/10/2023[3,4]	Y	–	479,930	–	146,646	–	333,284	381,277	172	02/10/2026	–
		11/03/2024[3,4]	Y	–	543,478	–	256,643	–	286,835	328,139	152	11/03/2027	–
	DSBP	11/03/2024[5]	–	–	37,264	–	30,431	–	6,833	7,817	152	11/03/2026	–
	Buy–out Award	02/10/2023[6]	–	–	226,876	–	–	–	226,876	259,546	172	02/10/2026	–
	ShareSave	30/09/2024[7,8]	–	127	14,617	–	14,617	–	–	–	96	01/11/2027	30/04/2028
Total outstanding									**853,828**	**976,779**			
Mark Hoad	LTIP	14/03/2022[3]	Y	–	262,321	–	262,321	–	–	–	192	14/03/2025	–
		16/03/2023[3,4]	Y	–	324,992	–	45,138	–	279,854	320,153	181	16/03/2026	–
		11/03/2024[3,4]	Y	–	398,845	–	188,344	–	210,501	240,813	152	11/03/2027	–
	DSBP	16/03/2023[5]	–	–	31,558	–	22,007	9,551	–	–	181	16/03/2025	–
		11/03/2024[5]	–	–	108,817	–	108,817	–	–	–	152	11/03/2026	–
	ShareSave	30/09/2024[7,9]	–	127	14,617	–	7,309	–	7,308	8,360	96	01/11/2027	30/04/2028
Total outstanding									**497,663**	**569,326**			

1 Calculated as the total number of shares awarded multiplied by the share price on 31 December 2025 of 114.4 pence. The calculation does not take into account dividend equivalents or the likelihood of vesting.
2 The expiry date, relevant only to ShareSave, is that applying in normal circumstances.
3 Vesting of LTIP awards is subject to performance conditions set by the Remuneration Committee and disclosed in the relevant Directors' Remuneration report. The 2022 LTIP (granted on 14 March 2022 for Mark Hoad) lapsed in full after performance testing. The 2023 LTIP (granted 2 October 2023 for Peter France and 16 March 2023 for Mark Hoad) after performance testing will vest at 25% of maximum.
4 Peter France stepped down with immediate effect on 9 April 2025 and Mark Hoad stepped down from the Board on 10 April 2025. As such, the 2023 and 2024 LTIP awards for both Mark Hoad and Peter France have been adjusted to account for time pro-rating. Unvested awards will continue to be subject to their respective post-vesting two-year holding periods which will also continue to apply post cessation.
5 As a result of restated results for 2023, the Committee decided last year to exercise discretion and apply malus to reduce the number of unvested shares under the DSBP. This is reflected in the table above. For Peter France, 30,431 shares of the 37,264 shares awarded under the March 2024 DSBP award have lapsed. For Mark Hoad, the full March 2024 DSBP award of 108,817 has lapsed, as have 22,007 shares of the 31,558 shares awarded under the March 2023 DSBP award.
6 Peter France was granted a buy-out award in connection with his recruitment to compensate for a cash annual bonus that was forfeit on resignation from his prior employer. No performance conditions apply to this award. In line with treatment for a good leaver, Peter retained this buy-out award, which will continue to vest on the normal vesting date.
7 The market value is the difference between the share price on 31 December 2025 and the option price (127 pence for the 2024 grant) multiplied by the total number of shares under the option (or £0 if this difference is negative).
8 Peter France's options in the all-employee share plan, ShareSave, lapsed at the termination date in line with scheme rules.
9 Mark Hoad's options in the all-employee share plan, ShareSave, have been time pro-rated in line with scheme rules.

STATEMENT OF DIRECTORS' SHAREHOLDING AND SHARE INTERESTS (AUDITED)

The table below shows the shareholding for each Executive Director as at 31 December 2025, or the date of stepping down from the Board, if earlier. The Executive Directors are required to build and hold a shareholding of 200% of salary. Executive Directors must retain 50% of the net of tax value of any vested LTIP/DSBP shares until the guideline is met.

	Beneficially owned at 1 January 2025	Beneficially owned at 31 December 2025	Unvested share awards subject to Company performance conditions	Unvested deferred bonus share plan awards[1]	Unvested share buy-out award	Outstanding share awards under all-employee share plans	Shareholding (% of salary)[2]	Value of shareholding (£)[3]
Executive Directors								
Eric Lakin	–	100,000	1,092,425	–	–	–	21%	114,400
Richard Webb[4]	–	–	–	–	–	–	–	–
Former Executive Directors								
Peter France	–	–	620,119	6,833	226,876	–	26%	141,702
Mark Hoad	873,226	873,226	490,355	–	–	7,308	247%	998,971

1 As a result of the restated results for 2023, the Committee exercised discretion and applied malus to reduce the number of unvested shares under the DSBP. This has been applied in 2025 and is reflected in the figure above.
2 Shareholding includes beneficially owned shares and shares awards, such as DSBP grants, which are not subject to performance conditions (net of assumed tax withholding). Shareholding calculated using the salary at the close of business on 31 December 2025 (or on the date of stepping down, in the case of former Executive Directors).
3 Calculated using the share price as at close of business on 31 December 2025 of 114.4 pence.
4 Richard Webb, Interim CFO, was appointed on a fixed term contract and is not eligible for share-based remuneration. As a result, Richard Webb is not expected to build up a shareholding in the Company at this time.

There have been no changes to shareholdings of incumbent Executive Directors between 31 December 2025 and the date of this report.

Post-cessation of employment, Executive Directors are required to hold for two years the lower of half of the share ownership requirement or their shareholding at cessation.

The closing prices for an ordinary share of 25 pence of the Company on 31 December 2024 and 31 December 2025 as derived from Refinitiv were 106.0 pence and 114.4 pence respectively. During 2025, the closing price of TT Electronics plc ordinary shares ranged between 73.0 pence and 154.0 pence.

PAYMENTS TO PAST DIRECTORS (AUDITED)

On 1 October 2023, Richard Tyson stepped down as Chief Executive Officer. In accordance with the previously disclosed 2023 payments for loss of office, Richard Tyson retained the 2023 grants under the deferred share bonus plan which reflect annual bonus earned in 2022. The 2023 grant of 42,070 shares vested on 14 March 2025. 18,460 shares were deducted for tax, resulting in a net balance of 23,610 shares retained and subject to the post cessation of employment shareholding requirement. The dividend equivalent was paid as cash to the value of £2,967.

No payments other than those described in this report were made to past Directors in 2025.

PAYMENTS FOR LOSS OF OFFICE (AUDITED)

After 10 years with the Group, on 10 April 2025, Mark Hoad stepped down from the Board as CFO but remained employed until 30 September 2025. The remuneration approach for Mark, which is in line with the Policy and typical market practice for retirement, was as follows:

- **Salary, pension and benefits** – Mark continued to receive his contractual salary of £403,632 per annum, pension and benefits until 30 September 2025 (£216k in aggregate). No payment was made in lieu of any unexpired period of notice.
- **Short-term incentive plan** – Mark remained eligible to receive an award in respect of the period of active service in the 2025 financial year, payable at the normal payment date and paid in cash, subject to performance testing and time pro-rating. The outturn disclosed earlier in this report, of 66.2% of maximum, equates to £189k for the period 11 April to 30 September 2025.
- **Long-term incentive plan** – Mark retained his existing LTIP awards which will vest on the normal vesting date subject to performance testing and time pro-rating. Mark did not receive an LTIP grant in 2025.
- **Deferred share bonus plan** – Mark retained his in-flight DSBP awards, which reflect bonus awards previously earned, less the shares lapsed on application of malus in respect to the 2023 revised results. DSBP awards will vest on the normal vesting date.
- **ShareSave** – Mark retained his options on a time pro-rated basis in line with the scheme rules. These will continue to vest on the normal vesting date.
- **Share ownership guideline** – A two-year post cessation of employment shareholding requirement applies in line with Policy.

On 9 April 2025, Peter France stepped down from the Board as CEO. The remuneration approach for Peter, which is in line with the Policy, is as follows:

- **Salary, pension and benefits** – Peter continued to receive his contractual salary of £550,000 per annum, pension and benefits up to 9 October 2025 (£308k in aggregate). For the remaining term of his contractual notice period, he will receive payment equivalent to his contractual salary (of £225k), payable in equal monthly instalments.
- **Short-term incentive plan** – Peter remained eligible to receive an award in respect of the first three months of the 2025 financial year, payable at the normal payment date subject to performance testing and time pro-rating, and with 30% of the earned amount to be deferred into shares for two years. The full value and further details of the bonus earned are captured on pages 86 and 87.
- **Long-term incentive plan** – Peter retained his existing LTIP awards which will vest on the normal date subject to performance testing and time pro-rating. Peter did not receive an LTIP grant in 2025. **Deferred share bonus plan** – Peter retained his in-flight DSBP award, which reflects bonus previously earned, less the shares lapsed on application of malus in respect to the 2023 revised results. The DSBP award will vest on the normal vesting date.
- **Other** – Peter retains the buy-out award made in connection with his recruitment to compensate for a cash bonus that was forfeited on resignation from his prior employer. No performance conditions apply and this award will vest on the normal date of 2 October 2026. Peter also received £12,000 towards legal fees incurred on the termination of his agreement.
- **ShareSave** – Peter's options lapsed at his termination date in line with scheme rules.
- **Share ownership guideline** – A two-year post cessation of employment shareholding requirement applies in line with Policy.

EXECUTIVE DIRECTORS' SERVICE CONTRACTS

Executive Directors normally have rolling contracts which are terminable by either party giving 12 months' notice. Service contracts are available for viewing at the Company's registered office.

	Date of appointment	Date of current contract/letter of appointment	Notice from Company	Notice from individual	Unexpired period of service contract
Eric Lakin[1]	10 April 2025	11 August 2025	12 months	12 months	Rolling contract
Richard Webb[2]	12 May 2025	7 May 2025	3 months	3 months	4 months

1 Eric Lakin was appointed CFO Designate on 13 January 2025 but was not formally appointed to the Board in this position. On 10 April 2025, and with immediate effect, Eric Lakin was appointed as Acting CEO and joined the Board as an Executive Director. Eric was appointed as CEO on 12 August 2025, with no changes made to his remuneration terms.
2 Richard Webb was appointed as a Interim CFO with a one year fixed term contract. The unexpired period disclosed is at 31 December 2025.

PAY ACROSS THE ORGANISATION

This section of the report enables our remuneration arrangements to be viewed in the context of providing:

- A comparison of the percentage change in our Directors' remuneration with the change in our UK employees' average remuneration.
- A 10-year history of our Chief Executive's remuneration.
- Our TSR performance over the same period.
- The ratio between our Chief Executive's remuneration and the remuneration of employees.
- A year-on-year comparison of the total amount spent on employment costs across the Group and shareholder payments.

PERCENTAGE CHANGE IN REMUNERATION OF DIRECTORS AND EMPLOYEES

The following table compares the percentage change in Directors' salary/fees, benefits and short-term incentive to the average change for all employees of the parent Company for the past five years.

	2024 to 2025			2023 to 2024			2022 to 2023			2021 to 2022			2020 to 2021		
	Salary/fees	Benefits	Bonus	Salary/fees	Benefits	Bonus	Salary/fees	Benefits	Bonus	Salary/fees	Benefits	Bonus	Salary/fees	Benefits	Bonus
Executive Directors															
Eric Lakin[1]	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
Richard Webb[1]	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
Chair															
Warren Tucker	1.2%	n/a	n/a	3.0%	n/a	n/a	5.0%	n/a	n/a	2.5%	n/a	n/a	1.5%	n/a	n/a
Non-executive Directors															
Anne Thorburn[2]	6.0%	n/a	n/a	23.3%	n/a	n/a	5.0%	n/a	n/a	2.5%	n/a	n/a	8.0%	n/a	n/a
Inken Braunschmidt[3]	10.6%	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
Michael Ord	1.2%	n/a	n/a	11.5%	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Karina Rigby[4]	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
Former Directors															
Peter France[5]	0%	10.4%	n/a	0%	0.2%	(100)%	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Mark Hoad[6]	0%	1.4%	n/a	3.0%	1.8%	(100)%	5.0%	(1.3)%	26.8%	2.5%	5.0%	(35.5)%	6.7%	52.0%	169.4%
Alison Wood[7]	0%	n/a	n/a	12.2%	n/a	n/a	5.0%	n/a	n/a	2.5%	n/a	n/a	12.5%	n/a	n/a
Average UK TT Electronics parent company employees[8]	3.4%	5.6%	101%	5.9%	11.4%	(55.4%)	6.3%	11.2%	27.9%	9.4%	10.4%	(25.7)%	2.9%	6.8%	108.4%

1 Eric Lakin and Richard Webb were appointed to the Board on 10 April 2025 and 12 May 2025 respectively. Therefore, table entries are not applicable for these individuals as there is no prior year remuneration for comparison purposes.
2 Anne Thorburn was appointed Senior Independent Director on 10 May 2024.
3 Inken Braunschmidt was appointed as a Non-executive Director on 1 July 2024 and as Chair of the Remuneration Committee on 30 June 2025.
4 Karina Rigby was appointed to the Board on 1 October 2025. Therefore, table entries are not applicable as there is no prior year remuneration for comparison purposes.
5 Peter France was appointed CEO on 2 October 2023 and stood down from that role and the Board on 9 April 2025. The percentage change from 2024 to 2025 is based full-time equivalent remuneration for 2025.
6 Mark Hoad stood down from the Board on 10 April 2025. The percentage change from 2024 to 2025 is based full-time equivalent remuneration for 2025.
7 Alison Wood stood down from the Board on 30 June 2025. The percentage change from 2024 to 2025 is based full-time equivalent remuneration for 2025.
8 Average parent Company employee based on employees who were employed throughout each two-year comparison period.

CHIEF EXECUTIVE OFFICER'S REMUNERATION FOR THE LAST 10 YEARS

The total remuneration figures for the Chief Executive Officer during each of the last 10 years are shown in the table below. The total remuneration figures include the short-term incentive based on that year's performance and LTIP vesting based on the three-year performance periods ending in the relevant year.

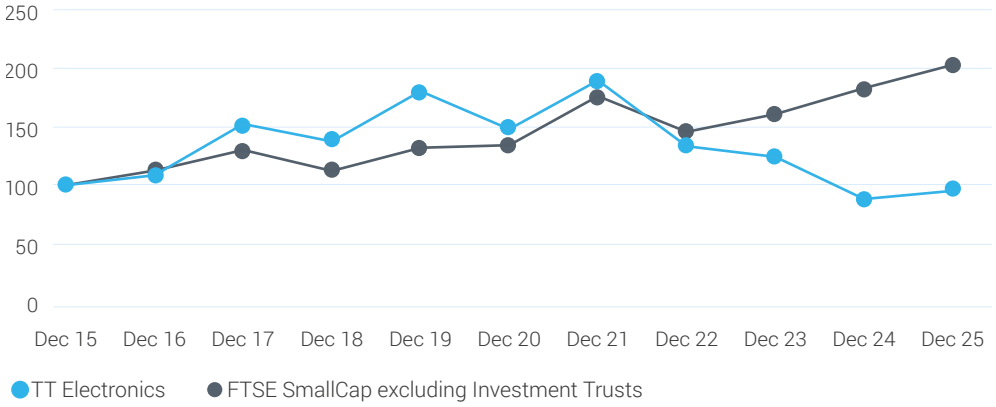
	2016	2017	2018	2019	2020	2021	2022	2023[2]	2023[3]	2024[4]	2025[5]	2025[6]
	Richard Tyson	Richard Tyson	Richard Tyson	Richard Tyson	Richard Tyson	Richard Tyson	Richard Tyson	Richard Tyson	Peter France	Peter France	Peter France	Eric Lakin
Total remuneration (£'000)	1,152	1,794	2,189	1,430	1,003	1,306	1,194	453	668	618	408	909
Short-term incentive (% of maximum)	100.0	100.0	93.3	64.0	45.8	97.1	61.2	–	59.6	0.0	61.2	78.2
LTIP vesting (% of maximum)[1]	–	50.0	100.0	86.5	50.0	18.3	27.4	–	–	–	25.0	–

1 LTIP vesting is reflective of the three-year performance periods ending in the relevant year.
2 Relates to Richard Tyson's tenure as CEO to 1 October 2023.
3 Relates to Peter France's tenure as CEO from 2 October 2023. 2023 values have been restated to reflect the revised formulaic outcome of the 2023 STIP for the retrospective reduction to the 2023 results. The short-term incentive (% of maximum) has been reduced from 91.7% and the total remuneration has been reduced from £734,000.
4 The Executive Directors and the Committee mutually concluded that no bonuses should be paid to the Executive Directors for 2024.
5 Relates to Peter France's tenure as CEO to 9 April 2025.
6 Relates to Eric Lakin's tenure as CEO from 10 April 2025.

TSR PERFORMANCE

The following graph shows the cumulative TSR of the Company over the last 10 financial years relative to the FTSE SmallCap Index (excluding Investment Trusts). The FTSE SmallCap Index has been selected for consistency as it is the index against which the Company's TSR is measured for the purposes of the LTIP. In addition, the Company is a constituent of the Index.

The graph shows the value, by 31 December 2025, of £100 invested in TT Electronics plc on 31 December 2015 compared with the value of £100 invested in the FTSE SmallCap Index (excluding Investment Trusts).



CHIEF EXECUTIVE OFFICER PAY RATIO

The table below shows the ratio of the total remuneration of the CEO to that of the UK employees of the Group for the last seven years and has been prepared in accordance with the Companies (Miscellaneous Reporting) Regulations 2018.

Year	Methodology used	Lower quartile	Median	Upper quartile
2025[1]	Option B	47:1	34:1	27:1
2024	Option B	23:1	18:1	13:1
2023	Option B	45:1	39:1	25:1
2022	Option B	51:1	43:1	28:1
2021	Option B	62:1	52:1	34:1
2020	Option B	54:1	40:1	29:1
2019	Option B	63:1	55:1	38:1

1 The 2025 ratio is based on the combined CEO single figure of remuneration of Peter France and Eric Lakin.

Given the complexity of the Group, we continue to use Option B which uses our existing Gender Pay reporting datasets as the foundation for our calculations. Our most recently conducted Gender Pay Gap analysis at the time of writing the report was 5 April 2024, and this determined the hourly rates at each quartile. Using 2025 pay data, we calculated the average annual salary and total remuneration for representative employees in each quartile. Representative employees were employed on 31 December 2025 and pay data is based on full-time equivalent pay and calculated in line with the single figure of remuneration methodology. Adjustments may be made to ensure that quartiles are representative, but no adjustments were required for 2025.

Across the UK, the majority of the workforce undertake operational roles in our facilities. The employee lower quartile values are generally reflective of the roles held by our semi-skilled/skilled operators. The median is broadly representative of our skilled technicians, early career professionals and early career managers. The quartile data is broadly representative of total remuneration across the workforce in the UK.

The change in the CEO pay ratio is attributable to changes in the remuneration of the CEO and of the Company's UK employees as a whole. The Committee ensures the majority of the CEO's pay is performance driven and therefore may vary significantly year-on-year due to STIP and LTIP outcomes, as well as share price movements for share-based award. As such it is expected that there will be considerable year-to-year changes in the ratio, as evidenced in the differences between 2024, when the former CEO received no STIP or LTIP payment, and 2025, when there was variable pay earned. The Committee believes that the pay ratio is appropriate and is reflective of the performance of the Group and the roles undertaken by employees in the UK. Further context to the CEO total remuneration is set out in detail in this report.

For 2025, the salary and single figure of total remuneration for our pay quartiles of UK employees are as follows:

	Lower quartile	Median	Upper quartile
Salary	£26,148	£35,042	£44,449
Single figure of total remuneration	£27,958	£38,199	£48,825

RELATIVE IMPORTANCE OF SPEND ON PAY

The following table sets out the change in payments to shareholders and the overall expenditure on pay across the Group.

	2025	**2024**	Change
Staff costs for the Group (£m)	**150.3**	159.7	(6)%
Dividends relating to the period (£m)	**0.0**	4.0	(100)%

NON-EXECUTIVE DIRECTORS' FEES

As disclosed in the 2024 Annual Report, the decision around fee increases for the year was delayed until early 2025 and following the review, Chair, NED and Committee Chair fees were increased in line with the UK workforce of 2.5%, effective 1 July 2025. Fees were also reviewed in early 2026, and increased effective 1 April 2026 by 2.5%, below the UK workforce increase of 3.75%. The resulting fees are shown below.

	Effective 1 April 2026	Increase	Effective 1 July 2025	Increase	Effective 1 January 2024
Chair	**£212,783**	2.5%	£207,593	2.5%	£202,530
NED base fee	**£57,784**	2.5%	£56,375	2.5%	£55,000
NED additional fees:					
Senior Independent Director	**£10,506**	2.5%	£10,250	2.5%	£10,000
Audit Committee Chair	**£10,506**	2.5%	£10,250	2.5%	£10,000
Remuneration Committee Chair	**£10,506**	2.5%	£10,250	2.5%	£10,000

NON-EXECUTIVE DIRECTORS' REMUNERATION

Non-executive Directors' single figure for total remuneration (audited)

£'000	Salary/fees		Benefits		Total	
	2025	2024	**2025**	2024	**2025**	2024
Warren Tucker	**205**	203	**–**	–	**205**	203
Anne Thorburn[1]	**76**	71	**–**	–	**76**	71
Inken Braunschmidt[2]	**61**	27	**–**	–	**61**	27
Michael Ord	**56**	55	**–**	–	**56**	55
Karina Rigby[3]	**14**	–	**–**	–	**14**	–
Former Directors						
Alison Wood[4]	**32**	65	**–**	–	**32**	65

1 Anne Thorburn's fee comprised the NED base fee, the additional fee for chairing the Audit Committee, and the additional fee as Senior Independent Director effective from 10 May 2024.
2 Inken Braunschmidt's fee comprised her NED base fee and her additional fee for chairing the Remuneration Committee since 30 June 2025.
3 Karina Rigby joined the Board on 1 October 2025.
4 Alison Wood stepped down from the Board on 30 June 2025.

NON-EXECUTIVE DIRECTORS' SHARE OWNERSHIP

While Non-executive Directors cannot participate in Company share schemes, share ownership is encouraged to strengthen stakeholder alignment.

Non-executive Directors' shareholdings (audited)

The table below shows the shareholding for each Non-executive Director at 31 December 2025. Warren Tucker has sold his beneficially owned shares since that date.

	Beneficially owned at 31 December 2025[1]
Chair	
Warren Tucker	92,977
Non-executive Directors	
Anne Thorburn	60,000
Inken Braunschmidt	–
Michael Ord	25,000
Karina Rigby	–
Former Director	
Alison Wood[1]	–

1 As at 30 June 2025 for Alison Wood, being the date she retired from the Board.

NON-EXECUTIVE DIRECTORS' LETTERS OF APPOINTMENT

The Chair and Non-executive Directors are appointed under letters of appointment. Letters of appointment are available for viewing at the Company's registered office.

	Date of appointment	Date of current contract/letter of appointment	Notice from Company	Notice from individual	Unexpired period of service contract
Chair					
Warren Tucker	06/05/2020	02/04/2020	1 month	1 month	Rolling contract
Non-executive Directors					
Anne Thorburn	01/07/2019	12/06/2019	1 month	1 month	Rolling contract
Inken Braunschmidt	01/07/2024	25/06/2024	1 month	1 month	Rolling contract
Michael Ord	16/01/2023	09/01/2023	1 month	1 month	Rolling contract
Karina Rigby	01/10/2025	13/06/2025	1 month	1 month	Rolling contract

SHAREHOLDER VOTING

The proxy votes cast in respect of the resolution to approve the Directors' Remuneration report at the AGM held on 30 June 2025 are set out below, together with the vote on the current Remuneration Policy approved at the 2023 AGM.

	Date of AGM	For and Discretionary	For and Discretionary (%)	Against	Against (%)	Withheld
Directors' Remuneration Policy	9 May 2023	131,581,506	90.59%	13,666,522	9.41%	40,262
Directors' Remuneration report	30 June 2025	90,430,553	86.65%	13,929,569	13.35%	39,851

Withheld votes are not counted towards the total percentage of votes cast.

Full schedules in respect of shareholder voting on the above and all AGM resolutions are available at www.ttelectronics.com.

The Remuneration Committee considers shareholder feedback received in connection with the AGM each year and at other times of the year. This feedback is considered as part of the Group's annual review of the Remuneration Report and Remuneration Policy. In addition, the Remuneration Committee endeavours to consult directly with the largest shareholders and the main representative bodies on proposals ahead of significant changes.

ADVISERS TO THE COMMITTEE

During the year, the Committee received support and advice from the CEO, the Interim CFO, the EVP Human Resources, the Group Reward Director, and independent remuneration advisers. The Company Secretary is secretary to the Committee.

During the 2025 financial year, the Committee undertook a review of its advisers and appointed Ellason to replace FIT Remuneration Consultants LLP ("FIT") as its independent advisers. Both Ellason and FIT are signatories of and adhere to the Code of Conduct for Remuneration Consultants which has been developed by the Remuneration Consultants Group. There are no personal connections between Ellason or FIT and either the Company or any individual Directors. The Committee is satisfied that the advice it received during the year was appropriate, objective and independent. Neither Ellason or FIT provided any other services to the Group. The Company paid a total fee of £35,020 (excluding VAT) to FIT, and £59,655 (excluding VAT) to Ellason, in relation to Remuneration Committee advice received during the year. Fees were determined on the basis of time and expenses.

The Group's approach to the Chair's and Executive Directors' remuneration is determined by the Board on the advice of the Remuneration Committee. The Committee considers the views of the Chair on the performance of the CEO, and of the CEO on the performance and remuneration of the other members of the Executive Committee. No Committee members or attendees take part in any discussions relating to their own remuneration.

STATUTORY REQUIREMENTS

The Committee's composition, responsibilities and operation comply with the principles of good governance as set out in the Code and the requirements of the Listing Rules (of the Financial Conduct Authority) and the Companies Act 2006. The Directors' Remuneration report has been prepared on the basis prescribed in the Large- and Medium-sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013.

The Directors' Remuneration report has been approved by the Board and signed on its behalf by:

Inken Braunschmidt
Chair, Remuneration Committee
24 March 2026

OTHER STATUTORY DISCLOSURES

This Annual Report and Accounts includes the Directors' report and the audited financial statements for the year ended 31 December 2025. Certain information required to be disclosed in the Directors' report is provided in other sections of this Annual Report. This includes the overview, the operating and financial reviews, the Governance and Remuneration reports and specific elements of the financial statements noted below. The table below lists items that are relevant to this report, and which are incorporated by reference, including information required in accordance with the UK Companies Act 2006 and Listing Rule 9.8.4R:

AGM information	Page 160
Current and future dividend waiver	Page 96
Employee engagement	Page 20
Future developments in the business	Pages IFC to 44
Going concern	Page 44
Scope 1, 2 and 3 emissions	Page 25
Section 172 statement	Page 35
Share capital	Page 160
Subsidiary undertakings	Page 153
Viability statement	Page 44

Results and dividend
The Group's loss on ordinary activities after taxation was £50.6 million (2024: £53.4 million loss). The audited financial statements of the Group and the Company are set out on pages 111 to 154. Further details of the Group's activities are set out in the Strategic report on pages IFC to 44 which is incorporated into the Directors' report by reference.

Full details of the Company's dividend policy are set out on page 15.

Tax principles and strategy
The Group applies a conservative approach to tax and seeks to comply with the OECD Transfer Pricing guidelines, which should ensure that profits are taxed where value is created and business risks are managed. The Group's full Tax Principles and Strategy document is published on the Group's website.

Important events since the end of the financial year
In March 2026 the Group announced a reorganisation of its segments into a divisional structure of Power, EMS and Components. which better aligns the business to our customers, markets and operations.

Auditor
In 2019, the Company undertook a competitive re-tender exercise for external audit services, following which Deloitte LLP ("Deloitte") was appointed as external Auditor for the financial year 2020 onwards. Deloitte was appointed by the Company's shareholders at the AGM held on 6 May 2020 and has been reappointed at each subsequent AGM (including the 2025 AGM).

The Auditor's responsibilities are set out on page 107 and should be read in conjunction with those of the Directors as set out at the end of this report.

Significant agreements relating to change of control
The Group has a number of borrowing facilities provided by various banking groups. The most significant of these facility agreements (as described below) include change of control provisions which, in the event of a change in ownership of the Company, could result in renegotiation or withdrawal of these facilities:

PP: In August 2021, the Group agreed a debut issue of £75 million of private placement fixed rate loan notes with three institutional investors. The PP transaction completed in December 2021, whereupon funds were received by the Group, with the issue being evenly split between seven- and ten-year maturities with an average interest rate of 3.6%.

RCF: In June 2022, the Group entered into an agreement for a £147.4 million multi-currency revolving credit facility with a syndicate of five relationship banks, with a maturity date of 27 June 2026 and a one-year extension option. In June 2023, this extension option was exercised, with the result that RCF maturity date was extended to 27 June 2027. In addition, in February 2023, £15 million of a £32.6 million accordion was exercised increasing the facility size to £162.4 million. In March 2026, the RCF was amended and extended with a new expiry date of June 2028 and revised facility size of £105.0 million. There are a number of other agreements that may be terminable upon a change of control of the Company and therefore subject to renegotiation. No such agreements are considered at present to be significant in terms of their potential impact on the business of the Group as a whole.

OTHER STATUTORY DISCLOSURES CONTINUED

Employment
The Group is committed to the fair and equal treatment of all its employees regardless of gender, race, age, religion, disability or sexual orientation. Where existing employees become disabled, the policy of the Group is to provide continuing employment and training wherever practicable.

The Group makes significant efforts to ensure it maintains high standards of employee welfare in all its operations, irrespective of where in the world, and of local market conditions. Further details on the Group's policies relating to its employees are given on pages 20 to 21.

Political contributions
The Group made no political contributions during the year.

Authority to allot shares and disapply statutory pre-emption rights
The Directors will be seeking to renew their authorities to allot unissued shares and to disapply statutory pre-emption rights, in line with the updated Statement of Principles published by the Pre-Emption Group in November 2022, at the AGM to be held on 15 May 2026. During 2025, this authority was used in respect of customary allotments of shares resulting from the operation of the Group's share schemes. The Notice of Annual General Meeting will be available to shareholders at www.ttelectronics.com/investors/agm-gm.

Purchase of own shares
At the AGM held on 30 June 2025, the Company was given authority to purchase up to 17,797,225 of its ordinary shares until the date of its next AGM. Other than market purchases made by the Employee Benefit Trust ("EBT"), no purchases were made during the year by the Company. The Directors will be seeking a new authority for the Company to purchase its ordinary shares at the forthcoming AGM.

Further details regarding the authority to allot shares and disapply statutory pre-emption rights and the purchase of own shares will be set out in the Notice of the Annual General Meeting, which will be available to view on the Company's website at www.ttelectronics.com/investors/agm-gm.

Shares held by the Employee Benefit Trust
The Company has established an EBT, the Trustee of which is Apex Group Fiduciary Services Limited, part of Apex Group. As at 31 December 2025, the Trustee held 317,512 shares with a nominal value of £79,378 and an aggregate purchase price of £0.43 per share, representing 0.178% of the total issued share capital at that date. These shares will be used to satisfy awards made under the TT Electronics plc Restricted Share Plan, the TT Electronics plc LTIP, the TT Electronics deferred share bonus plan or other employee share schemes. The maximum number of shares held by the EBT during the year was 588,319. The voting rights in relation to these shares are exercisable by the Trustee. However, in accordance with investor protection guidelines, the Trustee abstains from voting. A dividend waiver is in place under which the Trustee waived its right to receive dividends on the shares it held during the year, and any future dividends. The Executive Directors, as employees of the Company, are potential beneficiaries of shares held by the EBT.

Disclosure of information to the Auditor
To the best of each Director's knowledge and belief, there is no audit information relevant to the preparation of the Auditor's report of which the Auditor is unaware and each Director has taken all steps which might be expected to be aware of such relevant information and to establish that the Auditor is also aware of that information.

Approved by the Board on 24 March 2026 and signed on its behalf by:

Ian Buckley
General Counsel and Company Secretary

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the Annual Report and Accounts and the Group and parent Company financial statements in accordance with applicable law and regulations:

Company law requires the Directors to prepare Group and parent Company financial statements for each financial year. Under that law the Directors are required to prepare the Group financial statements in accordance with UK adopted international accounting standards. The financial statements also comply with International Financial Reporting Standards ("IFRS") as issued by the IASB. The Directors have also chosen to prepare the parent Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 101 Reduced Disclosure Framework.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- for the Group financial statements, state whether they have been prepared in accordance with UK adopted international accounting standards;
- for the parent Company financial statements, state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the parent Company financial statements;
- assess the Group and parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

In preparing the Group financial statements, International Accounting Standard 1 requires that directors:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements of the financial reporting framework are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the Group and parent company's ability to continue as a going concern.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent Company's transactions and disclose with reasonable accuracy at any time the financial position of the parent Company and enable them to ensure that its financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Under applicable law and regulations, the Directors are also responsible for preparing a Strategic report, Directors' report, Directors' Remuneration report and Corporate Governance statement that complies with that law and those regulations.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

STATEMENT OF DIRECTORS' RESPONSIBILITIES CONTINUED

Responsibility statement of the Directors in respect of the Annual Report and Accounts

We confirm that to the best of our knowledge:

- the financial statements, prepared in accordance with the relevant financial reporting framework, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole;
- the Strategic report includes a fair review of the development and performance of the business and the position of the Company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face; and
- we consider the Annual Report and Accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy.

The coordination and review of Group-wide input into the Annual Report is a key element of the control process upon which the Directors rely and is an exercise which spans a period wider than the timetable for compiling the Annual Report itself. This control process incorporates the controls the Group operates throughout the year to identify key financial and operational issues and includes:

- strategy meetings held as part of most Board meetings, at which the entire Board is present, resulting in a clear agreement of the Group's strategy;
- the identification of the key milestones and the related KPIs to be monitored and measured throughout the period;
- monthly reviews of business performance conducted by the Executive Committee (in consultation with divisional management), supplemented by reports highlighting key issues and analysis of the main variances from budget and prior year;
- preparation of a detailed budget, reviewed and agreed by management and then the Board, which is used to calibrate strategy implementation and against which actual performance is measured;
- a timetabled process coordinating input from each division, identifying significant market issues and key elements of performance for each business area, and appropriately incorporating them into the structure of the Annual Report;
- the identification of key risks from the risk management process, for inclusion within the Annual Report, ensuring a consistency of approach with regard to the risks and the ongoing review programme;
- a planned Audit Committee sign-off process which incorporates meetings of the Chair of the Audit Committee with the Executive Directors, the Risk and Assurance function and external Auditor to identify and timetable potential issues of significance to be addressed; and
- a process for internal distribution and comment on the Annual Report, including those of the members of the Board, key advisers and external Auditor.

By order of the Board:

Ian Buckley
General Counsel and Company Secretary
24 March 2026

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF TT ELECTRONICS PLC

Report on the audit of the financial statements

1. OPINION

In our opinion:

- the financial statements of TT Electronics plc (the 'parent company') and its subsidiaries (the 'Group') give a true and fair view of the state of the Group's and of the parent company's affairs as at 31 December 2025 and of the Group's loss for the year then ended;
- the Group financial statements have been properly prepared in accordance with United Kingdom adopted international accounting standards and IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB);
- the parent company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the consolidated income statement;
- the consolidated statement of comprehensive income;
- the consolidated and parent statements of financial position;
- the consolidated and parent company statements of changes in equity;
- the consolidated statement of cash flows; and
- the related notes 1 to 32 of the consolidated financial statements and notes 1 to 15 of the parent company financial statements.

The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law, United Kingdom adopted international accounting standards and IFRS Accounting Standards as issued by the IASB. The financial reporting framework that has been applied in the preparation of the parent company financial statements is applicable law and United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

2. BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the Group and the parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We confirm that we have not provided any non-audit services prohibited by the FRC's Ethical Standard to the Group or the parent company.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

3. SUMMARY OF OUR AUDIT APPROACH

Key audit matters

The key audit matters that we identified in the current year were:

- *Impairment of assets within North America*
- *Going concern*
- *Classification of adjusting items*
- *Inventory provisioning*

Within this report, key audit matters are identified as follows:

- Newly identified
- Increased level of risk
- Similar level of risk
- Decreased level of risk

3. SUMMARY OF OUR AUDIT APPROACH CONTINUED

Materiality	The materiality that we used for the Group financial statements was £1.7 million, which was determined as a balanced consideration across a range of benchmarks, including net assets, revenue and adjusted profit before tax after amortisation.
Scoping	Our approach to audit scoping included performing audit procedures over 79% of the Group's revenue, 77% of the Group's adjusted operating profit before tax after amortisation and 84% of the Group's net assets.
Significant changes in our approach	In the prior year the directors identified and disclosed a material uncertainty related to going concern. Throughout 2025, there have been a number of events that have positively impacted the Group's going concern position. Based on those factors, the Group have concluded a material uncertainty is no longer present. We have identified going concern as a key matter in the current year due to significant time and effort on the part of the audit team. The Group has recognised £65.4 million of adjusting items in the current year. As a result of an increased level of judgement in respect of adjusting items recognised, we have identified the classification of adjusting items as a new key audit matter. In the prior year we identified the impact of prior period accounting matters and an accounting irregularity as a key audit matter. The matters giving rise to this key audit matter have now been resolved and the Group has implemented corrective action to address the risk of irregularities of this nature re-occurring. We have not identified any similar matters and as a result, the risk has reduced such that this is not considered to be a key audit matter in the current year.

4. CONCLUSIONS RELATING TO GOING CONCERN

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the Group's and parent company's ability to continue to adopt the going concern basis of accounting is discussed in section 5.2.

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 parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In relation to the reporting on how the Group has applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the directors' statement in the financial statements about whether the directors considered it appropriate to adopt the going concern basis of accounting.

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

5. KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

5. KEY AUDIT MATTERS CONTINUED

5.1. Impairment of assets within North America

Key audit matter description

As required by IAS 36, *Impairment of Assets*, management performs an impairment review for groups of CGUs that have goodwill on an annual basis. For amortising assets such as property, plant and equipment ("PPE") and right-of-use ("ROU") assets an impairment review must be undertaken when an indicator of impairment exists.

At the start of 2024, total goodwill on the statement of financial position associated with the North America group of cash generating units ("CGUs") was £77.1 million. During the course of 2024, an impairment charge of £36.7 million was recognised, resulting in a North America goodwill balance as at 31 December 2024 of £40.4 million.

During the course of 2025, subsequent to the impairment review, an impairment charge was recorded equal to the remaining value of the goodwill associated with the North America group of CGUs (£37.2 million at the point of assessment due to the impact foreign exchange translation). This impairment has arisen as a result of continued poor financial performance during 2025 and a reduction in the Group's expectations of future profitability for North America.

The impairment assessment of goodwill for the group of CGUs has been identified as a key audit matter as a result of the estimation involved in determining the value of the impairment in the current year, the quantitative significance of the balance, and the application of the Group's judgement, including the risk of management bias, and estimation in its impairment assessment. The key assumptions driving the impairment relate to forecast cashflows, long term growth rates and discount rate within the value in use assessment.

Note 13 within the financial statements discloses the impairment loss recognised over the North America goodwill balance and the details of the impairment test performed.

In addition, during the year, the Group recognised an impairment write down of non-current assets of £4.2 million relating to two sites within North America. This impairment was driven by operational challenges and downturns in performance at these locations, which resulted in a reassessment of their recoverable amounts. The Group determined that the carrying values of these assets exceeded their recoverable amounts, and consequently, an impairment charge was recorded in the consolidated financial statements. Like the goodwill assessment, the key assumptions associated with the site level impairment review relate to forecast cashflows, long term growth rates and discount rate.

Note 12 within the financial statements discloses the impairment loss recognised over the North American sites and Note 1 discloses the key source of estimation uncertainty in relation to the impairment recognised at one of the North American sites.

Refer also to page 66 of the Audit Committee report.

How the scope of our audit responded to the key audit matter

Our assessment of the North America asset impairments included the following:

- We obtained an understanding of the relevant controls over the valuation of goodwill, in particular controls over the Group's forecasting of future cash flows and the determination of CGU specific discount and growth rates that underpin the impairment model, and controls around management's preparation of the impairment model;
- We assessed management's impairment analysis, underlying impairment assessments and supporting financial models and challenged the reasonableness of the assumptions which underpinned the forecasts. Specifically, our work included, but was not limited to:
  - Challenging the key assumptions relating to the 2026 forecast and later forecast periods. Our assessment included reference to the recent and historical financial performance of the North American business, testing over expected order book levels including subsequent yearend sales, our knowledge of the businesses, operational performance and territory and sector specific forecasts from external sources;
  - Challenging management on the key drivers of the value in use model such as forecast revenues, operating margins, discount and long-term growth rates. We considered how movements in these drivers, either individually or collectively, could impact the level of impairment and the likelihood of such movements;
  - Retrospective review of performance against budget, including consideration of post year end actual performance against budget;
  - Involving our valuation specialists to challenge the discount rate and long-term growth rates applied by benchmarking against market data and comparable organisations, and by evaluating the underlying process used to determine the risk-adjusted cash flow projections;
  - Assessing the integrity and mathematical accuracy of the impairment models;
  - Checking the application of the input assumptions, and testing their compliance with IAS 36;
  - Performing sensitivity analysis to assess the key assumptions which have a significant effect on the model; and
  - Assessing the appropriateness of the related disclosures in the financial statements.

In relation to the impairment of PPE and ROU assets at the North American sites our work included:

- Obtaining schedules of the PPE and ROU assets to be impaired and agreeing back to amounts recorded in the general ledger;
- Challenging management's forecasts with reference to the historical financial performance of each site, expected order book levels and territory and sector specific forecasts from external sources;
- Assessing the appropriateness of management's assessment of the recoverable amount;

5. KEY AUDIT MATTERS CONTINUED

– Performing sensitivity analysis to assess the key assumptions which have a significant effect on the model; and
– Assessing the appropriateness of the disclosures.

Key observations

We determined that the accounting for the asset impairments set out above and the associated disclosures in the financial statements are appropriate.

5.2. Going concern

Key audit matter description

In the prior year the Group experienced significant geopolitical uncertainty as well as reductions in profitability from challenging market conditions and operational challenges within North America. As such there was an elevated risk associated with the ability of the Group to continue as a going concern and a material uncertainty related to going concern was identified and disclosed in the 2024 financial statements given the reduced headroom over the current and forecast financial covenants attached to the Group's financing facilities.

In the current year, there have been a number of events that have had an impact on the Group. These events are set out in detail in Note 1d of the financial statements:

– The Group paid down net debt to reduce interest cost, a key factor in assessing forecast covenant compliance;
– Post year end the Group have obtained an amend and extend agreement for their revolving credit facility with a new expiry date of 27 June 2028;
– The Group announced the closure of the unprofitable site in Plano and there has been a reduction in losses associated with the Cleveland facility, reducing the forecast cash outflows associated with these locations;
– Improved operational performance, particularly in the second half; and
– Reduced uncertainty within the macro-environments of the territories in which the Group primarily operates, particularly the level of uncertainty associated with the US tariff regime.

As a result of the above factors, in the current year, a greater level of headroom is maintained from both a liquidity and covenant compliance perspective throughout the going concern period, whilst the geopolitical uncertainty impacting the Group has reduced. The Group have concluded in the current period they have not identified a material uncertainty relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's and parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

There is judgement involved in determining the future forecast performance for the Group (including determination of the revenue and operating profit growth rates) as well as modelling the risks and mitigations included with management's downside scenario. The debt covenants are dependent on these underlying values and thus they have a direct impact on the going concern conclusion.

Due to the significant audit time and effort in assessing the aforementioned factors we consider going concern to be a key audit matter.

Note 1d in the financial statements discloses the circumstances in the year which have resulted in management's conclusion that the going concern assumption is appropriate with no material uncertainties identified. This includes disclosures over covenant compliance and the financing position of the Group.

Refer also to page 66 of the Audit Committee report.

How the scope of our audit responded to the key audit matter

Our evaluation of the directors' assessment of the Group's and parent company's ability to continue to adopt the going concern basis of accounting included:

– We obtained an understanding of the Group's relevant controls related to the risk of non-compliance with covenants and the going concern assessment of the Group;
– We performed various tests on the integrity and mathematical accuracy of management's base case and downside scenario;
– We challenged the judgements and assumptions applied by management in their going concern assessment and associated forecasts of financial performance and financial position;
– We used external market information available to challenge the revenue forecasts;
– We assessed key loan documentation, including the recently finalised refinancing documentation, to understand the principal terms, including financial covenants and performed an assessment of the Group's existing and forecast compliance with debt covenants;
– We assessed the severity of managements downside scenario and stress testing for reasonableness, including the extent to which the mitigations modelled are within managements control and can deliver the anticipated cashflow benefits;
– We considered the latest available business performance and the net debt position at that date; and
– We challenged the disclosure in the financial statements in respect of going concern to determine whether it was sufficient and appropriate.

Key observations

Based on the audit work performed, we are satisfied that the Group's assumptions and disclosures regarding the preparation of the financial statements on a going concern basis are appropriate and we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt about the Group's ability to continue as a going concern for a period of twelve months from when the financial statements are authorised for issue.

5. KEY AUDIT MATTERS CONTINUED

5.3. Classification of adjusting items

Key audit matter description

In addition to the statutory results, the Group presents adjusted performance measures in the consolidated income statement, including adjusted operating profit.

While the key measure used by the Group to monitor performance is adjusted operating profit, adjusted profit before tax is also an important measure used by the Group in communication with shareholders. The Group's policy on adjusting items is set out in note 1c to the financial statements.

In total, adjustments of £65.4 million (2024: £60.6 million) have been made to the statutory operating loss of £28.2 million (2024: £23.5 million) to derive adjusted operating profit of £37.2 million (2024: £37.1 million).

Adjusting items in 2025 are disclosed in note 6.

The identification of adjusting items and the presentation of adjusted operating profit and earnings measures that show consistent and balanced view of the performance of the Group involves significant judgement.

The directors also consider the prominence given to the adjusted financial information so that it does not appear misleading to the users of the financial statements.

There is a risk that items may be classified as adjusting which do not meet the Group's adjusting items policy, and therefore distort the reported adjusted operating profit, whether due to fraud or error. This could also impact financial covenants reported and director's and key management personnel's remuneration, hence this is considered a potential fraud risk. Consistency in the identification and presentation of these items is important for comparability of year-on-year reporting as well as compliance with guidance from regulatory bodies, such as the European Securities and Market Authority ("ESMA") and the Financial Reporting Council ("FRC"), on alternative performance measures.

The quantum of items which are more judgemental such as restructuring costs have significantly increased from the prior period. Therefore, we have increased the risk level associated with adjusting items in the current year.

Explanations of each adjustment are set out in Note 6 to the financial statements. Furthermore, within Note 1 to the Group financial statements the determination of adjusting items is included as a critical judgement.

Refer also to page 66 of the Audit Committee report.

How the scope of our audit responded to the key audit matter

Our evaluation of the classification of adjusting items included the following:

- We obtained an understanding of the Group's relevant controls over the classification of adjusting items in the financial statements;
- We evaluated the consistency of the Group's policy and considered the items classified as adjusting, both individually and in aggregate within adjusted results. Specifically, our procedures included:
  - Assessing the consistency of the Group's policy and items included year on year. This included assessing the application of the Group's policy to the overall projects identified as adjusting, and the individual transactions recorded within those projects. This included challenging the nature of these transactions through comparison to ESMA and FRC guidance on alternative performance measures;
  - Challenging management regarding the nature of the restructuring related adjusting items by evaluating the following:
    - The underlying reason for the item and whether they fall within management's accounting policy definition for restructuring costs;
    - Whether they are balanced and consistent in the manner in which they consider items of income and expenditure associated with restructuring;
- Testing a sample of adjusting items by agreeing to source documentation and evaluating the classification of the individual costs against the Group's policy for adjusting items;
- Challenging management that adjusting items is complete and that there are no sources of income that should be removed when determining adjusted results; and
- Assessing whether the disclosures within the financial statements provide sufficient detail, and level of prominence, for users to understand the nature of the items and how the adjusted results are reconciled to the statutory results.

Key observations

We have concluded that the valuation of the items adjusted for when determining adjusted results is materially correct.

We determined that management's classification and presentation of adjusting items is materially consistent with the Group's policy as well as the ESMA and FRC guidance on alternative performance measures.

5. KEY AUDIT MATTERS CONTINUED

5.4. Inventory provisioning

Key audit matter description	Total inventory on the statement of financial position on 31 December 2025 is £103.2 million (2024: £132.7 million). This is stated after a provision for obsolescence of £23.4 million (2024: £17.2 million), representing 23% of gross inventory (2024: 11.4%). The provision for excess and obsolete inventory has been considered as a key audit matter, pinpointed to one North American site which has experienced historical operational challenges and two sites, in North America and China, due to the quantitative size of the inventory balance (gross of inventory of £56.8 million and provision of £5.5 million across the three sites). The Group uses a standardised provisioning policy based on ageing or forecast demand which may be amended where management can override to the formulaic answer provided and therefore is an estimate that can be subject to management bias. There is a risk that inventory held on the statement of financial position is not recoverable at its current value and the provision does not adequately cover the risk of recovering the assets value Please refer to Note 1(l) and Note 15 of the financial statements which discloses the inventory policy and balance of the Group respectively.

How the scope of our audit responded to the key audit matter	Our assessment of the inventory provisioning determined by the Group in relation to these three sites included the following:
	– We obtained an understanding of the relevant controls over the Group's inventory provisioning.
	– We assessed management's underlying analysis, and supporting provisioning calculation, and challenged the reasonableness of the assumptions which underpinned the calculations;
	– Specifically, our work included, but was not limited to:
	  – Assessing whether the inventory provision methodology applied by the Group is appropriate, consistent with the Group's provisioning policies and that any additional specific provisions applied can be justified appropriately;
	  – Testing the integrity and mathematical accuracy of the provisioning calculations;
	  – Performing retrospective reviews by comparing actual write offs during the year, against relevant prior period provisions to assess the accuracy of initial estimates;
	  – Challenging the key data and assumptions within the provisioning calculations; and
	  – Sample testing areas where management had made manual adjustments to the Group's formula driven model to determine whether adjustments were appropriate.

Key observations	We determined that the provisioning policy applied is reasonable and the resultant inventory provision was appropriate.

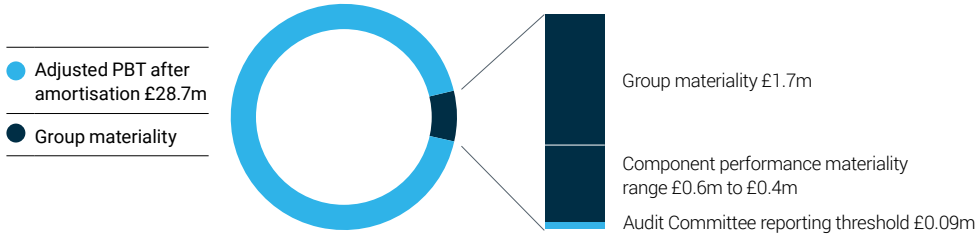
6. OUR APPLICATION OF MATERIALITY

6.1. Materiality

We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

	Group financial statements	Parent company financial statements
Materiality	£1.7m (2024: £1.9m)	£0.6m (2024: £0.6m)
Basis for determining materiality	We consider a range of benchmarks such as net assets, revenue, and adjusted profit before tax (as disclosed within APM 3 on page 157). Materiality for the current year represents: – 0.35% of revenue (2024: 0.4%); – 4.6% of adjusted profit before tax after amortisation (2024: 7.8%); and – 1.1% of net assets (2024: 0.8%).	Parent company materiality equates to 0.4% (2024: 0.3%) of net assets which is capped at 32% of Group materiality (2024: 32%), in order to address the risk of aggregation when combined with other businesses.
Rationale for the benchmark applied	We considered the financial measures that were most relevant to users of the financial statements and concluded that the measures above represented the most relevant metrics for the purpose of evaluating financial performance.	We believe that use of a statement of financial position measure was appropriate given that the parent company acts as a holding company.



6.2. Performance materiality

We set performance materiality at a level lower than materiality to reduce the probability that, in aggregate, uncorrected and undetected misstatements exceed the materiality for the financial statements as a whole.

	Group financial statements	Parent company financial statements
Performance materiality	65% (2024: 65%) of Group materiality	70% (2024: 70%) of parent company materiality
Basis and rationale for determining performance materiality	In determining performance materiality, we considered the following factors: – Our assessment of the respective complexity of the Group and the parent company, and nature of the Group's business model; – The de-centralised nature of the Group's control environment and its variation across the Group; and – The number of corrected misstatements, uncorrected misstatements and control findings identified in the previous year.	

6.3. Error reporting threshold

We agreed with the Audit Committee that we would report to the Committee all audit differences in excess of £85,000 (2024: £95,000), as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the Audit Committee on disclosure matters that we identified when assessing the overall presentation of the financial statements.

7. AN OVERVIEW OF THE SCOPE OF OUR AUDITT

7.1. Identification and scoping of components

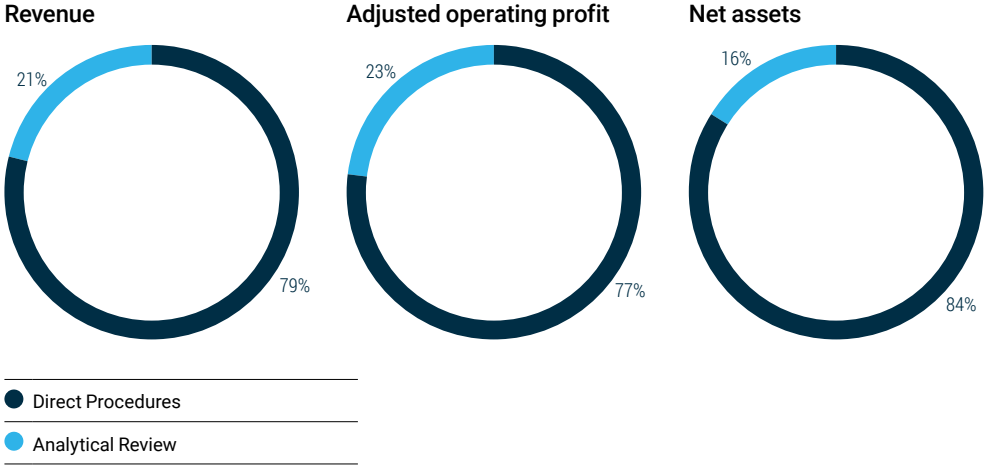
Our Group audit was scoped by obtaining an understanding of the Group and its environment, including Group-wide controls, and assessing the risks of material misstatement at the Group and component level.

There are 63 (2024: 63) reporting components in total, each of which is responsible for maintaining their own accounting records and controls and using an integrated consolidation system to report to UK head office.

Our Group audit scope focused on audit work at 23 components (2024: 24 components). We selected 10 (2024: 13) reporting components where we requested component auditors to perform an audit of the component's entire financial information. Coverage from the in-scope components representing 79% (2024: 74%) of the Group's revenue, 77% (2024: 78%) of the Group's adjusted operating profit and 84% of the Group's net assets (2024: 87%).

Each component was set a specific component performance materiality, considering its relative size and any component-specific risk factors such as the location of components. The component performance materialities applied were in the range £0.4 million to £0.6 million (2024: £0.5 million to £0.7 million).

We tested the consolidation process at the parent company level and conducted analytical procedures for entities not subject to detailed audit work to confirm our conclusion that there was no significant risk of material misstatement in the aggregated financial information.



7.2. Our consideration of the control environment

The Group include their assessment of the internal control environment under the Risk Management section of the annual report included on page 38.

For in-scope components, we obtained an understanding of the relevant controls over key business processes. Dependent on the nature of the component, this included impairment of goodwill, impairment of PPE and ROU assets, the forecasting process, the financial reporting process, revenue, expenditure and inventory.

In assessing the local control environment, one reporting component determined that reliance on controls was appropriate, procedures were designed and performed to test the operating effectiveness of those controls at the component level focused on revenue and inventory.

In line with our original plan for testing controls at all other components, we determined that a controls reliance approach was not feasible or elected not to adopt it after considering the component's risk and control profile. This did not impact our ability to conclude on these areas at either the component or Group level.

With the involvement of our IT specialists, we have obtained an understanding of the control environment and of the general IT controls, including an understanding of the business processes and relevant controls within the key areas of the audit. We did not rely on the Group's IT controls given the varying systems across the Group and the de-centralised nature of the IT control environment, IT user access issues and the lack of formalised documentation around IT controls. The remaining controls are comprised of controls associated with significant risk process, controls involving high levels of judgments and estimates, physical verification of assets, and annual /disclosure review controls for which there is limited scope for reliance on management control testing.

7.3. Our consideration of climate-related risks

Climate change and the transition to a low carbon economy were considered in our audit where they have the potential to impact, directly or indirectly, key judgments and estimates within the Group financial statements. The Group continues to develop its assessment of the potential impacts of climate change as disclosed in the People, Environment and Communities section of the annual report on page 19. The Group has identified sustainability, climate change and the environment as a group risk to the business.

We performed the following procedures to address the climate-related risks:

- Held discussions with management to obtain an understanding of the process for considering the impact of climate-related risks and controls that are relevant to the entity;
- Read and understood the work performed by the Group's engaged third-party climate specialists and assessed the conclusions reached for consistency with the disclosures made in the financial statements;
- Performed a climate related risk assessment with the involvement of our specialist Environmental, Social and Governance ("ESG") team;
- Considered whether information included in the climate related disclosures in the Annual Report were materially consistent with the financial statements and our knowledge obtained in the audit; and
- Evaluated the appropriateness of disclosures included in the financial statements in note 1 on page 115.

7. AN OVERVIEW OF THE SCOPE OF OUR AUDITT CONTINUED

7.4. Working with other auditors
We performed site visits to a number of our components during the year including Cleveland and Kansas to discuss significant matters of the audit, audit procedures performed, as well as results of work performed. The Group engagement team continued to have regular online interaction with the Group's largest and most complex businesses during 2025 and early 2026 with a particular focus on components within North America. In respect of Suzhou where it is not possible to review workpapers electronically from outside China, we had a team member attend in person to review the component workpapers.

In addition to the above, the Group engagement partner held Group-wide, regional and individual planning and close meetings which covered all businesses. Each division has a dedicated senior member of the Group audit team responsible for the supervision and direction of components audit teams, with all component teams being part of the Deloitte network of firms. We included all component audit teams in our team briefing, discussed and reviewed their risk assessment, and reviewed documentation of the findings from their work. We also reviewed the audit work papers supporting each component team's reporting to us.

8. OTHER INFORMATION

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated.

If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

9. RESPONSIBILITIES OF DIRECTORS

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

In preparing the financial statements, the directors are responsible for assessing the Group's and the parent company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the parent company or to cease operations, or have no realistic alternative but to do so.

10. AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

11. EXTENT TO WHICH THE AUDIT WAS CONSIDERED CAPABLE OF DETECTING IRREGULARITIES, INCLUDING FRAUD

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

11.1. Identifying and assessing potential risks related to irregularities
In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the industry and sector, control environment and business performance including the design of the Group's remuneration policies, key drivers for directors' remuneration, bonus levels and performance targets;
- results of our enquiries of management, internal audit, the directors and the audit committee about their own identification and assessment of the risks of irregularities, including those that are specific to the Group's sector;
- any matters we identified having obtained and reviewed the Group's documentation of their policies and procedures relating to:
  - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
  - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
- our accumulated audit knowledge of the Group's control environment from prior year audits. This includes responding to the accounting irregularity identified in the prior year and incorporating this into our audit plan in the current year. Furthermore, we note that no such irregularity was identified by Deloitte or reported to us in the current year; and
- the matters discussed among the audit engagement team including significant component audit teams and relevant internal specialists, including tax, valuations, pensions, IT, and ESG regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in impairment of goodwill within North America, classification of adjusting items, and inventory provisioning, and revenue cut-off. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory frameworks that the Group operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Companies Act, Listing Rules, pensions legislation and tax legislation.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the Group's ability to operate or to avoid a material penalty.

11.2. Audit response to risks identified
As a result of performing the above, we identified impairment of goodwill in North America, classification of adjusting items and inventory provisioning as a key audit matters related to the potential risk of fraud. The key audit matters section of our report explains the matters in more detail and also describes the specific procedures we performed in response to those key audit matters.

In addition to the above, our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- enquiring of management, the audit committee and in-housel legal counsel concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance, reviewing internal audit reports and reviewing correspondence with tax authorities;
- in addressing the risk of fraud in revenue cut off we obtained an understanding of relevant controls over revenue cut-off, performed trend analysis over revenue recognised across period end dates identifying and investigating outliers, evaluated the treatment of key contracts and the appropriateness of applied revenue recognition policies and performed cut-off testing across all in-scope components, agreeing revenue transactions to third party delivery information; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members including internal specialists and component audit teams and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Report on other legal and regulatory requirements

12. OPINIONS ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the part of the directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.

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

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Group and the parent company and their environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

13. CORPORATE GOVERNANCE STATEMENT

The Listing Rules require us to review the directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the Group's compliance with the provisions of the UK Corporate Governance Code specified for our review.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements and our knowledge obtained during the audit:

- the directors' statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified, set out on page, 44;
- the directors' explanation as to its assessment of the Group's prospects, the period this assessment covers and why the period is appropriate page, 44;
- the directors' statement on fair, balanced and understandable page, 98;
- the board's confirmation that it has carried out a robust assessment of the emerging and principal risks page, 65;
- the section of the annual report that describes the review of effectiveness of risk management and internal control systems page, 64; and
- the section describing the work of the audit committee page, 63.

14. MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

14.1. Adequacy of explanations received and accounting records
Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns.

We have nothing to report in respect of these matters.

14.2. Directors' remuneration
Under the Companies Act 2006 we are also required to report if in our opinion certain disclosures of directors' remuneration have not been made or the part of the directors' remuneration report to be audited is not in agreement with the accounting records and returns.

We have nothing to report in respect of these matters.

15. OTHER MATTERS WHICH WE ARE REQUIRED TO ADDRESS

15.1. Auditor tenure
Following the recommendation of the audit committee, we were appointed by the Shareholders of the Group on 6 May 2020 at the Annual General Meeting to audit the financial statements for the year ending 31 December 2020 and subsequent financial periods. The period of total uninterrupted engagement including previous renewals and reappointments of the firm is six years, covering the years ending 31 December 2020 to 31 December 2025.

15.2. Consistency of the audit report with the additional report to the audit committee
Our audit opinion is consistent with the additional report to the audit committee we are required to provide in accordance with ISAs (UK).

16. USE OF OUR REPORT

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

As required by the Financial Conduct Authority (FCA) Disclosure Guidance and Transparency Rule (DTR) 4.1.15R – DTR 4.1.18R, these financial statements will form part of the Electronic Format Annual Financial Report filed on the National Storage Mechanism of the FCA in accordance with DTR 4.1.15R – DTR 4.1.18R. This auditor's report provides no assurance over whether the Electronic Format Annual Financial Report has been prepared in compliance with DTR 4.1.15R – DTR 4.1.18R.

Edward Hanson (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor

London, United Kingdom
24 March 2026

CONSOLIDATED INCOME STATEMENT

for the year ended 31 December 2025

£million (unless otherwise stated)	Note	2025	2024
Revenue	3	**481.4**	521.1
Cost of sales		**(371.3)**	(411.4)
Gross profit		**110.1**	109.7
Distribution costs		**(17.6)**	(22.9)
Administrative expenses		**(120.7)**	(110.3)
Operating loss		**(28.2)**	(23.5)
Analysed as:			
Adjusted operating profit	3	**37.2**	37.1
Restructuring costs	6	**(15.2)**	0.1
Pension restructuring costs	6	**(1.9)**	(1.3)
Asset impairments and measurement losses	6	**(41.4)**	(52.2)
Amortisation of intangible assets arising on business combinations	6	**(2.6)**	(2.7)
Acquisition and disposal related costs	6	**(4.3)**	(4.5)
Finance income	4	**0.4**	1.6
Finance costs	4	**(8.9)**	(11.5)
Loss before taxation		**(36.7)**	(33.4)
Taxation	7	**(13.9)**	(20.0)
Loss for the year attributable to the owners of the Company		**(50.6)**	(53.4)
EPS attributable to owners of the Company (pence)			
Basic	9	**(28.5)**	(30.2)
Diluted	9	**(28.5)**	(30.2)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 December 2025

£million	2025	2023
Loss for the year	**(50.6)**	(53.4)
Other comprehensive (loss)/ income for the year after tax		
Items that are or may be reclassified subsequently to the income statement:		
Exchange differences on translation of foreign operations	**(12.2)**	2.9
Tax on exchange differences	**1.8**	(0.4)
Foreign exchange gain on disposals recycled to income statement	**–**	(0.6)
Gain/(loss) on hedge of net investment in foreign operations	**2.3**	(0.8)
Gain/(loss) on cash flow hedges taken to equity less amounts recycled to the income statement	**8.7**	(10.2)
Deferred tax (loss)/gain on movement in cash flow hedges	**(2.0)**	2.4
Items that will not be reclassified to the income statement:		
Remeasurement of defined benefit pension schemes	**2.8**	(2.3)
Tax on remeasurement of defined benefit pension schemes	**(1.1)**	3.1
Total comprehensive loss for the year attributable to the owners of the Company	**(50.3)**	(59.3)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

at 31 December 2025

£million	Note	2025	2024
ASSETS			
Non-current assets			
Right-of-use assets	11	**7.5**	9.9
Property, plant and equipment	12	**44.6**	49.3
Goodwill	13	**64.6**	105.4
Other intangible assets	14	**24.5**	30.8
Deferred tax assets	7	**8.0**	13.1
Derivative financial instruments	20	**0.6**	–
Pensions	21	**7.4**	7.1
Total non-current assets		**157.2**	215.6
Current assets			
Inventories	15	**103.2**	132.7
Trade and other receivables	16	**89.5**	91.2
Income taxes receivable		**3.3**	2.9
Derivative financial instruments	20	**2.1**	0.7
Cash and cash equivalents		**38.7**	69.2
Total current assets		**236.8**	296.7
Total assets		**394.0**	512.3
LIABILITIES			
Current liabilities			
Borrowings	19	**0.1**	0.1
Lease liabilities	19, 29	**3.6**	4.0
Derivative financial instruments	20	**0.5**	5.4
Trade and other payables	17	**112.5**	120.0
Income taxes payable		**14.9**	13.1
Provisions	18	**6.8**	3.7
Total current liabilities		**138.4**	146.3
Non-current liabilities			
Borrowings	19	**88.9**	149.2
Lease liabilities	19, 29	**10.8**	13.3
Derivative financial instruments	20	**0.1**	2.4
Deferred tax liability	7	**5.7**	3.5
Pensions	21	**1.3**	1.5
Provisions and other non-current liabilities	17, 18	**1.3**	1.2
Total non-current liabilities		**108.1**	171.1
Total liabilities		**246.5**	317.4
Net assets		**147.5**	194.9
EQUITY			
Share capital		**44.7**	44.5
Share premium		**25.0**	24.6
Translation reserve		**33.7**	41.8
Other reserves	23	**13.0**	4.0
Retained earnings		**31.1**	80.0
Total equity		**147.5**	194.9

Approved by the Board of Directors on 24 March 2026 and signed on their behalf by:

Eric Lakin
Director

Richard Webb
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

at 31 December 2025

£million	Share capital	Share premium	Translation Reserve	Other reserves	Retained earnings	Total
At 31 December 2023 – restated[1]	44.3	24.0	40.7	11.9	144.6	265.5
Loss for the year	–	–	–	–	(53.4)	(53.4)
Other comprehensive income/(expense)						
Exchange differences on translation of foreign operations	–	–	2.9	–	–	2.9
Tax on exchange differences	–	–	(0.4)	–	–	(0.4)
Foreign exchange gain on disposals recycled to income statement	–	–	(0.6)	–	–	(0.6)
Loss on hedge of net investment in foreign operations	–	–	(0.8)	–	–	(0.8)
Loss on cash flow hedges taken to equity less amounts recycled to the income statement	–	–	–	(10.2)	–	(10.2)
Deferred tax on movement in cash flow hedges	–	–	–	2.4	–	2.4
Remeasurement of defined benefit pension schemes	–	–	–	–	(2.3)	(2.3)
Tax on remeasurement of defined benefit pension schemes	–	–	–	–	3.1	3.1
Total comprehensive income/(loss)	–	–	1.1	(7.8)	(52.6)	(59.3)
Transactions with owners recorded directly in equity						
Equity dividends paid by the Company	–	–	–	–	(12.2)	(12.2)
Share-based payments	–	–	–	2.2	–	2.2
Deferred tax on share-based payments	–	–	–	(0.2)	–	(0.2)
New shares issued	0.2	0.6	–	–	–	0.8
Payments to fund employee benefit trust	–	–	–	(2.1)	–	(2.1)
Other movements	–	–	–	–	0.2	0.2
At 31 December 2024	44.5	24.6	41.8	4.0	80.0	194.9
At 31 December 2024	**44.5**	**24.6**	**41.8**	**4.0**	**80.0**	**194.9**
Loss for the year	**–**	**–**	**–**	**–**	**(50.6)**	**(50.6)**
Other comprehensive income/(expense)						
Exchange differences on translation of foreign operations	**–**	**–**	**(12.2)**	**–**	**–**	**(12.2)**
Tax on exchange differences	**–**	**–**	**1.8**	**–**	**–**	**1.8**
Gain on hedge of net investment in foreign operations	**–**	**–**	**2.3**	**–**	**–**	**2.3**
Gain on cash flow hedges taken to equity less amounts recycled to the income statement	**–**	**–**	**–**	**8.7**	**–**	**8.7**
Deferred tax on movement in cash flow hedges	**–**	**–**	**–**	**(2.0)**	**–**	**(2.0)**
Remeasurement of defined benefit pension schemes	**–**	**–**	**–**	**–**	**2.8**	**2.8**
Tax on remeasurement of defined benefit pension schemes	**–**	**–**	**–**	**–**	**(1.1)**	**(1.1)**
Total comprehensive income/(loss)	**–**	**–**	**(8.1)**	**6.7**	**(48.9)**	**(50.3)**
Transactions with owners recorded directly in equity						
Share-based payments	**–**	**–**	**–**	**2.1**	**–**	**2.1**
Deferred tax on share-based payments	**–**	**–**	**–**	**0.3**	**–**	**0.3**
New shares issued	**0.2**	**0.4**	**–**	**–**	**–**	**0.6**
Payments to fund employee benefit trust	**–**	**–**	**–**	**(0.1)**	**–**	**(0.1)**
At 31 December 2025	**44.7**	**25.0**	**33.7**	**13.0**	**31.1**	**147.5**

1. 2023 balances were restated as described in note 1h of the 2024 financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

at 31 December 2025

£million	Note	2025	2024
Cash flows from operating activities			
Loss for the year[1]		**(50.6)**	(53.4)
Taxation	7	**13.9**	20.0
Net finance costs		**8.5**	9.9
Restructuring costs and non-underlying asset impairments and remeasurements1	6	**58.5**	53.4
Amortisation, acquisition and disposal related costs	6	**6.9**	7.2
Adjusted operating profit		**37.2**	37.1
Adjustments for:			
Depreciation	11, 12	**10.9**	12.2
Amortisation of intangible assets	14	**1.2**	1.6
Impairment of PPE and intangibles		**1.0**	–
Share-based payment expense		**1.9**	2.2
Scheme funded pension administration costs		**0.8**	1.1
Other items		**(0.5)**	0.2
Decrease in inventories		**14.8**	12.8
Increase in receivables		**(0.9)**	(2.2)
Decrease in payables and provisions		**(2.0)**	(12.9)
Adjusted operating cash flow		**64.4**	52.1
Reimbursement from pension schemes net of funding payments	21	**1.1**	9.4
Restructuring and acquisition related costs		**(7.9)**	(0.6)
Net cash generated from operations		**57.6**	60.9
Income taxes paid		**(7.6)**	(9.7)
Net cash flow from operating activities		**50.0**	51.2
Cash flows from investing activities			
Purchase of property, plant and equipment	12	**(8.1)**	(6.9)
Proceeds from sale of property, plant and equipment and government grants received		**0.6**	0.5
Capitalised development expenditure	14	**(1.1)**	(1.8)
Purchase of other intangibles	14	**–**	(0.5)
Proceeds from disposal of business		**–**	17.5
Cash with disposed businesses		**–**	(5.3)
Net cash flow (used in)/from investing activities		**(8.6)**	3.5

£million	Note	2025	2024
Cash flows from financing activities			
Issue of share capital	22	**0.6**	0.8
Interest paid		**(7.7)**	(10.6)
Repayment of borrowings		**(59.1)**	(49.2)
Proceeds from borrowings		**–**	15.1
Capital payment of lease liabilities		**(3.8)**	(4.2)
Payments to fund employee benefit trust	23	**–**	(2.1)
Dividends paid by the Company	8	**–**	(12.2)
Net cash flow used in financing activities		**(70.0)**	(62.4)
Net (decrease)/increase in cash and cash equivalents		**(28.6)**	(7.7)
Cash and cash equivalents at beginning of year	25	**69.1**	76.5
Exchange differences	25	**(1.9)**	0.3
Cash and cash equivalents at end of year	25	**38.6**	69.1
Cash and cash equivalents comprise:			
Cash at bank and in hand	25	**38.7**	69.2
Bank overdrafts	25	**(0.1)**	(0.1)
Cash and cash equivalents at end of year	25	**38.6**	69.1

1. The prior year "loss for the period" and "restructuring costs and non-underlying asset impairments and remeasurements" have been re-presented to ensure consistency with the presentation of the consolidated income statement. These revisions do not impact any other balances or sub-totals in this primary statement.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

at 31 December 2025

1 Basis of preparation

a) Basis of accounting

TT Electronics Plc ("the Group") is a public company limited by shares (company number 00087249) and is the ultimate parent company of the Group. The Group is incorporated in the United Kingdom under the Companies Act 2006 and registered in England and Wales. The address of the registered office is 'TT Electronics Plc, Fourth Floor, St Andrews House, West Street, Woking, Surrey, GU21 6EB'. The nature of the Group's operations and its principal activities by operating segment are set out in note 3 and in the regional reviews on pages 12 to 14. The Consolidated Financial Statements of the Group for the year ended 31 December 2025 were authorised in accordance with a resolution of the Directors of TT Electronics Plc on 24 March 2026.

These consolidated financial statements are presented in pounds sterling, which is also the functional currency of the Company. Foreign operations are included in accordance with the policies set out in note 2.

The consolidated financial statements have been prepared on a historical cost basis modified by derivatives held at fair value. The consolidated financial statements have been prepared in accordance with UK adopted international accounting standards in conformity with the requirements of the Companies Act 2006. The financial statements have also been prepared in accordance with International Financial Reporting Standards as issued by the IASB.

The financial statements set out on pages 115 to 148 have been prepared using consistent accounting policies except for the adoption of new accounting standards and interpretations noted below.

b) Basis of consolidation

The consolidated financial statements set out the Group's financial position as at 31 December 2025 and the Group's financial performance for the year ended 31 December 2025.

Subsidiaries are those enterprises controlled by the Group. Control exists when the Group is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary. Subsidiaries are consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group.

All intercompany balances and transactions, including unrealised profits arising from intra-group transactions, have been eliminated in full. Unrealised losses are eliminated in the same way as unrealised gains except that they are only eliminated to the extent that there is no evidence of impairment.

c) Alternative performance measures

The Group presents Alternative Performance Measures ("APMs") in addition to the statutory results of the Group. These are presented in accordance with the guidelines on APMs issued by the European Securities and Markets Authority ("ESMA").

Adjusted operating profit has been defined as operating profit from continuing operations excluding the impacts of significant restructuring programmes, significant one-off items including property disposals, impairment charges significant in nature and/or value, certain one-off pension costs, business acquisition, integration, and divestment related activity, and the amortisation of intangible assets recognised on acquisition. Acquisition and disposal related items include the writing off of the pre-acquisition profit element of inventory written up on acquisition, other direct costs associated with business combinations and adjustments to contingent consideration related to acquired businesses. Restructuring includes cost of management changes, significant costs associated with restructuring operations and facilities, including the movement and closure of production facilities. Costs associated with restructuring, acquisitions and disposals are uncertain with regard to their timing and size and therefore their inclusion within operating profit could mislead the reader of these accounts. Adjusted operating profit is not a defined term under IFRS and may not be comparable with similarly titled profit measures reported by other companies. It is not intended to be a substitute for, or superior to, GAAP measures. All APMs relate to the current year results and comparative years where provided.

In addition to the items above, adjusting items impacting profit after tax include:

- The net effect on tax of significant restructuring from strategy changes that are not considered by the Group to be part of the normal operating costs of the business;
- The write off of deferred tax assets in North America; and
- The tax effects of adjustments to profit before tax.

These APMs have been selected by the Directors to assist them in making operating decisions because they represent the underlying operating performance of the Group and facilitate internal comparisons of performance over time.

Alongside the statutory results, the Directors consider the adjusted results to be an important measure used to monitor how the businesses are performing as this provides a meaningful reflection of how the businesses are managed and measured on a day-to-day basis and achieves consistency and comparability between reporting periods.

These APMs exclude certain significant non-recurring, infrequent or non-cash items that the Directors do not believe are indicative of the underlying operating performance of the Group (that are otherwise included when preparing financial measures under IFRS).

All APMs are presented on pages 155 to 159 and are reconciled to their equivalent statutory measures where this is appropriate.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
continued

1 Basis of preparation continued

d) Going concern

The Group's business activities, along with the factors likely to influence its future development, performance, and position, are detailed in the Strategic Report on pages IFC to 44. This report provides an analysis of the Group's financial position, cash flows, liquidity, and borrowing facilities. Additionally, note 20 to the financial statements outlines the Group's objectives, policies, and processes for capital management, financial risk management strategies, financial instruments, hedging activities, and exposures to credit and liquidity risks.

Following a challenging year for the Group in 2024, 2025 has been a year of transition with improved operational performance, particularly in the second half. There was strong performance in Europe, driven by continued momentum in Aerospace & Defence. Whilst challenging market conditions have persisted in North America and Asia, actions were taken during 2025 and are expected to support improved performance as market conditions stabilise. Production at the Plano site ceased at the end of the year as planned and the Group has seen continued improvement at the Cleveland facility. Cash generation continues to be strong, with full year cash conversion at 150%, reducing the level of net debt, excluding lease liabilities, to £50.3 million (2024: £80.1 million). The Group enters 2026 with strengthened operational discipline and is anticipating structural growth in our end markets. The Group has begun implementing a targeted cost reduction programme to support a leaner operating model to deliver annualised savings.

Financing

At 31 December 2025 the Group's financial position was strong with access to total borrowing facilities of £265.3 million comprising:

- A £162.4 million committed revolving credit facility ("RCF"), signed in June 2022 and maturing in June 2027. The RCF operates on a floating rate basis tied to GBP SONIA, USD SOFR, or EURIBOR, depending on the loan currency. As at 31 December 2025, £14.5 million of the available £162.4 million RCF facility had been drawn down. In March 2026 the Group signed an Amend & Extend agreement which extends the RCF maturity to June 2028 and reduces the facility size to £105.0 million.
- A £75.0 million fixed-rate loan issued in December 2021 to three institutional investors, evenly split between 7- and 10-year maturities, with an average interest rate of 3.65 per cent; and
- £27.9 million in uncommitted facilities (being overdraft lines and an accordion facility of £17.6 million).

Of these total facilities, the Group had drawn down on £89.5 million as at 31 December 2025 and £85.5 million as at 23 March 2026.

There are no required repayments of principal amounts on any financing prior to the revised RCF maturity in 2028. Whilst drawdowns on existing facilities are required within the going concern review period, none of the Company's forecast models show any requirement for any additional financing beyond the existing committed facilities.

Financial Covenants

The Group's key financing facilities, the RCF and the fixed rate loans have the same financial covenant metrics relating to debt and interest cover which measures EBITDA against net debt and net interest. The loan agreements set these at a maximum debt cover of 3.0 times and a minimum interest cover of 4.0 times. All covenants are measured on a last twelve months basis. Following the negotiations to extend the RCF facility, covenant measures remain unchanged.

As of 31 December 2025 the calculated ratios for the financial covenants as defined in the loan agreements were as follows:

- Leverage ratio of 1.1 times; and
- Interest cover of 5.6 times

Forecasts and covenant compliance

The Group has prepared and reviewed detailed cash flow forecasts for the period through until 30 June 2027. These forecasts take into account the Group's financial position and potential impacts of principal risks on different divisions.

Key assumptions in the Group's financial projections for this period include revenue growth, operating profit growth and working capital projections. The Board considers the Company's base case scenario to be an appropriate base case for the going concern assessment. Under this base case scenario, the Group retains sufficient liquidity and covenant headroom throughout the forecast period, with both interest cover and leverage expected to remain well within covenant limits.

The Group's financial projections have been stress-tested against "business as usual" risks (such as profit fluctuations, supply chain pressures, and working capital variances) as well as principal risks, including IT systems and information, resilience and recovery, general revenue reduction, geopolitical and research and development. These risks were analysed both individually and collectively, assuming that all adversely impact EBITDA in all periods. Under the stress tested modelling, the liquidity headroom within the group remains adequate throughout the forecast period. Financial covenants continue to be in compliance under the stress tested model and management have a number of mitigating actions which could be undertaken if required.

This severe downside scenario reduces EBITDA by £6.9 million, £10.8 million and £10.6 million for the six months to 30 June 2026, year ended 31 December 2026 and 12 months to 30 June 2027, respectively. At these levels of EBITDA reduction, the modelling shows that the Group continues to meet the financial covenants and therefore the modelling shows that severe downside scenario passing the financial covenants.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
continued

1 Basis of preparation continued

In addition to the stress tests described above the Group's stress test scenario has been sensitised for supply chain challenges and capacity constraints which shows a reduction in revenue and operating profit compared to the latest forecast. Despite this further reduction these projections show that the Group should remain within its facilities headroom and within bank covenants for the twelve months following the approval of these financial statements. A "reverse" stress-test was also modelled to understand the conditions which could jeopardise the ability of the Group to continue as a going concern including assessing against covenant testing and facility headroom. The stress testing also considered mitigating actions which the Group could put in place. Mitigating actions included limiting capital expenditure and reducing controllable costs including items such as discretionary bonuses and pay rises. The reverse stress test is deemed to have a remote likelihood.

The Group's wide geographical and sector diversification helps minimise the risk of serious business interruption or catastrophic reputational damage. Furthermore, the business model is structured so that the Group is not overly reliant on any single customer, market or geography.

In the prior year, the Directors identified and disclosed a material uncertainty over going concern. This material uncertainty arose in part due to emerging geopolitical and macroeconomic risks, including uncertainty from the proposed US tariff regime. These risks were fast moving at the date of signing the 2024 financial statements with an elevated prospect of a global recession and stress in the debt market.

During 2025 the tariff position has settled with greater certainty over the potential impact on the Group. The Group's geographical diversification and customer spread mean that the direct impact of tariffs is limited and can be mitigated through management action (for example transfer of production between sites). The Group has been successful in reducing its level of borrowings (see above) and now has significant headroom over covenant limits throughout the forecast period. The Group also made significant operational progress with improvements in the previously underperforming Cleveland site and ceasing production at the unprofitable Plano site improving forecast confidence. The result of these developments during the year, along with forecast downside and stress testing, have informed the Directors' assessment that there are no material uncertainties in relation to going concern at the date of signing the 2025 financial statements.

The Directors have assessed the future funding requirements of the Group with due regard to the risks and uncertainties to which the Group is exposed and compared them with the level of available borrowing facilities and are satisfied that the Group has adequate resources for at least twelve months from the date of signing. Accordingly, the financial statements have been prepared on a going concern basis.

e) New and revised standards and interpretations adopted, not yet adopted and those in issue but not yet effective

New and revised standards and interpretations adopted during the year:

At the date of authorisation of these financial statements the Group has considered the following revised standards or interpretations, however they were deemed not to have a material effect on the financial statements:

– Amendments to IAS 21 – Lack of Exchangeability (issued August 2023, effective 1 January 2025)

The Group has applied this amendment for the first time in the year ended 31 December 2025. This amendment specifies how an entity should assess whether a currency is exchangeable and the exchange rate to use when it is not. Adoption of the amendments did not have a material effect on the Group's financial position, performance or cash flows.

New and revised IFRS Standards in issue but not yet effective

At the date of authorisation of these financial statements, the Group has not applied the following new and revised IFRS Standards that have been issued but are not yet effective:

– Amendments to IFRS 9 and IFRS 7 – Amendments to the Classification and Measurement of Financial Instruments (issued May 2024, effective 1 January 2026)
– Amendments to IFRS 9 and IFRS 7 – Amendments to Contracts Referencing Nature-Dependent Electricity (issued May 2024, effective 1 January 2026)
– Annual Improvements to IFRS Accounting Standards – Volume 11 (issued July 2024, effective 1 January 2026)
– IFRS 18 Presentation and Disclosure in Financial Statements (issued April 2024, effective 1 January 2027)
– IFRS 19 Subsidiaries without Public Accountability: Disclosures (issued May 2024, effective 1 January 2027)

The Group is currently assessing the impact of IFRS 18, which becomes effective for annual reporting periods beginning on or after 1 January 2027.

IFRS 18 does not change the recognition or measurement of items in the financial statements but introduces revised presentation and disclosure requirements, particularly for the consolidated income statement and consolidated statement of cash flows. The standard requires income and expenses to be classified into the following categories – operating, investing, financing, income taxes and discontinued activities – and mandates presentation of specified subtotals, including operating profit or loss and profit or loss before financing and income tax.

Under IFRS 18, interest income and certain other financial income will be presented within cash flows from investing activities in the statement of cash flows.

The Group does not consider that any other standard, amendment or interpretation issued by the IASB, but not yet applicable, will have a significant impact on the financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
continued

1 Basis of preparation continued

f) Change in accounting policies

Adoption of new and amendments to published standards and interpretations effective for the Group for the year ended 31 December 2025 did not have any material impact on the financial position or performance of the Group.

g) Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group's accounting policies, which are described in note 2, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources.

The estimates and associated assumptions are based on historical experiences and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

The Directors have assessed that there is currently no material impact arising from climate change on the judgements and estimates determining the valuations within the financial statements. In particular, the Group considered the impact of climate change in respect of going concern and viability of the Group over the next three years, forecast cash flows for the purposes of impairment assessments of non-current assets and the useful lives of certain assets. Whilst there is currently little short to medium-term impact expected from climate change, the Directors are aware of the changing nature of risks associated with climate change and will regularly assess these risks against judgements and estimates made in preparation of the Group's Consolidated Financial Statements.

Critical judgements

In the course of preparing the Financial Statements, critical judgements within the scope of paragraph 122 of IAS 1: "Presentation of Financial Statements" were made during the process of applying the Group's accounting policies. These are outlined below.

Adjusting items

Judgements were required as to whether items were disclosed as adjusting, with consideration given to both quantitative and qualitative factors. Further information about the determination of adjusting items in the year ended 31 December 2025 is included in note 1c.

Key sources of estimation uncertainty

Assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date, that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

- Note 7 – Taxation provisions. Provisions for tax contingencies require management to make judgements and estimates in relation to tax authority audits and exposures. Amounts accrued are based on management's interpretation of country-specific tax law and the likelihood of settlement. Tax benefits are not recognised unless the tax positions are probable of being sustained. Once considered to be probable, management reviews each material tax benefit to assess whether a provision should be taken against full recognition of the benefit on the basis of potential settlement through negotiation and/or litigation. These amounts are expected to be utilised or to reverse as tax audits occur or as the statute of limitations is reached in the respective countries concerned. The Group's current tax liability at 31 December 2025 includes tax provisions of £12.2 million (2024: £10.4 million). The Group believes the range of reasonable possible outcomes in respect of these exposures is tax liabilities of up to £16.0 million (2024: £13.9 million).
- Note 7 – Deferred tax assets. Under IAS 12 a deferred tax asset can only be recognised if it is considered probable that the business will achieve a net taxable profit in the near future to utilise the deferred tax asset. Management determined that the five-year forward looking strategic plan does not support full recovery of all deferred tax assets within the US, in the North America segment.

  As a result, the Group derecognised deferred tax assets of £2.7 million (2024: £16.0 million), and did not recognise a deferred tax asset in respect of current year losses, leaving deferred tax assets of £7.6 million (2024: £9.2 million) which offset against the US deferred tax liabilities. The charge was recognised in items excluded from adjusted profit after tax (note 6). Should recovery of these US deferred tax assets become probable this would cause the Group to recognise up to an additional £18.7 million (2024: £16.0 million) of deferred tax assets and a credit would be recognised in items excluded from adjusted profit. A further £7.9 million of deferred tax assets in respect of current year losses could also be recognised.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
continued

1 Basis of preparation continued

– Note 12 – Property, plant and equipment. Determining whether assets are impaired requires an estimation of the value in use of the entities within the Group. Impairment calculations require an estimation of the future cash flows to be generated from those assets. Future cash flows are a key source of estimation uncertainty and are derived from other estimates including a suitable discount rate to calculate the present value.

During the year, property, plant and equipment at one North American site was impaired by £0.8 million which was recognised in items excluded from adjusted operating profit. This site, which holds property, plant and equipment with a net book value of £6.5 million, is currently loss making and, if it does not return to profitability there would be a further impairment up to the residual value of the asset. A 15 per cent decrease in the estimated future cashflow at this site would result in an additional impairment of £1.0 million. A 12 per cent increase in future cashflows would have resulted in no impairment at the site. Should the site see an increase in cash flows in the future, the impairment will be reversed.

2 Summary of material accounting policies

The following material accounting policies have been applied in the preparation of the consolidated financial statements. These accounting policies have been consistently applied across the Group.

a) Revenue

Revenue is measured at the fair value of the right to consideration, usually the invoiced value, for the provision of goods to external customers excluding value added tax and other sales related taxes and is recognised when the customer obtains control of goods for revenues which are not recognised over time. In most cases this is at the point in time of transfer of legal title of the goods; terms vary by customer, but the two most common arrangements are at the time of dispatch and at the time of delivery. Where revenue is recognised over time this is usually recognised with regards to completion of performance obligation milestones, however, for some contracts this is recognised with regard to the number of manufacturing hours completed with reference to the total expected manufacturing hours. For sales to customers where a right to return an item is granted, revenue is recognised to the extent of the consideration to which the Group ultimately expects to be entitled (i.e. revenue is not recognised for goods expected to be returned). Where a service warranty is provided to customers, the associated revenue, based upon an allocation of the overall cost of performance, is recognised over the warranty period. Payment terms typically range from 30 to 120 days.

b) Finance income

Finance income comprises interest income on cash balances, the calculated interest income on pensions assets for schemes which are in surplus and net foreign exchange gains or losses on cash balances and loans receivables. Interest income is recognised using the effective interest rate. Net foreign exchange gains or losses on other monetary assets or liabilities are recognised either within other income or cost of sales, depending on what the underlying monetary asset or liability relates to.

c) Finance costs

Finance costs comprise interest expense on borrowings which are not capitalised under the borrowing costs policy, the calculated interest expense on pension liabilities for schemes which are in deficit, the interest costs on lease liabilities and net foreign exchange gains or losses on external loans. Net foreign exchange gains or losses on other monetary assets or liabilities are recognised either within other income or cost of sales, depending on what the underlying monetary asset or liability relates to.

d) Dividends

Dividends are recognised as a liability in the period in which they are approved by shareholders. Dividends receivable are recognised when the Group's right to receive payment is established.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
continued

2 Summary of material accounting policies continued

e) Business combinations

Business combinations are accounted for using the acquisition method. Goodwill on business combinations is recognised as the fair value of the consideration, including the full cost of any derivative financial instruments used to hedge this item, less the fair value of the identifiable assets and liabilities acquired and is recognised as an asset in the consolidated balance sheet. Costs directly attributable to business combinations are recognised as an expense within the income statement as incurred.

Acquisitions and disposals of non-controlling interests that do not result in a change of control are accounted for as transactions with owners in their capacity as owners and therefore no goodwill is recognised as a result of such transactions. The adjustments to non-controlling interests are based on a proportionate amount of the net assets of the subsidiary. Any difference between the price paid or received and the amount by which non-controlling interests are adjusted is recognised directly in equity and attributed to the owners of the parent.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (which is no longer than 12 months from the acquisition date), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

f) Property, plant and equipment

Initial measurement

Property, plant and equipment is stated at cost less accumulated depreciation and impairment losses. The cost of a tangible fixed asset comprises its purchase price and any costs directly attributable to bringing it into working condition for its intended use. The cost of self constructed assets includes the cost of materials, direct labour and an appropriate proportion of production overheads.

Depreciation

The cost of each item of property, plant and equipment is depreciated over its useful life. Depreciation is charged to the income statement so as to write off the cost less estimated residual value on a straight-line basis over the estimated useful life of the asset. Depreciation commences on the date the assets are ready for use within the business and the asset carrying values are reviewed for impairment when there is an indication that they may be impaired. Freehold land is not depreciated.

The depreciation rates of assets are as follows:

Freehold buildings	50 years
Leasehold building improvements	50 years (or over the period of the lease, if shorter)
Plant and equipment	3 to 10 years

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets that take a substantial period of time to get ready for their intended use are capitalised as part of the cost of the respective asset.

g) Leases

The Group applies IFRS 16 'Leases' and recognises right-of-use assets and lease liabilities for most leases (unless the lease term is 12 months or less or the underlying asset has a low value).

The Group recognises a lease liability at the lease commencement date, measured as the present value of the future lease payments, discounted at the incremental borrowing rate. A corresponding right-of-use asset is recognised separately on the face of the consolidated balance sheet, net of accumulated depreciation and impairment losses.

The Group has applied judgement to determine the lease term for contracts that include renewal options. The assessment of whether the exercise of such options is reasonably certain impacts the lease term, which affects the amount of lease liability and right-of-use asset recognised.

h) Government grants

Government grants relating to non-current assets are treated as deferred income and credited to the income statement by equal instalments over the anticipated useful lives of the assets to which the grants relate. Other grants are credited to the income statement over the period of the project to which they relate.

i) Goodwill

Goodwill arising on the acquisition of a business, representing the difference between the cost of acquisition and the fair value of the identifiable net assets acquired, is capitalised and is tested annually for impairment. Goodwill is not amortised, and any impairment losses are not subsequently reversed. On the subsequent disposal or discontinuance of a previously acquired business, the relevant goodwill is included in the gain or loss on disposal within the consolidated income statement except to the extent it has been previously impaired.

Negative goodwill arising on the acquisition of a business is credited to the consolidated income statement on acquisition as part of acquisition costs reported outside adjusted profit.

Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
continued

2 Summary of material accounting policies continued

j) Other intangible assets

Intangible assets acquired as part of a business combination are stated in the balance sheet at their fair value at the date of acquisition less accumulated amortisation.

Expenditure on research activities undertaken with the prospect of gaining new scientific or technical knowledge and understanding is recognised in the income statement as incurred. Expenditure on development activities, whereby research findings are applied to a plan or design for the production of new or substantially improved products and processes, is capitalised if the product or process is technically and commercially feasible and the Group has sufficient resources to complete development. The expenditure capitalised includes the cost of materials, direct labour and an appropriate proportion of overheads. Other development expenditure is recognised in the income statement as incurred. Capitalised development expenditure is stated at cost less accumulated amortisation and impairment losses. The carrying values of intangible assets are tested for impairment whenever there is an indication that they may be impaired.

Customer relationships and contracts are valued on the basis of the net present value of the future additional cash flows arising from customer relationships with appropriate allowance for attrition of customers.

Acquired computer software licences for use within the Group are capitalised as an intangible asset on the basis of the costs incurred to acquire and bring to use the specific software. Costs that are directly associated with the implementation of identifiable and unique software products controlled by the Group and that will probably generate economic benefits exceeding costs beyond one year, are recognised as intangible assets. Capitalised software development expenditure is stated at cost less accumulated amortisation.

The amortisation rates for intangible assets are:

Acquired patents and licences	up to 10 years
Product development costs	5 years
Customer relationships	3 to 22 years
Order backlog	up to 2 years
Software	3 to 5 years

Amortisation is charged on a straight-line basis.

k) Deferred taxation

Deferred taxation is provided on taxable temporary differences between the carrying amounts of assets and liabilities in the financial statements and their corresponding tax bases. No provision is made for deferred tax which would become payable on the distribution of retained profits by overseas subsidiaries where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax is measured using the tax rates expected to apply when the asset is realised, or the liability settled based on tax rates enacted or substantively enacted by the balance sheet date. However, deferred tax is not provided on the initial recognition of goodwill, nor on the initial recognition of an asset or liability unless the related transaction is a business combination or affects tax or accounting profit.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised or that they will reverse. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax assets and liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

l) Inventories

Inventories are valued at the lower of cost, including related overheads, and net realisable value. Cost comprises direct materials and, where applicable, direct labour costs and the overheads incurred in bringing inventories to their present location and condition. Cost is calculated on a weighted average cost basis. Net realisable value is based on estimated selling price less costs expected to be incurred to completion and disposal. Provisions are made for obsolescence or other expected losses where necessary.

m) Financial instruments

Recognition

The Group recognises financial assets and liabilities on its balance sheet when it becomes a party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and the net amount is reported in the balance sheet when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

Measurement

When financial assets and liabilities are initially recognised, they are measured at fair value being the consideration given or received plus (or minus) directly attributable transaction costs.

Trade receivables are recognised at transaction price (i.e. original invoice price) and subsequently measured at amortised cost less provision made for loss allowance of these receivables based upon the expected credit loss model (simplified model). All trade receivables are held to collect contractual cash flows within a business model and meet the 'Solely Payments of Principal and Interest' (SPPI) test.

Trade payables are carried at the amounts expected to be paid to counterparties and are held at amortised cost.

Borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs. After initial recognition, borrowings are subsequently measured at amortised cost using the effective interest method.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
continued

2 Summary of material accounting policies continued

Cash and cash equivalents comprise cash at bank and in hand, short-term deposits held on call or with maturities of less than three months at inception, and highly liquid investments that are readily convertible into known amounts of cash and are subject to insignificant risk of changes in value. Within the cashflow statement this definition also includes bank overdrafts that are repayable on demand and form an integral part of the Group's cash management. Cash and cash equivalents are initially recognised at fair value and subsequently are measured at amortised cost because they meet the SPPI test.

In determining estimated fair value, investments are valued at quoted bid prices on the trade date.

Derivatives and hedge accounting

The Group uses derivative financial instruments such as forward foreign exchange contracts and interest rate derivatives to hedge risks associated with foreign exchange fluctuations and interest rate risk. These are designated as cash flow hedges (CFH). At the inception of the hedge relationship, the Group documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Group documents whether the hedging instrument that is used in a hedging relationship is highly effective in offsetting changes in cash flows of the hedged item.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges are deferred in equity. The gain or loss relating to the ineffective portion is recognised immediately in the income statement.

Amounts deferred in equity are reclassified to the income statement in the periods when the hedged item is recognised in the income statement, in the same line of the income statement as the recognised hedged item.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. Any cumulative gain or loss deferred in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in the income statement. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was deferred in equity is recognised immediately in the income statement.

When hedging the foreign currency risk on a forecast business combination, the Group includes the accumulated gains or losses on hedging instruments within goodwill as a 'basis adjustment'.

Derecognition

A financial asset is derecognised when the Group loses control over the contractual rights that comprise that asset. This occurs when the rights are realised, expire or are surrendered. A financial liability is derecognised when it is extinguished. Originated loans and receivables are derecognised on the date they are transferred by the Group.

Impairment of financial assets – other financial assets

At each reporting date the Group assesses credit risk by considering reasonable and supportable information that may indicate increases in credit risk. Indicators that an asset carries a higher credit risk compared to that at inception or that an asset is credit-impaired would include observable data in relation to the financial health of the debtor: significant financial difficulty of the issuer or the debtor; the debtor breaching contract; it being probable that the debtor will enter bankruptcy or financial reorganisation.

The amount of credit risk provision is the difference between the original carrying amount and the recoverable amount, being the present value of expected cash flows receivable (discounted using the original effective interest rate). The amount of the provision is recognised in the income statement within administrative expenses.

Financial assets are written off when there is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery. Receivables written off are still subject to enforcement activity and pursued by the Group.

n) Income tax

Income tax for the year comprises current and deferred tax. Income tax is recognised in the income statement except to the extent that it relates to items charged or credited directly to equity, in which case it is recognised in equity. Current tax expense is the expected tax payable on the taxable income for the year and any adjustment to tax payable in respect of previous years.

o) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) because of a past event, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made of the amount. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

p) Employee benefits

The Group operates defined benefit post-retirement benefit schemes and defined contribution pension schemes.

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised in the income statement in the periods during which services are rendered by employees.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
continued

2 Summary of material accounting policies continued

Defined benefit plans

The net liability recognised in the balance sheet for defined benefit schemes is the present value of the schemes' liabilities less the fair value of the schemes' assets. The operating and financing costs of defined benefit schemes are recognised separately in the income statement.

Operating costs comprise the current service cost, any gains or losses on settlement or curtailments, and past service costs. Net interest income and expense on net defined benefit assets and liabilities is determined by applying discount rates used to measure defined benefit obligations at the beginning of the year to net defined benefit assets and liabilities at the beginning of the year and is included in finance income and costs. Remeasurements arising from defined benefit plans comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest).

The Group recognises remeasurements immediately in other comprehensive income and all other expenses related to defined benefit plans in employee benefit expenses in profit or loss. Surpluses are recognised where, on wind-up, the Group has unconditional right to any surplus and Trustees do not have unilateral power to alter members' benefits.

Termination benefits

Termination benefits are recognised as an expense when the Group is committed demonstrably, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognised as an expense if the Group has made an offer of voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably.

Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

Share-based payments

Certain employees of the Group receive part of their remuneration in the form of share-based payment transactions, whereby employees render services in exchange for shares or rights over shares (equity-settled transactions). The cost of equity-settled transactions with employees is measured at fair value at the date at which they are granted. The fair value of share awards with market-related vesting conditions is determined by an external consultant and the fair value at the grant date is expensed on a straight-line basis over the vesting period based on the Group's estimate of shares that will eventually vest. The estimate of the number of awards likely to vest is reviewed at each balance sheet date up to the vesting date at which point the estimate is adjusted to reflect the actual outcome of awards which have vested. No adjustment is made to the fair value after the vesting date even if the awards are forfeited or not exercised.

q) Own shares

Own equity instruments which are re-acquired (own shares) are recognised at cost and deducted from equity. No gain or loss is recognised in the income statement on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount and the consideration paid to acquire such equity instruments is recognised within retained earnings.

r) Foreign currency translation

The functional currency for each entity in the Group is determined with reference to the currency of the primary economic environment in which it operates. Transactions in currencies other than the functional currency are initially recorded at the functional currency rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. Exchange gains and losses on settlement of foreign currency transactions translated at the rate prevailing at the date of the transactions, or the translation of monetary assets and liabilities at period end exchange rates, are taken to the income statement. Non monetary assets and liabilities denominated in foreign currencies that are stated at historical cost are translated to the functional currency at the foreign exchange rate ruling at the date of the transaction.

On consolidation, income statements of subsidiaries are translated into sterling at average rates of exchange. Balance sheet items are translated into sterling at period end exchange rates. Exchange differences on the retranslation are taken to equity. Exchange differences on foreign currency borrowings financing those net investments (which are designated as net investment hedges) and exchange differences on intercompany loans which will not be repaid in the foreseeable future (which are treated as quasi equity) are also recorded within equity and are reported in the statement of comprehensive income. All other exchange differences are charged or credited to the income statement in the year in which they arise. On disposal of an overseas subsidiary any cumulative exchange movements relating to that subsidiary held in the translation reserve are transferred to the consolidated income statement.

All currencies used within the Group are freely and immediately exchangeable for other currencies.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
continued

2 Summary of material accounting policies continued

s) Impairment of non-financial assets

Property, plant and equipment and intangible assets (excluding goodwill) carrying amounts are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount of the asset is estimated. Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate. Assets that do not generate largely independent cash flows are assessed based on the CGU to which the asset belongs. If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, an impairment loss is recognised in the income statement.

3 Segmental reporting

The Group is organised into three regions, as shown below. Each of these regions represents an operating segment in accordance with IFRS 8 'Operating segments' and there is no aggregation of segments. The chief operating decision maker is the Chief Executive Officer. The operating segments are:

- Europe – the Europe segment encompasses all the Group's European operations comprising the manufacturing sites in Sheffield, Bedlington, Manchester, Barnstaple, Nottingham, Abercynon, Fairford and Eastleigh as well as the European sales offices. The regional segment is supported by a leadership team who have functional responsibilities that span the individual entities within the business;
- North America – the North America segment encompasses all the Group's North American operations comprising Juarez, Mexicali, Dallas, Minneapolis, Kansas, Denver, Cleveland and Boston. The regional segment is supported by a leadership team who have functional responsibilities that span the individual entities within the business;
- Asia – the Asia segment encompasses all the Group's Asian operations comprising the manufacturing sites in Suzhou and Kuantan and the Singapore sales office. The regional segment is supported by a leadership team who have functional responsibilities that span the individual entities within the business.

The key performance measure of the operating segments is adjusted operating profit. Refer to the section titled 'Reconciliation of KPIs and non-IFRS Measures' for a definition of adjusted operating profit.

Corporate costs – Resources and costs of the head office managed centrally but deployed in support of the operating units are allocated to segments based on a combination of revenue and adjusted operating profit.

Resources and costs of the head office which are not related to the operating activities of the trading units are not allocated to regions and are separately disclosed, equivalent to the segment disclosure information, so that reporting is consistent with the format that is used for review by the chief operating decision maker. This gives greater transparency of the adjusted operating profits for each segment. Adjusting items are not allocated to segments for reporting purposes. For further discussion of these items see note 6.

The accounting policies of the reportable segments are the same as the Group's accounting policies.

Group financing (including finance costs and finance income) and income taxes are managed on a Group basis and are not allocated to operating segments. Goodwill is allocated to the segments which comprise groups of cash generating units as this is the level at which goodwill is monitored.

a) Income statement information

£million	Europe	North America	Asia	Total Operating Segments	Central	Total
						2025
Sales to external customers	**144.4**	**173.1**	**163.9**	**481.4**	**–**	**481.4**
Adjusted operating profit	**22.1**	**1.2**	**21.6**	**44.9**	**(7.7)**	**37.2**
Add back: adjustments made to operating profit (note 6)[1]	**–**	**(17.3)**	**–**	**(17.3)**	**(48.1)**	**(65.4)**
Operating profit/(loss)	**22.1**	**(16.1)**	**21.6**	**27.6**	**(55.8)**	**(28.2)**
Net finance costs						**(8.5)**
Loss before taxation						**(36.7)**
						2024
£million	Europe	North America	Asia	Total Operating Segments	Central	Total
Sales to external customers	146.3	184.4	190.4	521.1	–	521.1
Adjusted operating profit	18.9	(2.7)	28.5	44.7	(7.6)	37.1
Add back: adjustments made to operating profit (note 6)	–	(15.4)	–	(15.4)	(45.2)	(60.6)
Operating profit/(loss)	18.9	(18.1)	28.5	29.3	(52.8)	(23.5)
Net finance costs						(9.9)
Loss before taxation						(33.4)

1. Adjustments made to Central operating profit include £37.2 million of goodwill relating to the North America segment as all goodwill is held centrally on consolidation.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
continued

3 Segmental reporting continued

b) Segment assets and liabilities

£million	Assets 2025	Assets 2024	Liabilities 2025	Liabilities 2024
Europe	**143.4**	148.2	**38.1**	37.4
North America	**110.0**	178.3	**47.1**	42.6
Asia	**77.5**	86.7	**38.7**	58.6
Segment assets and liabilities	**330.9**	413.2	**123.9**	138.6
Pensions	**7.4**	7.1	**1.3**	1.5
Unallocated	**55.7**	92.0	**121.3**	177.3
Total assets/liabilities	**394.0**	512.3	**246.5**	317.4

Unallocated assets of £55.7 million (2024: £92.0 million) comprise deferred tax assets of £8.0 million (2024: £13.1 million), cash and cash equivalents of £38.7 million (2024: £69.2 million), income tax receivable of £3.3 million (2024: £2.9 million), and assets associated with the central corporate function of £5.7 million (2024: £6.8 million).

Unallocated liabilities of £121.3 million (2024: £177.3 million) comprise borrowings (excluding leases and overdrafts) of £88.9 million (2024: £149.2 million), overdrafts of £0.1 million (2024: £0.1 million), deferred tax liability of £5.7 million (2024: £3.5 million), income taxes payable of £14.9 million (2024: £13.1 million), and liabilities associated with the central corporate function of £11.7 million (2024: £11.4 million).

£million	Capital expenditure 2025	Capital expenditure 2024	Depreciation and amortisation 2025	Depreciation and amortisation 2024
Europe	**3.8**	4.2	**4.3**	4.5
North America	**3.4**	3.6	**5.3**	6.7
Asia	**2.0**	1.4	**2.5**	2.6
Total	**9.2**	9.2	**12.1**	13.8

c) Geographic information

Revenue by destination

The Group operates on a global basis. Revenue from external customers by geographical destination is shown below. Management monitors and reviews revenue by region rather than by individual country given the significant number of countries where customers are based.

£million	2025	2024
United Kingdom	**100.4**	111.8
Rest of Europe	**83.1**	71.6
North America	**189.0**	214.6
Asia	**106.4**	122.6
Rest of the World	**2.5**	0.5
	481.4	521.1

Revenue from services is less than 1% of Group revenues. All other revenue is from the sale of goods.

Non-current assets

The carrying amount of non-current assets, excluding deferred tax assets, derivatives and pensions, analysed by the geographical area is shown below:

£million	2025	2024
United Kingdom	**89.3**	91.5
North America	**26.7**	76.0
Central and South America	**6.0**	8.1
Asia	**19.2**	19.8
	141.2	195.4

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
continued

3 Segmental reporting continued

d) Market information key customers

The Group operates in the following markets:

£million	2025	2024
Healthcare	**107.8**	118.1
Aerospace and defence	**152.8**	142.1
Automation and electrification	**140.1**	174.3
Distributors	**80.7**	86.6
	481.4	521.1

The Group had no customers who contributed greater than 10% of revenues in 2025 or 2024.

4 Finance costs and finance income

£million	2025	2024
Interest income	**0.1**	0.5
Net interest income on pension schemes in surplus	**0.3**	1.1
Finance income	**0.4**	1.6
Interest expense	**7.2**	10.1
Interest on lease liabilities	**0.6**	0.7
Net interest expense on pension schemes in deficit	**0.1**	0.1
Amortisation of arrangement fees	**1.0**	0.6
Finance costs	**8.9**	11.5
Net finance costs	**8.5**	9.9

5 Loss for the year

Loss from continuing operations for the year is stated after charging/(crediting):

£million	2025	2024
Depreciation of property, plant and equipment	**7.9**	8.6
Depreciation of right-of-use assets	**3.0**	3.6
Amortisation of intangible assets[1]	**3.8**	4.3
Asset impairments (excluded from adjusted operating profit, see note 6)	**41.4**	52.2
Net foreign exchange (gain)/loss recognised within operating profit	**(1.8)**	1.2
Cost of inventories recognised as an expense	**371.3**	411.4
Research and development	**7.6**	10.7
Staff costs (see note 10)	**150.3**	159.7
Restructuring costs/(income) (excluded from adjusted operating profit)	**15.2**	(0.1)
Pension restructuring costs (excluded from adjusted operating profit)	**1.9**	1.3
Acquisition and disposal related costs (excluded from adjusted operating profit)	**4.3**	4.5
Remuneration of Group Auditor:		
– audit of these financial statements	**1.1**	1.0
– audit of financial statements of subsidiaries of the Company	**1.0**	0.9
– assurance and other services[2]	**–**	0.1
Income from government grants	**0.1**	0.3
Share-based payment expense[3]	**1.9**	2.2

1. Included within amortisation of intangible assets is £2.6 million (2024: £2.7 million) reported within items excluded from adjusted operating profit. The remaining charge is within administrative expenses.
2. Assurance and other services in 2024 of £0.1 million relate to the half year review
3. Share-based payment expense excludes a charge of £0.2 million reported in Restructuring costs and excluded from adjusted operating profit.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
continued

6 Adjusting items

As described in note 1c, adjusted profit measures are an alternative performance measure used by the Board to monitor the operating performance of the Group.

£million	2025 Operating profit	2025 Tax	2024 Operating profit	2024 Tax
As reported	**(28.2)**	**(13.9)**	(23.5)	(20.0)
Restructuring costs				
Restructuring costs	**(15.2)**	**3.2**	0.1	–
	(15.2)	**3.2**	0.1	–
Pension restructuring costs				
Pension restructuring costs	**(1.9)**	**0.5**	(1.3)	0.3
	(1.9)	**0.5**	(1.3)	0.3
Asset impairments and measurement losses				
Asset impairments	**(41.4)**	**–**	(52.2)	3.2
Deferred tax asset derecognition	**–**	**(2.7)**	–	(16.0)
	(41.4)	**(2.7)**	(52.2)	(12.8)
Amortisation of intangible assets arising on business combinations				
Amortisation of intangible assets arising on business combinations	**(2.6)**	**0.4**	(2.7)	0.5
	(2.6)	**0.4**	(2.7)	0.5
Acquisition and disposal related costs				
Ferranti Power and Control acquisition and integration costs	**–**	**–**	(0.2)	–
Disposal costs	**(4.3)**	**1.1**	(4.4)	(0.4)
Property sale	**–**	**–**	0.7	–
Other	**–**	**–**	(0.6)	0.1
	(4.3)	**1.1**	(4.5)	(0.3)
Total items excluded from adjusted measure	**(65.4)**	**2.5**	(60.6)	(12.3)
Adjusted measure	**37.2**	**(16.4)**	37.1	(7.7)

Restructuring and other costs £15.2 million (2024: £0.1 million credit)

Restructuring costs of £15.2 million include £7.0 million net cost relating to the closure of the Plano, US manufacturing site (of which £4.8 million relates to inventory write offs, £0.7 million relates to asset decommissioning and £2.0 million of other costs and a credit of £0.5 million has been recognised in respect of property, plant and equipment); £1.6 million relating to costs associated with the changes in executive leadership; £6.1 million associated with the Cleveland manufacturing site (comprising £5.0 million relating to inventory write-offs and similar adjustments associated with the improvement project and of £1.1 million for related specialist resource costs); and £0.5 million of other costs.

The net restructuring cost in the prior year of £0.1 million credit comprised a credit of £0.4 million in respect of the closure of our Barbados facility in 2021 offset by £0.3 million cost in respect of the closure of the Hatfield, USA facility.

Pension restructuring costs £1.9 million (2024: £1.3 million)

Pension restructuring costs of £1.9 million (2024: £1.3 million) comprise £1.9 million (2024: £1.1 million) cost incurred preparing the scheme for buy-out. The prior period included a settlement cost of £0.2 million in respect of the buy-out of one of the US schemes.

Asset impairments and measurement losses £41.4 million (2024: £52.2 million)

During the year an impairment of £37.2 million (2024: £36.7 million) was recognised against goodwill for the North America segment reflecting recent trading performance.

Due to a downturn in recent performance, impairment charges were recognised in two sites in the North America segment. The impairment was £4.2 million in total (2024: £15.5 million relating to a separate site in the North America segment) comprising £1.0 million of right-of-use assets (2024: £5.4 million), £1.0 million of land and buildings, and £2.2 million of property, plant and equipment (2024: £9.9 million). The impairment reduced the carrying value of the right-of-use assets, land and buildings and property, plant and equipment to £0.3 million.

The Group derecognised £2.7 million (2024: £16.0 million) of deferred tax assets reflecting the recent performance and near-term outlook for the North America region.

Amortisation of intangible assets arising on business combinations £2.6 million (2024: £2.7 million)

Amortisation of intangible assets arising on business combinations of £2.6 million (2024: £2.7 million) relate to amortisation of the fair value of acquired order books, acquired customer relationships and other intangible assets acquired on business combinations.

Acquisition and disposal related costs £4.3 million (2024: £4.5 million)

Acquisition and disposal related costs of £4.3 million (2024: £4.5 million) comprise £4.2 million (2024: £nil) relating to professional fees associated with the aborted acquisition by Cicor and £0.1 million in respect of other M&A activity. The prior year included £4.4 million relating to the sale of three business units to Cicor, £0.3 million relating to historic legal claims, £0.3 million relating to costs incurred preparing land for sale, £0.2 million relating to the acquisition of the Power and Control business of Ferranti Technologies Ltd. based in Manchester, UK, and a gain of £0.7 million relating to the sale of property in Pembroke, UK.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
continued

7 Taxation

a) Analysis of the tax charge for the year

£million	2025	2024
Current tax		
Current income tax charge	**9.2**	13.9
Adjustments in respect of current income tax of previous year	**(0.4)**	1.0
Total current tax charge	**8.8**	14.9
Deferred tax		
Relating to origination and reversal of temporary differences	**2.4**	(10.9)
Change in tax rate	**–**	0.1
Derecognition of deferred tax assets in the North America segment	**2.7**	16.0
Adjustments in respect of deferred tax of previous years	**–**	(0.1)
Total deferred tax charge	**5.1**	5.1
Total tax charge in the income statement	**13.9**	20.0

The applicable tax rate for the period is based on the UK standard rate of corporation tax of 25.0% (2024: 25.0%). Overseas taxation is calculated at the rates prevailing in the respective jurisdictions. The Group's effective tax rate for the year was 37.9% (the adjusted tax rate was 57.1%, see section 'Reconciliation of KPIs and non-IFRS measures'). Included within the total tax charge above is a £2.5 million credit relating to items reported outside adjusted profit (2024: £12.3 million debit).

b) Reconciliation of the total tax charge for the year

£million	2025	2024
Loss before tax from continuing operations	**(36.7)**	(33.4)
Loss before tax multiplied by the standard rate of corporation tax in the UK of 25%	**(9.2)**	(8.3)
Effects of:		
Impact on deferred tax arising from changes in tax rates	**–**	0.1
Overseas tax rate differences	**4.4**	3.0
Items not deductible for tax purposes or income not taxable	**7.6**	8.2
Adjustment to current tax in respect of prior periods	**(0.4)**	0.9
Current year tax losses and other items not recognised	**8.8**	0.3
Impairment of deferred tax assets in the North America segment	**2.7**	16.0
Adjustments in respect of deferred tax of previous years	**–**	(0.2)
Total tax charge reported in the income statement	**13.9**	20.0

The overall aim of the Group's tax strategy is to support business operations by ensuring a sustainable tax rate, mitigating tax risks in a timely and cost-efficient way and complying with tax legislation in the jurisdictions in which the Group operates. It is however inevitable that the Group will be subject to routine tax audits or is in ongoing disputes with tax authorities in the multiple jurisdictions it operates within. This is much more likely to arise in situations involving more than one tax jurisdiction. Differences in interpretation of legislation, of global standards (e.g. OECD guidance) and of commercial transactions undertaken by the Group between different tax authorities are one of the main causes of tax exposures and tax risks for the Group.

In order to manage the risk to the Group an assessment is made of such tax exposures and provisions are created using the best estimate of the most likely amount to be incurred within a range of possible outcomes. The resolution of the Group's tax exposures can take considerable time to conclude and, in some circumstances, it can be difficult to predict the final outcome.

The current tax liability at 31 December 2025 includes tax provisions of £12.2 million (including £1.2 million in respect of HMRC refunds from retirement benefit schemes (note 21)) (2024: £10.4 million). The Group believes the range of reasonable possible outcomes in respect of these exposures is tax liabilities of up to £16.0 million (2024: £13.9 million).

c) Deferred tax

The Group completed a five year forward looking strategic plan covering the periods from 2026 to 2030 in which it was forecast that the Europe and Asia regions would show increasing profitability. Therefore, a deferred tax asset relating to these regions was recognised on the basis that it is considered probable that net taxable profits will be recognised in the future.

The authorised pension surplus payments charge reduced from 35% to 25% from 6 April 2024. The deferred tax liability has been recognised at 25% (2024: 25%).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
continued

7 Taxation continued

The amounts of deferred taxation assets/(liabilities) provided in the financial statements are as follows:

£million	As at 31 December 2024	Continuing operations	Recognised in equity/ OCI	Net ex-change translation	As at 31 December 2025
Intangible assets	(8.2)	0.4	–	0.6	(7.2)
Property, plant and equipment	(0.5)	(1.6)	–	0.3	(1.8)
Deferred development costs	(0.1)	0.1	–	–	–
Retirement benefit obligations	(1.4)	0.7	(1.1)	–	(1.8)
Inventories	1.2	–	–	(0.1)	1.1
Tax losses	1.4	–	–	(0.2)	1.2
Unremitted overseas earnings	(0.4)	0.2	–	–	(0.2)
Share-based payments	0.3	0.1	0.3	–	0.7
Cash flow hedges	1.6	–	(2.0)	0.2	(0.2)
Short-term temporary differences	15.7	(5.0)	–	(0.2)	10.5
Net deferred tax asset	9.6	(5.1)	(2.8)	0.6	2.3
Deferred tax assets	13.1				8.0
Deferred tax liabilities	(3.5)				(5.7)
Net deferred tax asset	9.6				2.3

£million	As at 31 December 2023	Continuing operations	Recognised in equity/ OCI	Net exchange translation	As at 31 December 2024
Intangible assets	(8.5)	0.4	–	(0.1)	(8.2)
Property, plant and equipment	(1.4)	1.1	–	(0.2)	(0.5)
Deferred development costs	(0.3)	0.2	–	–	(0.1)
Retirement benefit obligations	(8.4)	3.8	3.1	0.1	(1.4)
Inventories	0.8	0.4	–	–	1.2
Tax losses	14.1	(13.0)	–	0.3	1.4
Unremitted overseas earnings	(0.8)	0.5	–	(0.1)	(0.4)
Share-based payments	0.7	(0.2)	(0.2)	–	0.3
Cash flow hedges	(0.6)	–	2.4	(0.2)	1.6
Short-term temporary differences	14.0	1.7	–	–	15.7
Net deferred tax asset	9.6	(5.1)	5.3	(0.2)	9.6
Deferred tax assets	16.6				13.1
Deferred tax liabilities	(7.0)				(3.5)
Net deferred tax asset	9.6				9.6

Deferred tax	Description
Intangible assets	Deferred tax relating to intangible assets created on acquisitions by the Group. This excludes any internally generated intangibles relating to product development costs.
Property, plant and equipment	Deferred tax relating to temporary differences in the value of property, plant and equipment between Group accounting and local accounting and/or tax returns.
Deferred development costs	Deferred tax relating to deferred development costs.
Retirement benefit obligations	Deferred tax relating to retirement benefit obligations.
Inventories	Deferred tax relating to temporary differences between the local book value and Group consolidated value of inventory.
Tax losses	Deferred tax relating to recognised tax losses carried forwards for offset against future profits of the Group.
Unremitted overseas earnings	Deferred tax relating to the repatriation of subsidiary profits to the Group's ultimate holding company.
Share-based payments	Deferred tax relating to share-based payment.
Cash flow hedges	Deferred tax relating to derivatives designated as cash flow hedges.
Short term temporary differences	Deferred tax relating to temporary differences between Group accounts and local ac-counts or tax return arising where a tax deduction is received on payment of an amount either between Group companies or to external unconnected third parties rather than on an accounting basis. This includes product development costs.

At 31 December 2025, the gross amount and expiry date of losses not recognised for deferred tax purposes but available for carry forward are as follows:

£million	Expiring within 5 years	Expiring within 6–10 years	Unlimited	Total
Losses for which no deferred tax asset has been recognised	–	–	282.4	282.4

Deferred tax is not recognised on these losses because profit projections do not support the utilisation of these losses.

Tax losses of £56.2 million are subject to substantial limitations in the type of profits they can be offset against and no such capital disposals are currently anticipated. Tax losses relating to the US total £225.1 million. Included within this number is £26.3 million in respect of capitalised R&D expenses and R&D tax credits. Deferred tax is not recognised on these temporary differences, unused tax losses or unused tax credits because profit projections do not support their utilisation.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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7 Taxation continued

At 31 December 2024, the gross amount and expiry date of losses available for carry forward were as follows:

£million	Expiring within 5 years	Expiring within 6–10 years	Unlimited	Total
Losses for which no deferred tax asset has been recognised	–	–	136.0	136.0

At 31 December 2025, the Group had no other items for which no deferred tax assets have been recognised (2024: £nil).

8 Dividends

	2025 pence per share	**2025 £million**	2024 pence per share	2024 £million
Final dividend paid for prior year	**–**	**–**	4.65	8.2
Interim dividend declared for current year	**–**	**–**	2.25	4.0

The Directors do not recommend a dividend.

9 Earnings per share

Basic earnings/(loss) per share is calculated by dividing the profit/(loss) attributable to owners of the Company by the weighted average number of shares in issue during the year.

Pence	**2025**	2024
Loss per share (pence)		
Basic	**(28.5)**	(30.2)
Diluted	**(28.5)**	(30.2)

As the Group made a statutory loss in 2025 and 2024, diluted statutory EPS for 2025 has been calculated using the basic weighted average number of shares because using weighted average diluted shares would be anti-dilutive.

The numbers used in calculating adjusted, basic and diluted earnings per share are shown below. Adjusted earnings per share is based on the adjusted profit after interest and tax.

Adjusted earnings per share:

£million (unless otherwise stated)	**2025**	2024
Loss for the year attributable to owners of the Company	**(50.6)**	(53.4)
Restructuring costs	**15.2**	(0.1)
Pension restructuring costs	**1.9**	1.3
Asset impairments and measurement losses	**41.4**	52.2
Amortisation of intangible assets arising on business combinations	**2.6**	2.7
Acquisition and disposal related costs	**4.3**	4.5
Tax effect of adjusting items (see note 6)	**(2.5)**	12.3
Adjusted earnings	**12.3**	19.5
Adjusted earnings per share (pence)	**6.9**	11.0
Adjusted diluted earnings per share (pence)	**6.8**	10.9

The weighted average number of shares in issue is as follows (new shares issued in the year described in note 22):

Million	**2025**	2024
Basic	**177.8**	176.9
Adjustment for share awards	**3.5**	1.6
Diluted	**181.3**	178.5

10 Employee information

The average number of full-time equivalent employees (including Directors) during the year was:

Number	**2025**	2024
By function		
Production	**3,244**	3,725
Sales and distribution	**219**	245
Administration	**297**	314
	3,760	4,284
By segment		
Europe	**947**	1,085
North America	**1,332**	1,617
Asia	**1,481**	1,582
Total	**3,760**	4,284

Central employees are allocated across the segments on a proportional basis.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
continued

10 Employee information continued

Aggregate emoluments, including those of Directors, for the year were:

£million	2025	2024
Wages and salaries	**115.3**	120.7
Social security charges	**29.1**	32.4
Employers' pension costs	**3.3**	3.3
Defined benefit pension costs	**0.5**	1.1
Share based payments expense	**2.1**	2.2
	150.3	159.7

Remuneration in respect of the Directors was as follows:

£million	2025	2024
Emoluments	**2.2**	1.1

Key management personnel are the TT Executive Committee ("ExCo"). The remuneration of key management during the year was as follows:

£million	2025	2024
Short-term benefits	**6.5**	2.3
Post-employment benefits	**0.2**	–
Termination benefits	**0.1**	–
Share based payments	**1.2**	1.3

The Schedule 5 requirements of the Accounting Regulations for directors' remuneration, including that of the highest paid director, are included within the Directors' remuneration report on pages 68 to 94.

11 Right-of-use assets

£million	Land and buildings	Other	Right-of-use assets
Cost			
At 31 December 2023	38.2	1.7	39.9
Additions	2.6	0.4	3.0
Disposals	(0.5)	(0.3)	(0.8)
Net exchange adjustment	0.3	–	0.3
At 31 December 2024	**40.6**	**1.8**	**42.4**
Additions	**1.6**	**0.3**	**1.9**
Disposals	**(0.1)**	**(0.2)**	**(0.3)**
Net exchange adjustment	**(1.7)**	**–**	**(1.7)**
At 31 December 2025	**40.4**	**1.9**	**42.3**
Depreciation			
At 31 December 2023	22.9	1.2	24.1
Depreciation charge	3.3	0.3	3.6
Impairment	5.3	0.1	5.4
Disposals	(0.4)	(0.3)	(0.7)
Net exchange adjustment	0.4	(0.3)	0.1
At 31 December 2024	**31.5**	**1.0**	**32.5**
Depreciation charge	**2.7**	**0.3**	**3.0**
Impairment	**1.0**	**–**	**1.0**
Disposals	**(0.1)**	**(0.2)**	**(0.3)**
Net exchange adjustment	**(1.4)**	**–**	**(1.4)**
At 31 December 2025	**33.7**	**1.1**	**34.8**
Net book value			
At 31 December 2025	**6.7**	**0.8**	**7.5**
At 31 December 2024	9.1	0.8	9.9

Additions during the year relate to a new building lease in Kansas, USA (£1.4 million) and Kuantan, Malaysia (£0.2 million). Other additions in Sheffield, UK (£0.1 million), Woking, UK (£0.1 million) and other locations (£0.1 million). Prior year additions relate to a new lease in Suzhou, China (£1.9 million) and other locations (£0.7 million).

The impairment charge for the year of £1.0 million relates to one manufacturing site within the North America segment (2024: £5.4 million relating to a separate site in the segment) and is included within items excluded from adjusted operating profit as described in note 6. Impaired right-of-use assets have been written down to a recoverable amount of £nil.

The Group only leases land and buildings for use in trading activities. Lease liabilities are disclosed in note 19. Contractual cashflows for these leases are disclosed in note 20e.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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12 Property, plant and equipment

£million	Land and buildings	Plant and equipment	Total
Cost			
At 31 December 2023	25.9	155.0	180.9
Additions	1.7	5.2	6.9
Disposals	–	(3.3)	(3.3)
Transferred to assets held for sale	(0.8)	(0.3)	(1.1)
Other movements	–	(0.4)	(0.4)
Net exchange adjustment	0.5	1.2	1.7
At 31 December 2024	**27.3**	**157.4**	**184.7**
Additions	**0.9**	**7.2**	**8.1**
Disposals	**(0.1)**	**(5.3)**	**(5.4)**
Other movements	**–**	**(0.1)**	**(0.1)**
Net exchange adjustment	**(1.1)**	**(6.9)**	**(8.0)**
At 31 December 2025	**27.0**	**152.3**	**179.3**
Depreciation and impairment			
At 31 December 2023	7.1	112.5	119.6
Depreciation charge	1.6	7.0	8.6
Impairment	6.9	3.0	9.9
Disposals	(0.1)	(3.0)	(3.1)
Transferred to assets held for sale	(0.8)	–	(0.8)
Net exchange adjustment	0.1	1.1	1.2
At 31 December 2024	**14.8**	**120.6**	**135.4**
Depreciation charge	**1.1**	**6.8**	**7.9**
Impairment	**1.0**	**1.9**	**2.9**
Disposals	**(0.1)**	**(5.1)**	**(5.2)**
Net exchange adjustment	**(0.9)**	**(5.4)**	**(6.3)**
At 31 December 2025	**15.9**	**118.8**	**134.7**
Net book value			
At 31 December 2025	**11.1**	**33.5**	**44.6**
At 31 December 2024	12.5	36.8	49.3

The impairment charge for the year of £2.9 million comprises a write down of £3.2 million at two manufacturing sites within the North America segment (2024: £9.9 million relating to a separate manufacturing site) included within items excluded from adjusted operating profit as described in note 6, a credit of £0.5 million arising from the reversal of impairments recognised in the prior year in our Plano, USA site to align the carrying amount to disposal proceeds and other impairments included in adjusted operating profit of £0.2 million.

13 Goodwill

£million	
Cost	
At 31 December 2023	140.8
Net exchange adjustment	1.3
At 31 December 2024	142.1
Net exchange adjustment	(5.7)
At 31 December 2025	**136.4**
Impairment	
At 31 December 2023	–
Impairment	36.7
At 31 December 2024	36.7
Impairment	37.2
Net exchange adjustment	(2.1)
At 31 December 2025	**71.8**
Net book value	
At 31 December 2025	**64.6**

The impairment charge for the year is £37.2 million (2024: £36.7 million) relating to the North America group of CGUs and within items excluded from adjusted operating profit as described in note 6.

Goodwill arising from acquisitions represents the premium paid above the fair value of net assets, including identified intangible assets, at the time of acquisition. Future enhancements to acquired businesses — driven by strategic direction, operational efficiencies, and investment — are expected to improve profitability over the ownership period.

Goodwill is allocated to groups of CGUs and monitored at this level. Each group of CGUs comprises multiple CGUs which are primarily individual manufacturing sites.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
continued

13 Goodwill continued

Goodwill is attributed to the following groups of CGUs:

£million	2025	2024
Europe:		
Europe	**52.7**	52.7
North America:		
North America	**–**	40.4
Asia:		
Asia	**11.9**	12.3
Total	**64.6**	105.4

Impairment Testing

The Group tests goodwill impairment annually or more frequently if there are indications that goodwill might be impaired.

Recoverable amounts for CGUs are calculated using a value-in-use approach. Key assumptions include discount rates, growth projections, and operating cash flow forecasts taken from the board approved 5-year strategic plan. Growth rates beyond the forecast period align with long-term GDP projections, capped at long-term inflation rates for the primary CGU market. These rates are determined based on the Group's geographic footprint and market presence.

Discount rates are estimated using pre-tax rates that reflect market conditions and CGU-specific risks. In determining the cost of equity, the Capital Asset Pricing Model has been used. Accordingly, the cost of equity is determined by adding a risk premium, based on an industry adjustment, to the expected return of the equity market above the risk-free return. The relative risk adjustment reflects the risk inherent in each group of CGUs relative to all other sectors and geographies on average.

The cost of debt is determined using a risk-free rate based on the cost of government bonds, and an interest rate premium equivalent to a corporate bond with a similar credit rating to TT Electronics Plc.

Long-term growth assumptions reflect anticipated demand trends in line with economic conditions. Price evolution and cost-control measures are expected to drive sustained profitability improvements. Management has detailed plans in place reflecting the latest budget and strategic growth plan. The pre-tax discount rates and periods of management approved forecasts are shown below. The discount rates used in the annual impairment test as at 30 September 2025 are shown below:

	2025			2024		
	Pre-tax discount rate	**Long term growth rate**	**Period of forecast (years)**	Pre-tax discount rate	Long term growth rate	Period of forecast (years)
Europe:						
Europe	**15.9%**	**1.4%**	**5.0**	14.7%	1.4%	5.0
North America:						
North America	**15.8%**	**2.1%**	**5.0**	15.5%	2.1%	5.0
Asia:						
Asia	**15.0%**	**3.5%**	**5.0**	14.6%	3.5%	5.0

The recoverable amounts associated with the goodwill balances which are based on these performance projections and current forecast information do not indicate that any goodwill balance, other than that for North America, is impaired. Based on the impairment testing performed, an impairment charge of £37.2 million was recorded in 2025 (2024: £36.7 million) in respect of the North America group of CGUs related to the operational issues and weak performance in the region, the timing of the recoverability in profitability and certain macroeconomic assumptions including the discount rate. After impairment, the recoverable amount of the goodwill held in the North America group of CGUs was £nil.

The impairment charge is shown as an adjusting item (see note 6) in conjunction with related asset impairments in the North America group of CGUs. In the prior year an impairment charge of £36.7 million was recognised in relation to the North America group of CGUs and was also recorded as an adjusting item.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
continued

13 Goodwill continued

Sensitivity Analysis

Sensitivity analysis has been performed on the key assumptions; operating cash flow projections, revenue growth rates and discount rate. Cash flows can be impacted by changes to sales prices, direct costs and replacement capital expenditure; individually they are not significant assumptions.

In respect of the Europe and Asia groups of CGUs, the directors have not identified reasonably possible changes in significant assumptions that would cause the recoverable amount to fall below the carrying value of recognised goodwill.

14 Other intangible assets

£million	Product development costs	Patents, licences and other	Customer relationships	Total
Cost				
At 31 December 2023	15.2	38.4	50.1	103.7
Additions	1.8	0.5	–	2.3
Disposals	(0.2)	(1.4)	(1.0)	(2.6)
Transferred to assets held for sale	(0.2)	–	–	(0.2)
Other movements	0.3	–	–	0.3
Net exchange adjustment	0.2	0.1	0.4	0.7
At 31 December 2024	**17.1**	**37.6**	**49.5**	**104.2**
Additions	**1.1**	**–**	**–**	**1.1**
Disposals	**(0.9)**	**(0.1)**	**–**	**(1.0)**
Other movements	**(1.6)**	**0.1**	**–**	**(1.5)**
Net exchange adjustment	**(1.0)**	**(0.4)**	**(1.6)**	**(3.0)**
At 31 December 2025	**14.7**	**37.2**	**47.9**	**99.8**
Amortisation				
At 31 December 2023	10.3	36.9	23.8	71.0
Charge for the year	1.1	0.5	2.7	4.3
Impairment	0.2	–	–	0.2
Disposals	(0.1)	(1.3)	(1.0)	(2.4)
Net exchange adjustment	0.2	(0.1)	0.2	0.3
At 31 December 2024	**11.7**	**36.0**	**25.7**	**73.4**
Charge for the year	**0.8**	**0.4**	**2.6**	**3.8**
Impairment	**0.8**	**–**	**–**	**0.8**
Disposals	**(0.8)**	**(0.1)**	**–**	**(0.9)**
Net exchange adjustment	**(0.8)**	**(0.4)**	**(0.6)**	**(1.8)**
At 31 December 2025	**11.7**	**35.9**	**27.7**	**75.3**
Net book value				
At 31 December 2025	**3.0**	**1.3**	**20.2**	**24.5**
At 31 December 2024	5.4	1.6	23.8	30.8

Other movements of £1.6 million within product development costs relate to reclassification to other receivables. Included within the amortisation charge for the year is £2.6 million (2024: £2.7 million) included within items excluded from adjusted profit as the charge relates to intangibles acquired upon acquisition of businesses.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
continued

14 Other intangible assets continued

Impairment of £0.8 million relates to one manufacturing site within the North America segment and are included within adjusted operating profit. In the prior year £0.2 million relating to a separate manufacturing site within the North America segment was excluded from adjusted operating profit as described in note 6. Impaired intangible assets have been written down to a recoverable amount of £nil.

Customer relationships are intangible assets recognised upon acquisition which are amortised over long periods of time and are summarised below. The amortisation charge is excluded from adjusted operating profit as described in note 6. The composition of customer relationships and the years remaining until they are fully amortised is shown below.

	Net book value (£million)	Years remaining
Torotel	8.2	16.9
Aero Stanrew	5.5	5.0
Precision Inc.	3.6	6.7
Ferranti Power and Control	2.1	9.0
Stadium Group	0.8	7.3
At 31 December 2025	**20.2**	

	Net book value (£million)	Years remaining
Torotel	9.5	17.9
Aero Stanrew	6.6	6.0
Precision Inc.	4.5	7.7
Ferranti Power and Control	2.3	10.0
Stadium Group	0.9	8.3
At 31 December 2024	23.8	

15 Inventories

£million	2025	2024
Raw materials	**61.6**	74.9
Work in progress	**26.7**	34.3
Finished goods	**14.9**	23.5
	103.2	132.7

Inventories are stated after a provision for obsolescence of £23.4 million (2024: £17.2 million). The increase in the provision primarily relates to our Plano, US site (note 6). The directors do not consider there to be a material difference between net book value and replacement cost for inventories.

16 Trade and other receivables

£million	2025	2024
Trade receivables	**70.1**	76.3
Prepayments	**6.1**	5.9
VAT and other taxes receivable	**5.5**	5.1
Accrued income	**2.5**	1.5
Other receivables	**5.3**	2.4
	89.5	91.2

Other receivables, relating primarily to Research and Development Expenditure Credits and other amounts deemed to be recoverable from customers, are expected to be converted into cash within twelve months.

Loss allowance for expected credit losses in respect of trade receivables is shown in note 20d(ii).

17 Trade and other payables

£million	2025	2024
Current liabilities		
Trade payables	**47.7**	61.3
Taxation and social security	**1.7**	3.6
Accruals	**28.1**	23.9
Deferred income	**27.0**	22.5
Goods received not invoiced	**6.0**	7.4
Other payables	**2.0**	1.3
	112.5	120.0

Other payables, relating primarily to amounts payable to employees in accordance with local labour laws and other non-trade payables are expected to be settled with cash in the next twelve months.

£million	2025	2024
Non-current liabilities		
Accruals	**0.1**	0.1

Deferred income represents advance payments and pre-funded inventory which is expected to be converted into finished goods and sold within 12 months. All the brought forward balance from 2024 was converted into finished goods and sold to the end customer within the year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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18 Provisions

£million	Property	Reorganisation	Legal, warranty and other	Total
At 1 January 2024	1.0	0.2	2.9	4.1
Utilised	–	(0.2)	(1.2)	(1.4)
Disposal of business	–	–	(0.4)	(0.4)
Arising during the year	0.1	0.3	2.2	2.6
At 1 January 2025	**1.1**	**0.3**	**3.5**	**4.9**
Utilised	**–**	**(0.3)**	**(1.1)**	**(1.4)**
Released	**–**	**–**	**(0.3)**	**(0.3)**
Arising during the year	**0.1**	**3.1**	**1.7**	**4.9**
Exchange differences	**–**	**–**	**(0.1)**	**(0.1)**
At 31 December 2025	**1.2**	**3.1**	**3.7**	**8.0**

£million	2025	2024
Non-current	**1.2**	1.1
Current	**6.8**	3.8
	8.0	4.9

Property

Property provisions of £1.2 million (2024: £1.1 million) relate to dilapidation provisions and are classified as non-current.

Reorganisation

Reorganisation provisions relate to committed costs in respect of restructuring programmes, as described in note 6, usually resulting in cash spend within one year.

£0.3 million (2024: £0.3 million) relates to clean-up costs associated with the closure of the Boone, US operations.

£2.8 million (2024: £nil) relates to the closure of the Plano manufacturing facility.

Legal, warranty and other

Legal, warranty and other claims represent the best estimate for the cost of settling outstanding product and other claims, and warranty provisions created on the disposal of businesses.

£1.5 million (2024: £1.5 million) relates to local warranty provisions of which £0.2 million was utilised and £0.6 million was charged to the income statement during the year. There was a £0.1m reduction due to foreign exchange movements.

£1.6 million (2024: £1.6 million) relates to onerous contracts acquired within the Ferranti Power and Control business of which £0.7 million was utilised and £0.7 million was charged to the income statement during the year.

£0.6 million (2024: £0.4 million) relates to other provisions with £0.2 million utilised in the year and a further £0.4 million charged to the income statement in the year.

The Group has, on occasion, been required to enforce commercial contracts and to defend itself against proceedings brought by other parties. Provisions are made for the expected costs associated with such matters, based on past experience of similar items and other known factors, taking into account professional advice received, and represent management's best estimate of the likely outcome. The timing of utilisation of these provisions is frequently uncertain, reflecting the complexity of issues and the outcome of various court proceedings and negotiations. Contractual and other provisions represent the Directors' best estimate of the cost of settling future obligations although there is a higher degree of judgement involved. Unless specific evidence exists to the contrary, these provisions are shown as current.

No provision is made for proceedings which have been or might be brought by other parties against Group companies unless management, taking into account professional advice received, assesses that it is more likely than not that such proceedings may be successful. Contingent liabilities associated with such proceedings have been identified, but the Directors are of the opinion that any associated claims that might be brought can be resisted successfully, and therefore the possibility of any material outflow in settlement in excess of amounts provided is assessed as unlikely.

The timing of the utilisation of these amounts is uncertain as they are subject to commercial negotiation and legal process in different jurisdictions. Where possible the Group has purchased insurance cover to protect itself from these exposures.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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19 Borrowings and lease obligations

£million	Maturity	Currency of denomination	Current	Non-current	Total
At 31 December 2025					
£162.4 million multi-currency revolving credit facility	**2027**	**GBP**	**–**	**10.0**	**10.0**
	2027	**USD**	**–**	**4.5**	**4.5**
Unsecured loan note	**2028**	**GBP**	**–**	**37.5**	**37.5**
Unsecured loan note	**2031**	**GBP**	**–**	**37.5**	**37.5**
Overdrafts			**0.1**	**–**	**0.1**
Lease liabilities			**3.6**	**10.8**	**14.4**
Loan arrangement fee			**–**	**(0.6)**	**(0.6)**
Total			**3.7**	**99.7**	**103.4**
At 31 December 2024					
£162.4 million multi-currency revolving credit facility	2027	GBP	–	36.0	36.0
	2027	USD	–	39.9	39.9
Unsecured loan note	2028	GBP	–	37.5	37.5
Unsecured loan note	2031	GBP	–	37.5	37.5
Overdrafts			0.1	–	0.1
Lease liabilities			4.0	13.3	17.3
Loan arrangement fee			–	(1.7)	(1.7)
Total			4.1	162.5	166.6

The Group's primary source of finance is the £162.4 million committed revolving credit facility (RCF), and an uncommitted accordion facility of £17.6 million, which was signed in June 2022. The Group's RCF, including the interest margin thereon which is based on the Group's compliance with financial covenants, is payable on a floating rate basis above GBP SONIA or USD SOFR depending on the currency of the loan and will mature in June 2027. As at 31 December 2025, £14.5 million (31 December 2024: £75.9 million) of the facility was drawn down. Arrangement fees with amortised cost of £0.6 million (2024: £1.7 million) have been netted off against these borrowings.

In December 2021 the Group issued £75.0 million of unsecured loan notes with £37.5 million maturing in seven years and £37.5 million maturing in 10 years respectively to a collection of three counterparties. The average interest rate on the loan notes is 3.65 per cent.

In December 2024 the RCF and the unsecured loan note lenders agreed to a relaxation of the covenant relating to the ratio of consolidated EBITDA to consolidated net finance charges for each reporting period up to, and including, 31 December 2025. This was 3.75x at 31 December 2024, 3.00x at 30 June 2025 and 3.25x at 31 December 2025.

As part of this agreed relaxation, the Group has committed that, should it wish to issue a dividend, it will test the covenant ratio both for the measurement period immediately prior to the distribution and the forecasts for the subsequent two measurement periods, against the original interest cover covenant ratio of more than 4.0x.

In March 2026 the RCF was amended and extended with a new expiry date of June 2028 and revised facility size of £105.0 million.

Undrawn facilities

At 31 December 2025, the Group had available £147.9 million (2024: £86.5 million) of undrawn committed borrowing facilities and £27.9 million (2024: £28.1 million) of undrawn uncommitted borrowing facilities, representing overdraft lines and the accordion facility.

20 Financial risk management

The main risks arising from the Group's financial instruments are foreign exchange risk, interest rate risk, credit risk and liquidity risk. These risks arise from exposures that occur in the normal course of business and are managed by the Group's Treasury department in close co-operation with the Group's business divisions and operating companies, under the oversight of a Treasury Committee which is chaired by the Chief Financial Officer. The responsibilities of the Group's Treasury department include the monitoring of financial risks, management of cash resources, debt and capital structure management, approval of counterparties and relevant transaction limits, and oversight of all significant treasury activities undertaken by the Group. The Group Treasury department operates as a service centre to the business divisions of the Group and not as a profit centre.

A Group Treasury policy has been approved by the Board of Directors and is periodically updated to reflect developments in the financial markets and the financial exposure facing the Group.

The Group's principal financial instruments comprise borrowings, cash and cash equivalents, trade receivables, trade payables and derivatives. The Group's borrowings, surplus liquidity and derivative financial instruments are monitored and managed centrally by the Group's Treasury department.

The Group's accounting policies with regard to financial instruments are detailed in note 2m.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
continued

20 Financial risk management continued

a) Derivatives, other financial instruments and risk management

The Group uses derivative financial instruments to manage certain exposures to fluctuations in exchange rates and interest rates. The Group does not hold any speculative financial instruments.

The Group is exposed to transactional and translation foreign exchange risk. Transactional foreign exchange risk arises from sales or purchases by a Group company in a currency other than that company's functional currency. Translation foreign exchange risk arises on the translation of profits earned in overseas currencies into GBP and the translation of net assets denominated in overseas currencies into GBP, the Group's functional currency.

To mitigate transactional foreign exchange risk, wherever possible, Group companies enter into transactions in their functional currencies with customers and suppliers. When this is not possible, hedging strategies are undertaken through the use of forward currency contracts for up to two years ahead. The forward currency contracts have been designated as cash flow hedges and the effective portion of the mark to market valuation of these derivatives at 31 December 2025 is taken to the hedging reserve within equity. Currency basis spread that is not designated is taken to the income statement.

The Group has designated £4.5 million ($6.0 million) (2024: £39.9 million ($52.0 million)) of loans in a net investment hedge of USD net assets. No ineffectiveness was recorded (2024: £nil) and a gain of £2.3 million (2024: £0.8 million loss) was taken to the translation reserve. The amount accumulated in this reserve in respect of gains/losses arising on hedging instruments designated in net investment hedges up to 31 December 2025 was an accumulated loss of £0.4 million (2024: accumulated loss of £2.7 million).

The Group's interest rate management policy is to maintain a balance between fixed and floating rates of interest on borrowings and deposits, and to use interest rate derivatives when appropriate and pre-approved by the Treasury Committee. The interest rate hedging instruments are floating to fixed rate interest rate swaps used to manage the Group's interest cost.

At 31 December 2025, the Group had a net derivative financial asset of £2.1 million (2024: £7.1 million net liability).

Foreign exchange (FX) hedges	Notional Amount (£m)	Average Hedged Rate	Fair value (£m)	Type of hedge
31 December 2024				
USD:CNY	**45.8**	**6.88**	**(0.3)**	**CFH – Forward rate**
USD:MXN	**31.3**	**19.23**	**1.4**	**CFH – Forward rate**
USD:GBP	**6.1**	**0.74**	**0.1**	**CFH – Forward rate**
USD:MYR	**15.0**	**4.23**	**0.7**	**CFH – Forward rate**
CNY:GBP	**4.2**	**0.11**	**0.1**	**CFH – Forward rate**
CNY:EUR	**3.3**	**0.12**	**0.1**	**CFH – Forward rate**
EUR:GBP	**3.1**	**0.87**	**–**	**CFH – Forward rate**
GBP:USD	**0.2**	**1.27**	**–**	**CFH – Forward rate**
Total	**109.0**		**2.1**	
31 December 2023				
USD:CNY	61.5	6.84	(3.0)	CFH – Forward rate
USD:MXN	31.2	18.72	(4.1)	CFH – Forward rate
USD:GBP	16.3	0.78	(0.2)	CFH – Forward rate
EUR:GBP	11.8	4.49	0.1	CFH – Forward rate
USD:MYR	6.8	0.11	0.1	CFH – Forward rate
CNY:GBP	3.8	0.13	(0.1)	CFH – Forward rate
CNY:EUR	3.2	0.85	0.1	CFH – Forward rate
GBP:USD	0.8	1.27	–	CFH – Forward rate
Total	135.4		(7.1)	

CFH is an abbreviation for cash flow hedge.

The most common exchange rate risk is the transaction risk the Group takes when it invoices a customer or purchases from suppliers in a different currency to the underlying functional currency of the business. The Group policy is to review transactional foreign exchange exposures and place contracts on a quarterly basis. To the extent the cash flows associated with a transactional foreign exchange risk are committed the Group will hedge 100%. The notional values of the hedged transactions are disclosed in the above table. The group's policy is to hedge these transactions on a 1:1 ratio. Foreign currency basis spread of the derivative item is not designated and is therefore recognised in the income statement. The potential sources of ineffectiveness are timing of forecast transaction and credit risk. There was no hedge ineffectiveness incurred during the period.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
continued

20 Financial risk management continued

The closing value of the hedging reserve in relation to FX hedges on 31 December 2025 was an accumulated gain of £2.2 million (2024: accumulated loss of £6.5 million). The transactions that have been designated as the hedged item in a cash flow hedge relationship are still considered highly probable forecasted transactions, both during the next year and at the year ended 31 December 2025.

Hedges with a notional amount of £69.6 million (2024: £94.6 million) are due within 12 months with the remainder maturing within 24 months.

b) Foreign exchange risk

Trade receivables are denominated in the currencies in which the Group trades. The Group's policy is that receivables and payables not in the functional currency of the subsidiary concerned are, in the main, hedged through forward foreign currency exchange contracts.

All currencies used within the Group are freely and immediately exchangeable for other currencies.

£million	GBP	USD	Euro	Other	Total
31 December 2025					
Trade and other receivables	**–**	**14.5**	**1.4**	**–**	**15.9**
Cash and cash equivalents	**–**	**2.6**	**0.9**	**0.4**	**3.9**
Borrowings	**–**	**(4.5)**	**–**	**–**	**(4.5)**
Lease liabilities	**–**	**–**	**–**	**(0.7)**	**(0.7)**
Trade and other payables	**(0.6)**	**(5.4)**	**(0.5)**	**(0.7)**	**(7.2)**
Net Derivative financial instruments	**0.2**	**–**	**0.1**	**1.8**	**2.1**
Total	**(0.4)**	**7.2**	**1.9**	**0.8**	**9.5**
31 December 2024					
Trade and other receivables	–	18.0	1.0	0.1	19.1
Cash and cash equivalents	–	7.7	0.9	1.1	9.7
Borrowings	–	(39.9)	–	–	(39.9)
Lease liabilities	–	–	–	(0.8)	(0.8)
Trade and other payables	(0.2)	(8.8)	(0.6)	(1.6)	(11.2)
Net Derivative financial instruments	–	–	(0.1)	(7.0)	(7.1)
Total	(0.2)	(23.0)	1.2	(8.2)	(30.2)

A 10% strengthening of GBP against the following currencies at 31 December 2025 would have reduced profit after tax by the amounts shown below. These sensitivities have been chosen because they are a reasonable approximation of possible changes. This analysis assumes that all other variables, in particular interest rates, remain constant. A 10% weakening of GBP against the above currencies at 31 December 2025 would have had an equal but opposite effect on profit after tax, on the basis that all other variables remain constant.

£million	2025	2024
US dollar	**1.2**	1.7
Euro	**0.2**	0.1

A 10% strengthening of GBP against the following currencies at 31 December 2025 would have decreased equity by the amounts shown below. These sensitivities have been chosen because they are a reasonable approximation of possible changes. This analysis assumes that all other variables, in particular interest rates, remain constant. The Group finances operations by obtaining funding through external borrowings and, where they are in foreign currencies, these borrowings may be designated as net investment hedges. This enables gains and losses arising on retranslation of these foreign currency borrowings to be charged to other comprehensive income, providing a partial offset in equity against the gains and losses arising on translation of the net assets of foreign operations. This has been considered in the analysis below.

£million	2025	2024
US dollar	**(0.7)**	2.3
Euro	**(0.2)**	(0.1)

A 10% weakening of GBP against the above currencies at 31 December 2025 would have had an equal but opposite effect on equity, on the basis that all other variables remain constant.

c) Interest rate risk

The Group has financial assets and liabilities which are exposed to changes in market interest rates. Changes in interest rates primarily impact borrowings by changing their future cash flows (floating rate debt) or their fair value (fixed rate debt) and deposits. The Group's objective is to manage this interest rate exposure through the use of interest rate derivatives.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
continued

20 Financial risk management continued

The exposure of the Group's financial assets and liabilities to interest rate risk is as follows:

£million	Floating rate	Fixed rate	Non-interest bearing	2025 total
Financial assets				
Trade and other receivables	–	–	70.1	70.1
Cash and cash equivalents	3.1	–	35.6	38.7
Derivative financial instruments	–	–	2.7	2.7
Total financial assets	3.1	–	108.4	111.5
Financial liabilities				
Borrowings (including overdrafts)	(14.6)	(75.0)	0.6	(89.0)
Lease liabilities	–	(14.4)	–	(14.4)
Trade and other payables	–	–	(81.9)	(81.9)
Derivative financial instruments	–	–	(0.6)	(0.6)
Total financial liabilities	(14.6)	(89.4)	(81.9)	(185.9)

£million	Floating rate	Fixed rate	Non-interest bearing	2024 total
Financial assets				
Trade and other receivables	–	–	76.3	76.3
Cash and cash equivalents	14.7	–	54.5	69.2
Derivative financial instruments	–	–	0.7	0.7
Total financial assets	14.7	–	131.5	146.2
Financial liabilities				
Borrowings (including overdrafts)	(76.0)	(75.0)	1.7	(149.3)
Lease liabilities	–	(17.3)	–	(17.3)
Trade and other payables	–	–	(92.7)	(92.7)
Derivative financial instruments	–	–	(7.8)	(7.8)
Total financial liabilities	(76.0)	(92.3)	(98.8)	(267.1)

At 31 December 2025, 84% of borrowings was at a fixed rate (2024: 50%).

The interest charged on floating rate financial liabilities is based on the relevant benchmark rate (such as GBP SONIA and USD SOFR).

Interest on financial instruments classified as fixed rate is fixed until the maturity of the instrument.

The average cost of the debt for the Group is expected to be approximately 4.0% over the next 12 months.

Considering the net debt position of the Group at 31 December 2025, any increase in interest rates would result in a net loss in the consolidated income statement, and any decrease in interest rates would result in a net gain. The effect on loss after tax of a 1.0% movement in interest rate, based on the year end floating rate borrowings, with all other variables held constant, is estimated to be £0.1 million (2024: £0.5 million).

d) Credit risk

Exposure to credit risk arises as a result of transactions in the Group's ordinary course of business and is applicable to all financial assets. Investments in cash and cash equivalents and derivative financial instruments are with approved counterparty banks and other financial institutions. Counterparties are assessed prior to, during, and after the conclusion of transactions to ensure exposure to credit risk is limited to an acceptable level. The maximum exposure with respect to credit risk is represented by the carrying amount of each financial asset on the balance sheet.

The Group's major exposure to credit risk is in respect of trade receivables. Given the number and geographical spread of the Group's ultimate customers and the solvency of major trade debtors, credit risk is believed to be limited. The Group is not reliant on any particular customer in the markets in which it operates and there is no significant concentration of credit risk. The Group regularly monitors its exposure to bad debts in order to minimise this exposure.

The Group has strict procedures in place to manage the credit risk on trade receivables. Customer credit risk is managed by each operating company within a region but is subject to Group oversight to ensure that each division's customer credit risk management system operates in a prudent and responsible manner. Credit evaluations are performed for all customers and credit limits are established based on internal or external rating criteria. The credit quality of the Group's significant customers is monitored on an ongoing basis. Letters of credit or payments in advance are obtained where customer credit quality is not considered strong enough for open credit. The Group operates the expected credit losses model when applying credit risk to receivables.

During the year there was a £1.3 million impairment of trade receivables as at 31 December 2025 (2024: £0.1 million) recognised within admin expenses. The solvency of the debtor and their ability to repay the receivables were considered in assessing the impairment of such assets. The Group performed an expected credit loss model at 31 December 2025 and a general provision of £nil (2024: £nil) was required.

(i) Risk for trade receivables by geographical regions

The maximum exposure to credit risk for trade receivables at 31 December by geographic areas was:

£million	2025	2024
Europe (including UK)	24.3	26.6
North America	32.3	35.8
Asia	12.8	13.5
Rest of the World	0.7	0.4
	70.1	76.3

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
continued

20 Financial risk management continued

(ii) Impairment losses

The ageing of trade receivables at 31 December was:

£million	2025 Gross	2025 Impairment	2024 Gross	2024 Impairment
Not past due	**60.7**	**–**	62.0	–
Past due 1 – 60 days	**8.7**	**–**	12.5	-–
Past due 61 – 120 days	**1.6**	**(0.9)**	2.1	(0.3)
More than 120 days	**1.0**	**(1.0)**	0.4	(0.4)
	72.0	**(1.9)**	77.0	(0.7)

The movement in the provision for impairment in respect of trade receivables during the year was as follows:

£million	2025	2024
At 1 January	**0.7**	0.6
Charged to income statement	**1.3**	0.1
Released	**(0.1)**	–
Utilised	**–**	–
At 31 December	**1.9**	0.7

(iii) Credit risk relating to other financial assets and cash deposits

Credit risk relating to the Group's other financial assets, principally comprising cash and cash equivalents and derivative financial instruments arise from the potential default of counterparties. Credit risk arising from balances with banks and financial institutions is monitored by the Group's Treasury department. The Group's policy on investment of cash and deposits is to only hold cash deposits with banks maintaining an investment grade credit rating of BBB and above and are reviewed on a regular basis to take account of developments in financial markets. Hedging agreements are only entered into with the same investment grade counterparties. Currently the Group has 10 counterparties to which it has credit risk exposure. As such credit risk on these financial assets (cash and cash equivalents and derivatives) is calculated as £nil.

The expected credit risk model was applied to other receivables as described in note 2m where the credit risk was deemed immaterial.

e) Liquidity risk

The Group maintains a balance between availability of funding and maximising investment return on cash balances through the use of short-term cash deposits, credit facilities and longer-term debt instruments. Management regularly reviews the funding requirements of the Group.

The Group's policy is to centrally manage debt and surplus cash balances.

At 31 December 2025, the Group had £147.9 million of undrawn committed borrowing facilities (2024: £86.5 million) and £27.9 million (2024: £28.1 million) of undrawn uncommitted borrowing facilities.

Contractual cashflows of financial liabilities

The following are the contractual maturities of financial liabilities including contractual future interest payments and commitment fees:

£million	Carrying value	Contractual Cash Flows	On demand	Under 3 months	3 to 12 months	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	Over 5 years
31 December 2025										
Borrowings (excl overdrafts)	**88.9**	**103.8**	**–**	**0.1**	**3.7**	**3.6**	**54.7**	**1.4**	**1.4**	**38.9**
Overdrafts	**0.1**	**0.1**	**0.1**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Lease liabilities	**14.4**	**15.7**	**0.1**	**0.9**	**3.3**	**3.3**	**1.8**	**1.1**	**1.0**	**4.2**
Trade and other payables	**81.9**	**81.9**	**–**	**81.5**	**0.4**	**–**	**–**	**–**	**–**	**–**
Derivatives settled gross	**0.6**	**28.8**	**–**	**5.3**	**18.9**	**4.6**	**–**	**–**	**–**	**–**
	185.9	**230.3**	**0.2**	**87.8**	**26.3**	**11.5**	**56.5**	**2.5**	**2.4**	**43.1**
31 December 2024										
Borrowings (excl overdrafts)	149.2	175.0	–	0.9	5.3	6.1	80.8	40.2	1.4	40.3
Overdrafts	0.1	0.1	0.1	–	–	–	–	–	–	–
Lease liabilities	17.3	18.8	–	1.0	3.4	4.0	2.3	1.6	1.1	5.4
Trade and other payables	92.7	92.7	–	91.5	1.2	–	–	–	–	–
Derivatives settled gross	7.8	116.2	–	14.2	61.6	40.4	–	–	–	–
	267.1	402.8	0.1	107.6	71.5	50.5	83.1	41.8	2.5	45.7

f) Fair value of financial assets and liabilities

IFRS 13 "Fair Value Measurement" requires an analysis of those financial instruments that are measured at fair value at the end of the year in a fair value hierarchy. In addition, IFRS 13 requires financial instruments not measured at fair value but for which fair value is disclosed to be analysed in the same fair value hierarchy:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 – inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 – inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
continued

20 Financial risk management continued

Set out below is a comparison by class of the carrying amounts and fair value of the Group's financial instruments that are carried in the financial statements.

£million	Fair value hierarchy	2025 Carrying value	2025 Fair value	2024 Carrying value	2024 Fair value
Held at amortised cost					
Cash and cash equivalents	n/a	38.7	38.7	69.2	69.2
Trade receivables	n/a	70.1	70.1	76.3	76.3
Trade and other payables	n/a	(81.9)	(81.9)	(92.7)	(92.7)
Borrowings (excluding unsecured loan notes)	2	(13.9)	(13.9)	(74.2)	(74.2)
Unsecured loan notes	3	(75.0)	(69.3)	(75.0)	(66.0)
Held at fair value					
Derivative financial instruments (assets)	2	2.7	2.7	0.7	0.7
Derivative financial instruments (liabilities)	2	(0.6)	(0.6)	(7.8)	(7.8)

The fair value of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

- cash and cash equivalents, trade and other receivables, trade and other payables approximate to their carrying amounts largely due to the short-term maturities of these instruments;
- the fair value of borrowings is estimated by discounting future cash flows using rates currently available for debt and remaining maturities;
- the fair value of derivative financial instrument assets (£2.7 million) and liabilities (£0.6 million) are estimated by discounting expected future cash flows using current market indices such as yield curves and forward exchange rates over the remaining term of the instrument (level 2); and
- the fair value of unsecured loan notes has been derived from available market data for borrowings of similar terms and maturity period.

g) Capital management

The overriding objectives of the Group's capital management policy are to safeguard and support the business as a going concern through the business cycle and to maintain an optimal capital structure by reducing the Group's overall cost of capital. The Board considers equity shareholders' funds as capital.

The Group maintains a balance between availability of funding and maximising investment return on cash balances through the use of short-term cash deposits, credit facilities and longer-term debt instruments, and management regularly reviews the funding requirements of the Group.

Dividends are paid when the Board consider it appropriate to do so, taking into account the availability of funding.

The Group has net debt of £64.7 million (2024: £97.4 million). Included within the debt facilities are certain financial covenants related to IFRS (excluding IFRS 16 update, and after the application of other covenant defined adjustments) net debt divided by adjusted EBITDA.

Adjusted EBITDA is EBITDA adjusted to exclude the items not included within adjusted operating profit/net finance charges for which compliance certificates are produced on a 12-month rolling basis every half year. All financial covenants were fully complied with during the year and up to the date of approval of the financial statements.

21 Retirement benefit schemes

Defined contribution schemes

The Group operates 401(k) plans in North America and defined contribution arrangements in the rest of the world. The assets of these schemes are held independently of the Group and are not on its balance sheet. The total contributions charged by the Group in respect of defined contribution schemes were £3.3 million (2024: £3.3 million).

Defined benefit schemes

At 31 December 2025 the Group operated one defined benefit schemes in the UK (the TT Group (1993) Pension Scheme) and one unfunded overseas defined benefit scheme in the USA. These schemes are closed to new members and the UK scheme is closed to future accrual.

The TT Group scheme commenced in 1993 and increased in size in 2006, 2007 and 2019 through the mergers of former UK schemes following a number of acquisitions. The parent company is the sponsoring employer in the TT Group scheme. The TT Group scheme is governed by TTG Pension Trustees Limited (the "Trustee") that has control over the operation, funding and investment strategy in consultation with the Group.

The liabilities of the TT Group Scheme have been fully insured under a bulk annuity insurance contract (a "buy-in policy") since 2022 and there is no requirement for any further contributions to be paid to the Scheme. The insurer will pay into the Scheme cash matching the benefits covered by the policy which are due to members.

The Trustee is of the opinion that this investment decision is appropriate, reduces the risks in the Scheme and provides additional security for the benefits due to members of the Scheme. The Trustee continues to be responsible for running the Scheme and retains the legal obligation for the benefits provided under the Scheme.

As the buy-in policy is a qualifying insurance asset, the fair value of the insurance policy is deemed to be the present value of the obligations that have been insured. The policy secured matches the benefits due to Scheme members under the Scheme's Trust Deed and Rules.

The Trustees formally triggered the wind-up of the Scheme on 31 March 2025 and are expected to complete the buy-out transaction with the insurer and wind-up in 2026.

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21 Retirement benefit schemes continued

In December 2025 an amount of £1.2 million was paid to the Group by the TT Group Scheme relating to an adjustment to the withheld tax on the prior years' refunds from scheme surplus. As at 31 December 2025, this amount has been included in tax provisions (note 7). In the prior year a £15.0 million refund of the surplus was paid to the group out of scheme assets by the Trustee (£11.2 million net of tax due, which was paid by the Scheme).

Since the assets of the Scheme were greater than the premium required to secure the liabilities through the buy-in, the Scheme is in a net asset position at 31 December 2025 of £8.6 million (with £7.4 million recognised on the consolidated balance sheet due to the impact of IFRIC 14 described below).

The Group is not exposed to any unusual, entity specific or scheme specific risks, but given the material nature of the TT Group scheme, the Group has developed a comprehensive strategy covering the following areas to manage the financial risk associated with it:

- Maintaining a long-term working partnership with the Trustee to ensure strong governance of risks within the TT Group scheme. The TT Group scheme is a long-term undertaking and is managed accordingly, in order to provide security to members' benefits and value for money to the Group.
- The Scheme's investment strategy has been assessed as being low risk as the insured asset matches changes in the assessed value of the Schemes liabilities due to changes in interest rates, inflationary expectations and longevity expectations. The buy-in policy therefore matches the term and nature of the liabilities.

The weighted average duration of the TT Group scheme defined benefit obligation is around 10 years.

UK legislation requires the Trustee to carry out a statutory funding valuation at least every three years and to target full funding against a basis that prudently reflects the TT Group scheme's risk exposure. The last triennial valuation of the TT Group scheme as at April 2022 showed a net surplus of £45.4 million against the Trustee's statutory funding objective. As the Scheme has now triggered wind-up, there is no longer a statutory requirement for the Trustee to conduct full triennial valuations. This exemption is subject to the Trustee receiving annual solvency estimates.

In January 2024, the Trustees of the BI technologies Corporation Retirement Plan, one of the US defined benefit schemes in the USA, completed a buy-out, extinguishing all remaining gross liabilities. A final payment of £1.8 million was made and a settlement cost of £0.2 million was recognised within items excluded from adjusted operating profit as a result of this exercise.

An analysis of the pension surplus/(deficit) by scheme is shown below

£million	2025	2024
TT Group (1993) surplus	**8.6**	7.1
Effect of asset ceiling (IFRIC 14)	**(1.2)**	–
TT Group (1993) recognised surplus	**7.4**	7.1
USA scheme	**(1.3)**	(1.5)
Net surplus	**6.1**	5.6

Given the nature of the Group's control of the TT Group under the Scheme rules, the Group considers that it has an unconditional right to refund of surplus in the event of the Scheme's wind-up subject only to a limitation for the ongoing expenses of running and completing the wind up of the scheme which are expected to be £1.2 million as at 31 December 2025 as these expenses are now met from the remaining Scheme assets. The pension surplus has therefore been limited by £1.2 million under IFRIC 14, with the restriction recognised in other comprehensive income.

Following the decision by the Court of Appeal to uphold the High Court's ruling in Virgin Media Ltd vs NTL Pension Trustees II, the Company has commenced the process of investigation into identifying the potential impact to benefits and the associated accounting liabilities for the defined benefit pensions schemes within the Group. On 5 June 2025 the UK Government announced its intention to introduce legislation to give affected pension schemes the ability to retrospectively obtain written actuarial confirmation that historic benefit changes met the necessary statutory standards. This proposed legislation is intended to allow pension scheme trustees and sponsoring employers to validate historic amendments that might otherwise be considered invalid solely due to the absence of contemporaneous actuarial confirmation. As this process is still at an early stage, the Group is not yet in a position to be able to determine or quantify any potential financial impacts of any possible challenges to historic changes affecting these schemes.

The principal assumptions used for the purpose of the actuarial valuations for the Group's primary defined benefit schemes were as follows:

%	2025	2024
Discount rate	**5.50**	5.50
Inflation rate (RPI)	**3.10**	3.30
Increases to pensions in payment (LPI 5% pension increases)	**2.85**	3.15
Increases to deferred pensions (CPI)	**2.70**	2.90

The mortality tables applied by the actuaries at 31 December 2025 for the TT Group (1993) Scheme were S3 tables ('Middle' for females) with 108% (male)/104% (female) weighting for pensioners and 114% (male)/108% (female) weighting for non-pensioners with a 1.5% long-term rate of improvement in conjunction with the CMI 2024 projection model. The assumptions are equivalent to life expectancies as follows: Current pensioner aged 65: 86 years (male), 88 years (female). Future retiree currently aged 45: 88 years (male), 90 years (female).

Risk and sensitivity

Following the buy-in, changes in actuarial assumptions will impact the liabilities and insured asset to the same extent, with no overall impact on the net reporting position. A decrease in the discount rate by 0.1% per annum increases the liabilities and assets by approximately £3.3 million. An increase by 0.1% per annum in the inflation rate increases the liabilities and assets by approximately £1.9 million. An increase in the life expectancy of 1 year increases the liabilities and assets by approximately £9.4 million.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
continued

21 Retirement benefit schemes continued

The sensitivities above consider the impact of the single change shown, with the other assumptions unchanged. The inflation sensitivities allow for the consequential impact on the relevant pension increase assumptions. The sensitivity analyses have been determined based on a method that extrapolates the impact on the defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

The amounts recognised in respect of the pension surplus/deficit in the consolidated balance sheet are:

£million	2025	2024
Cash and cash equivalents	**8.6**	7.1
Insured assets	**303.8**	310.0
Fair value of assets	**312.4**	317.1
Present value of defined benefit obligation	**(305.1)**	(311.5)
Net surplus in the schemes	**7.3**	5.6
Effect of asset ceiling (IFRIC 14)	**(1.2)**	–
Net surplus recognised in the consolidated balance sheet	**6.1**	5.6

The schemes' assets are unquoted unless otherwise stated and do not include the Group's financial instruments, any property occupied by, or other assets used by the Group. All of the funds included in the asset split are pooled investment vehicles for which due diligence has been completed. We have classified all of the Scheme's investments other than the cash held at the custodian, government bonds and the exchange traded funds (ETFs) as unquoted assets.

Amounts recognised in the consolidated income statement are:

£million	2025	2024
Scheme administration costs	**(0.5)**	(1.0)
Net loss on pension projects (excluded from adjusted operating profit)	**(1.9)**	(1.3)
Net interest credit	**0.3**	1.1

Amounts recognised in the consolidated statement of comprehensive income are a gain of £2.8 million (2024: loss of £2.3 million) which comprises; the actual return on scheme assets excluding interest income, a gain of £2.2 million (2024: loss of £23.4 million), the remeasurement loss of the schemes obligations of £1.8 million (2024: gain of £21.3 million) and the restriction on the surplus recognised in accordance with IFRIC 14 of £1.2 million (2024: £nil).

Changes in the present value of the defined benefit obligation are:

£million	2025	2024
Defined benefit obligation at 1 January	**311.5**	341.3
Past service charge and settlements	**–**	(1.5)
Interest on obligation	**16.5**	15.6
Remeasurements:		
Effect of changes in demographic assumptions	**1.8**	(0.8)
Effect of changes in financial assumptions	**(4.4)**	(22.0)
Effect of experience adjustments	**0.8**	0.3
Benefits paid	**(21.0)**	(21.5)
Net exchange adjustment	**(0.1)**	0.1
Defined benefit obligation at 31 December	**305.1**	311.5
TT Group (1993)	**303.8**	310.0
USA scheme	**1.3**	1.5
	305.1	311.5

Changes in the fair value of the schemes' assets are:

£million	2025	2024
Fair value of schemes' assets at 1 January	**317.1**	363.5
Interest income on defined benefit scheme assets	**16.8**	16.7
Return on scheme assets, excluding interest income	**2.2**	(23.5)
Contributions by employer	**0.1**	–
Return of pension surplus[1]	**–**	(15.0)
Pension scheme expenses	**(2.8)**	(2.0)
Settlements	**–**	(1.5)
Benefits paid	**(21.0)**	(21.5)
Net exchange adjustment	**–**	0.4
Fair value of schemes' assets at 31 December	**312.4**	317.1

1. During 2024 the TT Group (1993) Pension Scheme returned £15.0 million of pension surplus as cash to the Group. This was net of £3.8 million of tax paid directly by the scheme to HMRC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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22 Share capital

Share capital

£million	2025	2024
Issued and fully paid		
178,648,793 (2024: 177,884,541) ordinary shares of 25p each	**44.7**	44.5

During the period the Company issued 764,252 ordinary shares as a result of share options being exercised under the Sharesave scheme and Share Purchase plans.

The performance conditions of the Restricted Share Plan awards issued in 2021, 2022 and 2023 and the Long-term Incentive Plan awards issued in 2021 were met and shares were allocated to award holders from existing shares held by an Employee Benefit Trust for £nil consideration.

The aggregate consideration received for all share issues during the year was £0.6 million which was represented by a £0.2 million increase in share capital and a £0.4 million increase in share premium.

23 Other reserves

£million	Share Based Payment Reserve	Employee Benefit Trust	**Share options reserve**	Hedging Reserve	Merger reserve	**Total**
At 31 January 2023	6.3	(0.6)	**5.7**	2.8	3.4	**11.9**
Share based payment charge	2.2	–	**2.2**	–	–	**2.2**
Awards made to employees	(1.8)	1.4	**(0.4)**	–	–	**(0.4)**
Deferred tax on share based payments	(0.2)	–	**(0.2)**	–	–	**(0.2)**
Funding of employee benefit trust	–	(1.7)	**(1.7)**	–	–	**(1.7)**
Loss on cash flow hedges taken to equity less amounts taken to income statement	–	–	**–**	(10.2)	–	**(10.2)**
Deferred tax on movement in cash flow hedges	–	–	**–**	2.4	–	**2.4**
At 31 December 2024	6.5	(0.9)	**5.6**	(5.0)	3.4	**4.0**
Share based payment charge	2.1	–	**2.1**	–	–	**2.1**
Awards made to employees	(0.9)	0.9	**–**	–	–	**–**
Deferred tax on share based payments	0.3	–	**0.3**	–	–	**0.3**
Funding of employee benefit trust	–	(0.1)	**(0.1)**	–	–	**(0.1)**
Loss on cash flow hedges taken to equity less amounts recycled to income statement	–	–	**–**	8.7	–	**8.7**
Deferred tax on movement in cash flow hedges	–	–	**–**	(2.0)	–	**(2.0)**
At 31 December 2025	8.0	(0.1)	**7.9**	1.7	3.4	**13.0**

24 Share-based payment plans

The Company has the following share-based payment plans in operation at 31 December 2025:

– Long-term Incentive Plan ("LTIP") for senior executives;
– Restricted Share Plan ("RSP") for certain senior executives; and
– Sharesave plans for UK employees and a Share Purchase plan for US employees

The LTIP and RSP schemes have been classified as equity settled schemes. The terms of the LTIP and RSP schemes state that the Group has the right to decide how to settle these awards and it is the Group's intention to settle these with equity. At the date of vesting the Group will settle the awards either with new issue shares or shares purchased on the market at an earlier point in time.

The Group offers the employees the option for the Group to settle the tax liability, which the employee would incur upon receipt of the award, on behalf of the employee with the relevant tax authority. In this circumstance the Group may choose to pay, in cash, the tax liability due on behalf of the employee to the tax authority and the employee would receive the remaining value of their award in equity. In 2025 the Group paid £0.2 million to settle the employees' tax liabilities (2024: £0.5 million). The Group estimates that the future cash flows associated with the above would remain consistent with the 2025 outflows. The Group also offers the employee the option for the Group to sell the remaining shares on the employees' behalf and to forward that cash to the employee, although the Group is not compelled to do so no matter what the employee chooses. No amounts were incurred in respect of this arrangement in 2025 (2024: £0.1 million). The Group estimates that the future cashflows associated with the above would remain consistent in future years with the 2025 outflows. These arrangements do not change the assessment that the share-based payments are equity settled.

The Sharesave scheme has also been classified as an equity settled scheme. The rules of this scheme state that the participant must always be paid in equity and that neither party can request settlement in any other way.

a) Long-term Incentive Plans

Details of the LTIP awards outstanding during the year are as follows:

	2025	2024
	Number of share awards	Number of share awards
At 1 January	**2,009,566**	2,265,228
Granted	**2,562,961**	942,323
Forfeited / Lapsed	**(722,357)**	(679,131)
Exercised / Vested	**(262,321)**	(518,854)
At 31 December	**3,587,849**	2,009,566
Exercisable at 31 December	**–**	–

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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24 Share-based payment plans continued

During 2025 grants of awards were made under the LTIP for the issue of shares in 2028. An award is a contingent right to receive shares in the future, subject to continued employment and the achievement of predetermined performance criteria. The performance targets attached to awards require the achievement of earnings per share ('EPS'), total shareholder return ('TSR') and operating cashflow ('cash') targets as detailed in the Directors' Remuneration Report on page 88.

The fair value of the shares was estimated at the grant date using a Monte Carlo simulation model, considering the terms and conditions upon which the shares were granted. This model simulates the TSR and compares it against the group of comparator companies. It considers historic dividends and share price fluctuations to predict the distribution of relative share price performance.

The table below lists the awards which were made during the year and the inputs to the model:

Grant date	Number of awards	Fair value at grant date	Share price at grant date	Exercise price	Expected volatility	Vesting period (years)
2025						
22 April 2025	2,487,204	67.3p	75.0p	£nil	49%	3.0
2 June 2025	75,757	83.4p	93.0p	£nil	49%	3.0
2024						
11 March 2024	942,323	132.8p	150.0p	£nil	37%	3.0

The award of shares is not affected by the risk-free rate of interest since no investment is required by the recipient, and therefore no interest could be earned elsewhere. Expected volatility is based on historical share price movements.

The performance conditions of the LTIP grants made in 2022 that reached the end of their performance periods in 2025 were partially met and shares were allocated to award holders from existing shares held by an Employee Benefit Trust for £nil consideration.

b) Restricted Share Plan

During the year the Group granted 1,732,868 shares (2024: 1,047,446) under the restricted plan. Awards are typically subject to continuing employment with no other vesting criteria.

Details of the restricted share plan awards outstanding during the year are as follows:

	2025 Number of share awards	2024 Number of share awards
At 1 January	**2,619,990**	2,910,500
Granted	**1,732,868**	1,047,446
Forfeited/Lapsed	**(499,586)**	(1,089,928)
Exercised/Vested	**(686,003)**	(248,028)
At 31 December	**3,167,269**	2,619,990

During the year 190,164 (2024: 77,800) notional RSP share awards were granted to senior managers which will ultimately be settled in cash.

The performance conditions of the RSP grants made in 2021 and 2022 that reached the end of their performance periods in 2025 were partially met and shares were allocated to award holders from existing shares held by an Employee Benefit Trust for £nil consideration.

The table below lists the awards which were made during the year the inputs to the model:

Grant date	Number of awards	Fair value at grant date	Share price at grant date	Exercise price	Expected volatility	Vesting period (years)
2025						
22 April 2025	**1,676,050**	**75.0p**	**75.0p**	**£nil**	**49%**	**3.0**
2 June 2025	**56,818**	**93.0p**	**93.0p**	**£nil**	**49%**	**3.0**

Grant date	Number of awards	Fair value at grant date	Share price at grant date	Exercise price	Expected volatility	Vesting period (years)
2024						
22 April 2025	1,047,446	150.0p	150.0p	£nil	37%	3.0

All of the above awards are subject to continuing employment with the Group.

c) Sharesave schemes

The Group operates a Sharesave scheme for participating employees in the UK under a three-year plan. Employees may purchase the Group's shares at a 20% discount to the market price on the day prior to the commencement of the offer up to a maximum contribution value of £6,000 in any one year. Monthly contributions are saved with Lloyds Bank plc, via Equiniti Ltd, the Registrars, in the employee's share savings plan and will only be released to employees who remain in the Group's employment for a period of three years from commencement of the savings contract. Options become exercisable on completion of the three-year term or within six months of leaving in certain circumstances. All Sharesave scheme awards are accounted for as equity settled.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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24 Share-based payment plans continued

Details of the save as you earn share plan awards outstanding during the year are as follows:

	2025 Number of share awards	2024 Number of share awards
At 1 January	**2,512,083**	3,451,965
Granted	**1,427,897**	564,005
Forfeited / Lapsed	**(939,431)**	(1,239,891)
Exercised	**(214,169)**	(263,996)
At 31 December	**2,786,380**	2,512,083
Exercisable at 31 December	**542,440**	216,873

The fair value of the shares at grant date was as follows:

Date price set	Market price	Option price	Fair value	Options outstanding
06 September 2022	149.3p	119.5p	67.5p	512,929
05 September 2023	174.1p	139.4p	66.5p	491,042
03 September 2024	158.6p	126.9p	20.0p	367,808
17 October 2025	111.2p	89.0p	39.0p	1,414,601

The Group operates a Stock Purchase Plan for participating US employees. Under the plan employees may purchase the Group's shares at a 15% discount to the market price at the date of acquisition, up to a maximum of $6,500 per annum. Employees save on a monthly basis and shares are purchased each quarter.

The total share-based payment charge for the year excluding a social security credit of £0.1 million (2024: £nil) arising from the above share scheme plans was £2.1 million (2024: £2.2 million).

25 Reconciliation of net cash flow to movement in net debt

Net cash of £38.6 million (2004: £69.1 million) comprises cash at bank and in hand of £38.7 million (2024: £69.2 million) and overdrafts of £0.1 million (2024: £0.1 million).

£million	Net cash	Lease liabilities	Borrowings	Net debt
At 31 December 2023	76.5	(20.8)	(181.9)	(126.2)
Cash flow	(4.1)	–	–	(4.1)
Disposals of business	(3.6)	2.6	–	(1.0)
Repayment of borrowings	–	–	49.2	49.2
Proceeds from borrowings	–	–	(15.1)	(15.1)
Net movement in loan arrangement fees	–	–	(0.2)	(0.2)
Payment of lease liabilities	–	4.2	–	4.2
New leases	–	(3.0)	–	(3.0)
Exchange differences	0.3	(0.3)	(1.2)	(1.2)
At 31 December 2024	**69.1**	**(17.3)**	**(149.2)**	**(97.4)**
Cash flow	**(28.6)**	**–**	**–**	**(28.6)**
Repayment of borrowings	**–**	**–**	**59.1**	**59.1**
Net movement in loan arrangement fees	**–**	**–**	**(1.1)**	**(1.1)**
Payment of lease liabilities	**–**	**3.8**	**–**	**3.8**
New leases	**–**	**(1.9)**	**–**	**(1.9)**
Exchange differences	**(1.9)**	**1.0**	**2.3**	**1.4**
At 31 December 2025	**38.6**	**(14.4)**	**(88.9)**	**(64.7)**

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26 Changes in liabilities arising from financing activities

£million	Lease liabilities	Borrowings	Liabilities arising from financing activities
At 31 December 2023	(20.8)	(181.9)	(202.7)
Cash movements			
Cash flows	4.9	44.0	48.9
Non-cash movements			
Disposals of business	2.6	–	2.6
Interest accrued	(0.7)	(9.9)	(10.6)
Net movement in loan arrangement fees	–	(0.2)	(0.2)
New leases	(3.0)	–	(3.0)
Exchange differences	(0.3)	(1.2)	(1.5)
At 31 December 2024	**(17.3)**	**(149.2)**	**(166.5)**
Cash movements			
Cash flows	**4.4**	**66.2**	**70.6**
Non-cash movements			
Interest accrued	**(0.6)**	**(7.1)**	**(7.7)**
Net movement in loan arrangement fees	**–**	**(1.1)**	**(1.1)**
New leases	**(1.9)**	**–**	**(1.9)**
Exchange differences	**1.0**	**2.3**	**3.3**
At 31 December 2025	**(14.4)**	**(88.9)**	**(103.3)**

27 Contingent liabilities

The Group is subject to claims which arise in the ordinary course of business. Other than those for which provisions have been made and included within note 18, the Directors consider the likelihood of any other claims giving rise to a significant liability to be remote.

28 Capital commitments

£million	2025	2024
Contractual commitments for the purchase of property, plant and equipment	**1.6**	0.6

29 Leases

The total cash outflow for leases is £4.4 million (2024: £4.9 million) comprising lease repayments of £3.8 million (2024: £4.2 million) and interest on lease liabilities of £0.6 million (2024: £0.7 million).

Interest on lease liabilities is shown in note 4, the maturity of the lease liabilities is shown in note 20(e) and the corresponding assets to which the lease liabilities relate are shown in note 11.

30 Related party transactions

Transactions between the Company and its subsidiaries have been eliminated on consolidation and are not disclosed in this note.

No related party transactions have taken place in 2025 or 2024 that have affected the financial position or performance of the Group.

Key management personnel and Directors' emoluments are disclosed in note 10.

31 Subsequent events

In January 2026 the Group entered negotiations with the RCF providers to extend the maturity date. These negotiations concluded in March 2026 and resulted in a committed RCF of £105.0 million maturing in June 2028. The amendment includes changes to the pricing arrangements however covenant levels remain the same. As the amendment occurred after the reporting date, it has been treated as a non-adjusting event after the reporting period.

In February 2026 the Group commenced a cost reduction programme expected to deliver approximately £3.0 million net benefit in 2026, with a medium-term annualised benefit double this level, supporting ongoing margin improvement.

In March 2026 the Group announced a reorganisation of its segments into a divisional structure of Power, EMS and Components, which better aligns the business to our customers, markets and operations.

32 Five year record

£million (unless otherwise stated)	2025	2024	2023 Restated	2022 Restated	2021
Revenue	**481.4**	521.1	613.9	617.0	476.2
Operating (loss)/profit	**(28.2)**	(23.5)	3.0	(3.4)	19.3
Adjusted operating profit[1]	**37.2**	37.1	47.1	47.1	34.8
(Loss)/profit before taxation	**(36.7)**	(33.4)	(6.8)	(10.1)	16.0
Adjusted profit before taxation[1]	**28.7**	27.2	37.3	40.4	31.5
(Loss) / earnings	**(50.6)**	(53.4)	(11.3)	(13.2)	12.8
Adjusted earnings[1]	**12.3**	19.5	29.3	32.0	25.3
(Loss)/ earnings per share (pence)	**(28.5)**	(30.2)	(6.4)	(7.5)	7.3
Adjusted earnings per share (pence)[1]	**6.9**	11.0	16.7	18.2	14.5
Dividends – paid and proposed[2]	**–**	4.0	12.0	11.1	9.9
Dividend per share – paid and proposed (pence)[2]	**–**	2.3	6.8	6.3	5.6
Average number of shares in issue	**177.8**	176.9	175.6	175.8	174.8
Net debt[3]	**64.7**	97.4	126.2	138.4	102.5
Total equity	**147.5**	194.9	265.5	296.5	330.0

1. Adjusted operating profit, profit before taxation, adjusted earnings and adjusted earnings per share exclude the impact of restructuring costs, asset impairments and acquisition and disposal related costs.
2. 2025 shows the cashflows/value of the 2025 dividend. 2024 and before shows the cashflows/value of the actual dividends relating to that particular year.
3. Net debt in 2023 includes cash and overdrafts within assets and liabilities held for sale

COMPANY STATEMENT OF FINANCIAL POSITION
at 31 December 2025

£million	Note	2025	2024
Non-current assets			
Right-of-use assets	2	**0.1**	0.2
Property, plant and equipment	2	**0.1**	0.2
Intangible assets	2	**0.3**	0.5
Investments	3	**124.6**	124.6
Deferred tax asset	11	**1.3**	1.4
Pensions	10	**7.4**	7.1
Debtors	4	**132.2**	179.5
Total non-current assets		**266.0**	313.5
Current assets			
Debtors	4	**19.3**	33.1
Cash and cash equivalents		**1.5**	0.7
Total current assets		**20.8**	33.8
Current liabilities			
Lease liabilities	6	**0.1**	0.2
Creditors	5	**33.4**	101.7
Total current liabilities		**33.5**	101.9
Net current liabilities		**12.7**	68.1
Non-current liabilities			
Lease liabilities	6	**–**	0.1
Deferred tax liability	11	**1.9**	1.8
Total non-current liabilities		**1.9**	1.9
Net assets		**251.4**	243.5
Capital and reserves			
Called up share capital	7	**44.7**	44.5
Share premium account	7	**25.0**	24.6
Share options reserve	8	**8.0**	5.7
Merger reserve		**3.4**	3.4
Profit and loss account	9	**170.3**	165.3
Shareholders' funds		**251.4**	243.5

The Company reported a profit for the financial year ended 31 December 2025 of £3.3 million (2024: loss of £32.0 million).

Approved by the Board of Directors on 24 March 2026 and signed on their behalf by:

Eric Lakin
Director

Richard Webb
Director

COMPANY STATEMENT OF CHANGES IN EQUITY
for year ended 31 December 2025

£million	Share capital	Share premium	Merger reserve	Share options reserve	Profit and loss account	Total
At 1 January 2023	44.3	24.0	3.4	5.8	208.7	286.2
Loss for the year	–	–	–	–	(32.0)	(32.0)
Other comprehensive income						
Remeasurement of defined benefit pension schemes	–	–	–	–	(2.3)	(2.3)
Tax on remeasurement of defined benefit pension schemes	–	–	–	–	3.1	3.1
Total comprehensive loss	–	–	–	–	(31.2)	(31.2)
Transactions with owners recorded directly in equity						
Dividends paid by the Company	–	–	–	–	(12.2)	(12.2)
Share-based payments	–	–	–	2.2	–	2.2
Deferred tax on share-based payments	–	–	–	(0.2)	–	(0.2)
Payments to fund employee benefit trust	–	–	–	(2.1)	–	(2.1)
New shares issued	0.2	0.6	–	–	–	0.8
At 31 December 2024	**44.5**	**24.6**	**3.4**	**5.7**	**165.3**	**243.5**
Profit for the year	**–**			**–**	**3.3**	**3.3**
Other comprehensive income/(loss)		**–**	**–**			
Remeasurement of defined benefit pension schemes	**–**	**–**	**–**	**–**	**2.8**	**2.8**
Tax on remeasurement of defined benefit pension schemes	**–**	**–**	**–**	**–**	**(1.1)**	**(1.1)**
Total comprehensive loss	**–**			**–**	**5.0**	**5.0**
Transactions with owners recorded directly in equity		**–**	**–**			
Share-based payments	**–**	**–**	**–**	**2.1**	**–**	**2.1**
Deferred tax on share-based payments	**–**	**–**	**–**	**0.3**	**–**	**0.3**
Payments to fund employee benefit trust	**–**	**–**	**–**	**(0.1)**	**–**	**(0.1)**
New shares issued	**0.2**	**0.4**	**–**	**–**	**–**	**0.6**
At 31 December 2025	**44.7**	**25.0**	**3.4**	**8.0**	**170.3**	**251.4**

NOTES TO THE COMPANY FINANCIAL STATEMENTS

1 Material accounting policies

a) Basis of preparation

The financial statements of TT Electronics plc (the "Company") were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101").

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards, but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

In these financial statements, the Company has applied the exemptions available under FRS 101 in respect of the following disclosures:

– a cash flow statement and related notes;
– disclosures in respect of transactions with wholly owned subsidiaries;
– disclosures in respect of capital management;
– the effects of new but not yet effective IFRSs;
– disclosures in respect of the compensation of key management personnel;
– comparable movement tables for tangible and intangible fixed assets; and
– disclosures in respect of leases

The accounting policies set out in note 2 of the Consolidated financial statements have, unless otherwise stated, been applied in the preparation of the Company financial statements.

Change in accounting policy

There have been no changes to accounting policies during the year. Adoption of new and amendments to published standards and interpretations effective for the Group for the year ended 31 December 2025 did not have any impact on the financial position or performance of the Group.

b) Critical accounting judgements and key sources of estimation uncertainty

During the year there were no judgements made by the Directors, in the application of the adopted accounting policies, deemed to have a significant effect on the financial statements nor were there any estimates deemed to carry a significant risk of material adjustment in the next year.

Details of the Directors' assessment of the Company's ability to continue in operational existence for at least twelve months from the date of signing these financial statements are shown in note 1 of the Consolidated financial statements and in the Governance and Directors' Report on page 97.

c) Investments

Non-current investments in subsidiaries are carried at cost less provision for impairment.

d) Own shares held by Employee Benefit Trust

Transactions of the Company-sponsored Employee Benefit Trust are treated as being those of the Company and are therefore reflected in the Company's financial statements. In particular, the Trust's purchases of shares in the Company are debited directly to equity.

2 Non-Current Assets

£million	Intangible Assets	Plant, equipment and vehicles	Right-of-use assets
Cost			
At 1 January 2024	18.4	1.2	1.1
At 31 December 2024	18.4	1.2	1.1
Additions	–	–	0.1
At 31 December 2025	18.4	1.2	1.2
Depreciation			
At 1 January 2024	17.6	0.9	0.7
Depreciation charge	0.3	0.1	0.2
At 31 December 2024	17.9	1.0	0.9
Depreciation charge	0.2	0.1	0.2
At 31 December 2025	**18.1**	**1.1**	**1.1**
Net book value			
At 31 December 2025	**0.3**	**0.1**	**0.1**
At 31 December 2024	0.5	0.2	0.2

Intangible assets solely relate to software.

NOTES TO THE COMPANY FINANCIAL STATEMENTS
continued

3 Investments

£million	Subsidiary undertakings
Cost	
At 1 January 2024	252.0
Disposals	(48.6)
At 31 December 2024	203.4
At 31 December 2025	**203.4**
Provisions	
At 1 January 2024	125.6
Disposals	(46.8)
At 31 December 2024	78.8
At 31 December 2025	**78.8**
Net book value	
At 31 December 2025	**124.6**
At 31 December 2024	124.6

As at 31 December 2025, the Group's market capitalisation was lower than the Company's net assets. This was considered by the Directors to be an indicator of impairment under IAS 36 and so the Directors performed an impairment assessment of the Company's investments in subsidiary undertakings (note 3) and amounts owed by subsidiary undertakings (note 4).

The recoverable amount of these assets was determined using a value in use model based on discounted cash flow projections derived from Board approved forecasts of the underlying subsidiaries.

The assessment demonstrated that the recoverable amount exceeded the carrying value of the relevant assets at the reporting date and therefore no impairment charge was recognised. The recoverable amount of investments and amounts owed by subsidiary undertakings is further supported by an offer to purchase the Company for £287 million which is higher than the Company's net asset value.

During the prior year the Company disposed of its investments in 'TT Electronics IoT Solutions Limited', and 'TTG Properties Ltd' as part of the divestment of three business units to Cicor Group.

The Company's subsidiary undertakings and their locations are shown in note 14. Shareholdings are held indirectly for all principal operating subsidiary undertakings.

4 Debtors

£million	2025	2024
Current debtors		
Amounts owed by subsidiary undertakings	**17.5**	31.0
Prepayments	**1.4**	1.5
Other receivables	**0.4**	0.6
Income tax receivable	**–**	–
Total current debtors	**19.3**	33.1
Non-current debtors		
Amounts owed by subsidiary undertakings	**132.2**	179.5
Total non-current debtors	**132.2**	179.5
Total	**151.5**	212.6

'Amounts owed by subsidiary undertakings' have been considered for impairment using the 12 months expected credit loss model because there was no change in credit risk since initial recognition. The expected credit loss is considered immaterial because the probability of non-payment when the Company chooses to call in the debtor is negligible.

As at 31 December 2025 £132.2 million (2024: £179.5 million) of debtors have been classified as non-current due to management's expectation that these will not be settled within 12 months.

5 Creditors

£million	2025	2024
Current liabilities		
Trade creditors	**0.4**	2.0
Amounts owed to subsidiary undertakings	**22.5**	91.0
Taxation and social security	**1.5**	4.4
Provisions	**0.5**	0.4
Accruals	**8.5**	3.9
Total current liabilities	**33.4**	101.7

Provisions of £0.5 million comprise £0.2 million in relation to costs from prior restructuring activities and £0.3 million in relation to claims made against the Company.

6 Lease obligations

£million	Current lease liabilities	Non-current lease liabilities	Total
At 31 December 2024	0.2	0.1	0.3
Capital repayments	(0.1)	(0.1)	(0.2)
At 31 December 2025	**0.1**	**–**	**0.1**

NOTES TO THE COMPANY FINANCIAL STATEMENTS
continued

7 Share capital

£million	2025	2024
Issued, called up and fully paid		
178,648,793 (2024: 177,884,541) ordinary shares of 25p each	**44.7**	44.5

During the period the Company issued 764,252 Ordinary shares as a result of share options being exercised under the Sharesave scheme and Share Purchase plans.

The performance conditions of the Restricted Share Plan awards issued in 2021, 2022 and 2023 and the Long-term Incentive Plan awards issued in 2021 were met and shares were allocated to award holders from existing shares held by an Employee Benefit Trust for £nil consideration.

The aggregate consideration received for all share issues during the year was £0.6 million which was represented by a £0.2 million increase in share capital and a £0.4 million increase in share premium.

8 Share-based payments

Details of share-based payments are shown in note 24 of the Consolidated financial statements. Any charge associated with share-based payments made to employees of subsidiaries are recharged out to the relevant subsidiaries within the same financial year

9 Profit for the year

As permitted by Section 408 of the Companies Act 2006, the Company has elected not to present its profit and loss account for the year. The Company reported a profit for the financial year ended 31 December 2025 of £3.3 million (2024: loss of £32.0 million). The auditor's remuneration for audit services is disclosed in note 5 to the Consolidated financial statements.

10 Pension schemes

Defined benefit scheme

The liabilities of the TT Group Scheme have been fully insured under a bulk annuity insurance contract (a "buy-in policy") since 2022 and there is no requirement for any further contributions to be paid to the Scheme. The insurer will pay into the Scheme cash matching the benefits covered by the policy which are due to members.

The Trustee is of the opinion that this investment decision is appropriate, reduces the risks in the Scheme and provides additional security for the benefits due to members of the Scheme. The Trustee continues to be responsible for running the Scheme and retains the legal obligation for the benefits provided under the Scheme.

As the buy-in policy is a qualifying insurance asset, the fair value of the insurance policy is deemed to be the present value of the obligations that have been insured. The policy secured matches the benefits due to Scheme members under the Scheme's Trust Deed and Rules.

The Trustees formally triggered the wind-up of the Scheme on 31 March 2025 and are expected to complete the buy-out transaction with the insurer and wind-up in 2026.

In December 2025 an amount of £1.2 million was paid to the Group by the TT Group Scheme relating to an adjustment to the withheld tax on the prior years' refunds from scheme surplus. As at 31 December 2025, this amount has been included in tax provisions (note 7 of the consolidated Group accounts). In the prior year a £15.0 million refund of the surplus was paid to the group out of scheme assets by the Trustee (£11.2 million net of tax due, which was paid by the Scheme).

Since the assets of the Scheme were greater than the premium required to secure the liabilities through the buy-in, the Scheme is in a net asset position at 31 December 2025 of £7.4 million.

The last triennial valuation of the TT Group scheme as at April 2022 showed a net surplus of £45.4 million against the Trustee's statutory funding objective.

Defined contribution scheme

The Company operates a Group personal pension plan for employees and pays contributions to administered pension insurance plans. The Company has no further payment obligation once the contributions have been paid. Payments to the defined contribution scheme are charged as an expense as they are incurred. The total contributions charged by the Company including employee salary exchange contributions in respect of the year ended 31 December 2025 were £0.8 million (2024: £0.6 million).

11 Deferred tax

The deferred tax asset of £1.3 million (2024: £1.4 million) comprises £0.8 million asset in respect of share-based payments (2024: £0.3 million asset) the movement on which has been recognised in equity (£0.3 million) and the income statement (£0.2 million) and £0.5 million in respect of non-current assets (2024: £1.1 million asset), the movement on which was recognised in the income statement.

The deferred tax liability of £1.9 million (2024: £1.8 million) is in respect of the pension asset, the movement in which has been recognised in equity (debit to equity of £1.1 million) and the income statement (credit to income statement of £1.0 million).

12 Employee information

The average number of full-time equivalent employees (including Directors) during the year was 111.

13 Related party transactions

During 2025 and 2024, the Company did not have any related party transactions other than with wholly owned subsidiaries.

14 Subsequent events

In March 2026 TT Electronics Plc made a £110.9 million capital contribution into its 100% owned subsidiary TT Electronics Group Holdings Limited..

NOTES TO THE COMPANY FINANCIAL STATEMENTS
continued

15 Subsidiary undertakings

The following entities are 100% owned with only ordinary shares in issue, unless otherwise stated. The country of incorporation matches the country in which the registered office/principal place of business is located.

Name of subsidiary undertaking	Registered office/principal place of business
TT Electronics Integrated Manufacturing Services (Suzhou) Co., Ltd	(1)
TT Electronics SAS	(2)
TT Electronics GmbH	(3)
TT Electronics Srl	(4)
BI Technologies Corporation SDN BHD (ordinary and preference shares)	(5)
BI Technologies S.A. de C.V.	(6)
Optron de Mexico S.A. de C.V.	(7)
TT Electronics Asia Pte Ltd	(8)
TT Electronics Sweden AB	(9)
AB Connectors Limited	(10)
AB Electronic Components Limited	(11)
Abtest Limited[2]	(11)
Aero Stanrew Group Limited (ordinary and preference shares)[1,2]	(12)
Aero Stanrew Limited	(12)
Automotive Electronic Systems Limited[1]	(11)
BI Technologies Limited[2]	(11)
Commendshaw Limited[2]	(11)
Controls Direct Limited[2]	(11)
Crystalate Electronics Limited	(11)
Dale Electric International Limited[1,2]	(11)
Deltight Washers Limited[2]	(11)
Ferrus Power Limited[2]	(11)
Fox Industries Limited[2]	(11)
Hale End Holdings Limited[2]	(11)
Kingslo Limited[2]	(11)
KRP Power Source (UK) Limited[2]	(11)
Linton and Hirst Group Limited[2]	(11)
Midland Electronics Limited	(11)
MMG Linton and Hirst Limited[2]	(11)
Nulectrohms Limited[2]	(11)
15 Subsidiary undertakings continued	(11)
Stadium Zirkon UK Limited[2]	(11)
The Brearley Group Limited[2]	(11)

Name of subsidiary undertaking	Registered office/principal place of business
TT Asia Holdings Limited	(11)
TT Automotive Electronics Limited[2]	(11)
TT Electronics (Norwich) Limited[2]	(11)
TT Electronics (Woking) Limited[2]	(11)
TT Electronics Electrical Holdings Limited[2]	(11)
TT Electronics Europe Limited[1,2]	(11)
TT Electronics Fairford Limited	(13)
TT Electronics Group Holdings Limited[1]	(11)
TT Electronics Holdco Limited	(11)
TT Electronics IGT Limited	(11)
TT Electronics Power Limited[2]	(11)
TT Electronics Power Solutions (UK) Limited	(11)
TT Electronics Wireless Devices Limited[2]	(11)
TT Electronics Wireless Limited[2]	(11)
TT Group Limited[2]	(11)
TT Power Solutions Limited[2]	(11)
TTE Trustees Limited[1,2]	(11)
TTG Investments Limited[1]	(11)
TTG Nominees Limited[1,2]	(11)
TTG Pension Trustees Limited[1,2]	(11)
Valuegolden Limited[2]	(11)
Welwyn Components Limited	(13)
Welwyn Electronics Limited[2]	(11)
Wolsey Comcare Limited[2]	(11)
Zirkon Holdings Limited[2]	(11)
AB Interconnect, Inc.	(14)
Apsco Holdings, Inc	(15)
BI Technologies Corporation	(15)
Cletronics N.A. Inc,	(15)
International Resistive Company Inc	(15)
International Resistive Company of Texas, LLC	(16)
Optek Technology Inc.	(15)
Power Partners, Inc.	(17)
Precision, Inc.	(19)
Torotel Products, Inc.	(20)
Torotel, Inc.	(20)
TT Electronics Global Manufacturing Solutions (Mexico), Inc.	(16)

NOTES TO THE COMPANY FINANCIAL STATEMENTS
continued

14 Subsidiary undertakings continued

Name of subsidiary undertaking	Registered office/principal place of business
TT Electronics Integrated Manufacturing Services, Inc.	(21)
TT Electronics Power Solutions (US), Inc.	(16)
TT Group Industries, Inc.	(16)

(1) 158-24 Hua Shan Road, Snd Suzhou, 215129, China
(2) 4 place Louis Armand, 75012 Paris, France
(3) Max-Lehner-Strasse 31, 85354, Freising, Germany
(4) Via Santa Redegonda N. 11, Milano, Italy
(5) Lot 6.05, Level 6, KPMG tower, 8 First Avenue, Bandar Utama 47800 Petaling Jaya, Selangor, Darul Ehsan, Malaysia
(6) Ave Circulo de la Amistad No.102, Parque Industrial Mexicali IV, Mexico
(7) Ave Rio Bravo 1551-a, Parque Industrial Rio Bravo, CD. Juarez Chihuahua, Mexico
(8) 2 Shenton Way, #18-01 SGX Centre 1, 068804, Singapore
(9) Gullfossgatan 3, 164 40 Kista, Sweden
(10) Abercynon, Mountain Ash, Rhondda Cynon Taff, CF45 4SF, Wales
(11) Fourth Floor, St Andrews House, West Street, Woking, Surrey, GU21 6EB, England
(12) Unit 1 Gratton Way, Roundswell Business Park, Barnstaple, Devon, EX31 3AR, England
(13) London Road, Fairford, Gloucestershire, GL7 4DS, England
(14) Welwyn Electronics Park, Bedlington, Northumberland, NE22 7AA, England
(15) Corporation Service Company, 251 Little Falls Drive, Wilmington, DE 19808, United States
(16) CT Corporation System, Corporation Trust Center, 1209 Orange Street, Wilmington, DE 19801, United States
(17) Corporation Service Company, 211 East 7th Street, Suite 620, Austin, TX 78701-3218, United States
(18) 155 Northboro Road, Suite #9, Southborough, MA 01772, USA
(19) 1700 Freeway Boulevard, Minneapolis, MN 55430, United States
(20) 520 N Rogers Road, Olathe, KS66062, United States
(21) CT Corporation System, 4400 Easton Commons Way, Suite 125, Columbus, OH43219, United States

1. Shares held directly by TT Electronics plc
2. Dormant UK subsidiary

UK Registered Subsidiaries exempt from audit

The following UK subsidiaries will take advantage of the audit exemption set out within section 479A of the Companies Act 2006 for the year ended 31 December 2025. The following entities are 100% owned and have a single class of ordinary share with a nominal value of £1, unless otherwise stated. All subsidiaries below are registered at Fourth floor, St Andrews House, West Street, Woking GU21 6EB, United Kingdom.

Name of subsidiary undertaking	Company number
AB Electronic Components Limited	578077
Automotive Electronic Systems Limited[1]	1518303
Crystalate Electronics Limited	691591
Midland Electronics Limited	675333
TT Asia Holdings Limited	2464046
TT Electronics Group Holdings Limited[1, 2]	299275
Semelab Limited	6649272
Ferrus Power Limited	2601096
Fox Industries Limited	2098754
Hale End Holdings Limited[3]	2353285
Kingslo Limited	1830552
KRP Power Source (UK) Limited	888113
TT Electronics Electrical Holdings Limited[4]	459656
TT Electronics (Woking) Limited	7249966
TT Electronics Power Limited	2844194
TT Electronics United Wireless Limited	7030729
TT Electronics Wireless Devices Limited[3]	645215
Stadium Zirkon UK Limited	2126710
TT Electronics (Norwich) Limited	2270716
Valuegolden Limited	2604168
Zirkon Holdings Limited[5]	3730931

1 Shares held directly by TT Electronics plc
2 Single class of ordinary shares with a nominal value of £0.25
3 Ordinary shares with a nominal value of £1.00 and 'A' Ordinary shares of £1.00
4 Single class of ordinary shares with a nominal value of £0.20
5 Ordinary shares of £1.00 each and non-voting ordinary shares with a nominal value of £0.01

RECONCILIATION OF KPIs AND NON IFRS MEASURES

In accordance with the Guidelines on APMs issued by the European Securities and Markets Authority (ESMA), additional information is provided on the APMs used by the Group below.

To assist with the understanding of earnings trends, the Group has included within its financial statements APMs adjusted operating profit and other adjusted profit measures. The APMs used are not defined terms under IFRS and therefore may not be comparable to similar measures used by other companies. They are not intended to be a substitute for, or superior to, GAAP measures.

Management uses adjusted measures to assess the operating performance of the Group, having adjusted for specific items as detailed in note 6. They form the basis of internal management accounts and are used for decision making, including capital allocation, with a subset also forming the basis of internal incentive arrangements. By using adjusted measures in segmental reporting, this enables readers of the financial statements to recognise how incentive performance is targeted. Adjusted measures are also presented in this announcement because the Directors believe they provide additional useful information to shareholders on comparable trends over time. Finally, this presentation allows for separate disclosure and specific narrative to be included concerning the adjusting items; this helps to ensure performance in any one year can be more clearly understood by the user of the financial statements.

Income statement measures:

Alternative Performance Measure	Closest equivalent statutory measure	Note reference to reconciliation to statutory measure	Definition and purpose
Adjusted operating profit	Operating profit	Adjusting items as disclosed in note 6	continuing operations excluding the impacts of significant restructuring programmes, significant one-off items including property disposals, impairment charges significant in nature and/or value, certain one-off pension costs, business acquisition, integration, and divestment related activity and the amortisation of intangible assets recognised on acquisition. Acquisition and disposal related items include the writing off of the pre-acquisition profit element of inventory written up on acquisition, other direct costs associated with business combinations and adjustments to contingent consideration related to acquired businesses. Restructuring includes cost of management changes, significant costs associated with the cost of restructuring operations and facilities, including the movement and closure of production facilities. To provide a measure of the operating profits excluding the impacts of significant items such as restructuring or acquisition related activity and other items such as amortisation of intangibles which may not be present in peer companies which have grown organically.
Adjusted operating margin	Operating profit margin	Adjusting items as disclosed in note 6	Adjusted operating profit as a percentage of revenue. To provide a measure of the operating profits excluding the impacts of significant items such as restructuring or acquisition related activity and other items such as amortisation of intangibles which may not be present in peer companies which have grown organically.
Adjusted earnings per share	Earnings per share	See note 9 for the reconciliation and calculation of adjusted earnings per share	The profit for the year attributable to the owners of the Group adjusted to exclude the items not included within adjusted operating profit divided by the weighted average number of shares in issue during the year. To provide a measure of earnings per share excluding the impacts of significant items such as restructuring or acquisition related activity and other items such as amortisation of intangibles which may not be present in peer companies which have grown organically.
Adjusted diluted earnings per share	Diluted earnings per share	See note 9 for the reconciliation and calculation of adjusted diluted earnings per share	The profit for the year attributable to the owners of the Group adjusted to exclude the items not included within adjusted operating profit divided by the weighted average number of shares in issue during the year, adjusted for the effects of any potentially dilutive options. To provide a measure of earnings per share excluding the impacts of significant items such as restructuring or acquisition related activity and other items such as amortisation of intangibles which may not be present in peer companies which have grown organically.
Prior period revenue and adjusted operating profit at constant currency	Revenue and operating profit	See note APM 1	Revenue and adjusted operating profit for the prior year retranslated at the current year's foreign exchange rates.
Organic revenue and adjusted operating profit	Revenue	See note APM 2	Revenue and adjusted operating profit from continuing operations in the current year compared to the prior year, excluding the effects of currency movements, acquisitions and disposals. This measures the underlying growth or decline of the business. To provide a comparable view of the revenue growth of the business from period to period excluding acquisition and disposal impacts.
Adjusted effective tax charge	Effective tax charge	See note APM 3	The effective tax charge on the company's adjusted profit, which gives a clearer view of the ongoing tax rate by excluding the effects of unusual or non-recurring items.
Return on invested capital	None	See note APM 4	Adjusted operating profit for the year divided by average invested capital for the year. Average invested capital excludes pensions, provisions, tax balances, derivative financial assets and liabilities, cash and borrowings and is calculated at average rates taking twelve monthly balances. This measures how efficiently assets are utilised to generate returns with the target of exceeding the cost to hold the assets.

RECONCILIATION OF KPIS AND NON IFRS MEASURES
continued

Statement of financial position measures:

Alternative Performance Measure	Closest equivalent statutory measure	Note reference to reconciliation to statutory measure	Definition and purpose
Net debt	Cash and cash equivalents less borrowings and lease liabilities	Reconciliation of net cash flow to movement in net (debt)/ funds (note 25)	Net debt comprises cash and cash equivalents and borrowings including lease liabilities. This is additional information provided which may be helpful to the user in understanding the liquidity and financial structure of the business.
Leverage (bank covenant)	Cash and cash equiva-lents less borrowings	See note APM 12	Leverage is the net debt defined as per the banking covenants (net debt (excluding lease liabilities) adjusted for certain terms as per the bank covenants) divided by EBITDA excluding items removed from adjusted profit and further adjusted for certain terms as per the bank covenants. Provides additional information over the Group's financial covenants to assist with assessing solvency and liquidity.
Net capital and development expenditure (net capex)	None	See note APM 5	Purchase of property, plant and equipment net of government grants (excluding property disposals), purchase of intangibles (excluding acquisition intangibles) and capitalised development. A measure of the Group's investments in capex and development to support longer term growth.
Dividend per share	None	Not applicable	Amounts payable by dividend in terms of pence per share. Provides the dividend return per share to shareholders.

Statement of cash flows measures:

Alternative Performance Measure	Closest equivalent statutory measure	Note reference to reconciliation to statutory measure	Definition and purpose
Adjusted operating cash flow	Operating cash flow	See note APM 6	Adjusted operating profit, excluding depreciation of property, plant and equipment and amortisation of intangible assets less working capital and other non-cash movements. An additional measure to help understand the Group's operating cash generation.
Adjusted operating cash flow post capex	Operating cash flow	See note APM 7	Adjusted operating cash flow less net capital and development expenditure. An additional measure to help understand the Group's operating cash generation after the deduction of capex.
Working capital cashflow	Cashflow – inventories payables, provisions and receivables	See note APM 8	Working capital comprises three statutory cashflow figures: (increase)/ decrease in inventories, increase/(decrease) in payables and provisions, and (increase)/decrease in receivables. This definition includes the movement of any provisions over trade receivables. To provide users a measure of how effectively the group is managing its working capital and the resultant impact on liquidity.
Free cash flow	Net increase/ decrease in cash and cash equivalents	See note APM 9	Free cash flow represents cash generated from trading after all costs including restructuring, pension contributions, tax and interest payments. Cashflows to settle LTIP schemes are excluded. Free cash flow provides a measure of how successful the company is in creating cash during the period which is then able to be used by the Group at its discretion.
Cash conversion	None	See note APM 10	Adjusted operating cash flow post capex (less any property disposals which were part of restructuring programmes) divided by adjusted operating profit. Cash conversion measures how effectively we convert profit into cash and tracks the management of our working capital and capital expenditure.
R&D cash spend as a percentage of revenue	None	See note APM 11	R&D cash spend and R&D investment as a percentage of revenue excludes revenue from contract manufacturing services as these activities do not give rise to intellectual property. To provide a measure of the company's expenditure on R&D relative to its overall size which may be helpful in considering the Group's longer-term investment in future product pipeline.

Non-financial measures:

Alternative Performance Measure	Closest equivalent statutory measure	Note reference to reconciliation to statutory measure	Definition
Employee engagement	Not applicable	Not applicable	We use our employee survey to measure how our employees feel about working in TT using a scale of 1 (low) to 7 (high) against eight factors (as surveyed by Best Companies Ltd). A company is awarded between zero and three stars based on the employee feedback. Provides a measure of employee sentiment and engagement.
Safety performance	Not applicable	Not applicable	Safety performance is defined as the number of occupational injuries resulting in three or more days' absence per 1,000 employees. This KPI allows us to compare our performance with that of our peers. We use a UK benchmark published by the Health and Safety Executive and apply this to all our facilities worldwide, reflecting our commitment to raising standards globally. Provides users additional information about the Group's commitment and achievements in the area of health and safety.

RECONCILIATION OF KPIS AND NON IFRS MEASURES
continued

APM 1 – Prior period revenue and adjusted operating profit at constant currency:

£million	Europe	North America	Asia	Total
				2024
2024 revenue	146.3	184.4	190.4	521.1
Foreign exchange impact	–	(4.7)	(5.4)	(10.1)
2024 revenue at 2025 exchange rates	146.3	179.7	185.0	511.0

£million	Europe	North America	Asia	Total Operating Segments	Central	Total
						2023
2024 adjusted operating profit	18.9	(2.7)	28.5	44.7	(7.6)	37.1
Foreign exchange impact	–	–	(1.1)	(1.1)	0.2	(0.9)
2024 adjusted operating profit at 2025 exchange rates	18.9	(2.7)	27.4	43.6	(7.4)	36.2

APM 2 – Organic revenue and operating profit:

£million	Europe	North America	Asia	Total
				2025
2025 revenue	144.4	173.1	163.9	**481.4**
2024 revenue	146.3	184.4	190.4	**521.1**
Removal of businesses disposed	(11.8)	–	(4.4)	**(16.2)**
Foreign exchange impact	–	(4.7)	(5.4)	**(10.1)**
2024 revenue on an organic basis	134.5	179.7	180.6	**494.8**
Organic revenue increase (%)	7%	(4%)	(9%)	**(3%)**

£million	Europe	North America	Asia	Total Operating Segments	Central	Total
						2025
2025 operating profit	22.1	1.2	21.6	44.9	(7.7)	**37.2**
2024 operating profit	18.9	(2.7)	28.5	44.7	(7.6)	**37.1**
Removal of businesses disposed	0.5	–	(0.3)	0.2	–	**0.2**
Foreign exchange impact	–	–	(1.1)	(1.1)	0.2	**(0.9)**
2024 operating profit on an organic basis	19.4	(2.7)	27.1	43.8	(7.4)	**36.4**
Organic operating profit increase (%)	14%	(144%)	(20%)	3%	(4%)	**2%**

APM 3 – Effective tax charge:

£million	2025	2024
Adjusted operating profit	**37.2**	37.1
Net interest	**(8.5)**	(9.9)
Adjusted profit before tax	**28.7**	27.2
Adjusted tax	**(16.4)**	(7.7)
Adjusted effective tax rate	**57.1%**	28.3%

RECONCILIATION OF KPIS AND NON IFRS MEASURES
continued

APM 4 – Return on invested capital:

£million	2025	2024
Adjusted operating profit	**37.2**	37.1
Average invested capital	**278.7**	371.0
Return on invested capital	**13.3%**	10.0%

APM 5 – Net capital and development expenditure (net capex):

£million	2025	2024
Purchase of property, plant and equipment	**(8.1)**	(6.9)
Proceeds from sale of investment property, plant and equipment and capital grants received	**0.6**	0.5
Capitalised development expenditure	**(1.1)**	(1.8)
Purchase of other intangibles	**–**	(0.5)
Net capital and development expenditure	**(8.6)**	(8.7)

APM 6 – Adjusted operating cash flow:

£million	2025	2024
Adjusted operating profit	**37.2**	37.1
Adjustments for:		
Depreciation	**10.9**	12.2
Amortisation of intangible assets	**1.2**	1.6
Impairment of property, plant and equipment and intangible assets	**1.0**	-
Share based payment expense	**1.9**	2.2
Scheme funded pension administration costs	**0.8**	1.1
Other items	**(0.5)**	0.2
Decrease in inventories	**14.8**	12.8
Increase in receivables	**(0.9)**	(2.2)
Decrease in payables and provisions	**(2.0)**	(12.9)
Adjusted operating cash flow	**64.4**	52.1
Reimbursement from pension schemes	**1.1**	9.4
Restructuring and acquisition related costs	**(7.9)**	(0.6)
Net cash generated from operations	**57.6**	60.9
Net income taxes paid	**(7.6)**	(9.7)
Net cash flow from operating activities	**50.0**	51.2

APM 7 – Adjusted operating cash flow post capex:

£million	2025	2024
Adjusted operating cash flow	**64.4**	52.1
Purchase of property, plant and equipment	**(8.1)**	(6.9)
Proceeds from sale of property, plant and equipment and government grants received	**0.6**	0.5
Capitalised development expenditure	**(1.1)**	(1.8)
Purchase of other intangibles	**–**	(0.5)
Adjusted operating cash flow post capex	**55.8**	43.4

APM 8 – Working capital cashflow:

£million	2025	2024
Decrease in inventories	**14.8**	14.2
Increase in receivables	**(0.9)**	(3.6)
Decrease in payables and provisions	**(2.0)**	(12.9)
Scheme funded pension administration costs	**0.8**	1.1
Working capital cashflow	**12.7**	(1.2)

RECONCILIATION OF KPIS AND NON IFRS MEASURES
continued

APM 9 – Free cash flow:

£million	2025	2024
Net cash flow from operating activities	**50.0**	51.2
Net cash flow from investing activities	**(8.6)**	3.5
Add back: Proceeds from disposal of business	**–**	(17.5)
Add back: Cash with disposed businesses	**–**	5.3
Payment of lease liabilities	**(3.8)**	(4.2)
Interest paid	**(7.7)**	(10.6)
Free cash flow	**29.9**	27.7

APM 10 – Cash conversion:

£million	2025	2024
Adjusted operating profit	**37.2**	37.1
Adjusted operating cash flow post capex	**55.8**	43.4
Cash conversion	**150%**	117%

APM 11 – R&D cash spend as a percentage of revenue:

£million	2025	2024
Revenue (excluding contract manufacturing)	**267.7**	269.1
R&D cash spend	**10.3**	11.3
R&D cash spend as a percentage of revenue	**3.8%**	4.2%

APM 12 – Leverage:

£million	2025	2024
Adjusted operating profit	**37.2**	37.1
Depreciation	**10.9**	12.2
Amortisation	**1.2**	1.6
EBITDA	**49.3**	50.9
Adjustment to align with covenants	**(4.4)**	(5.3)
EBITDA (covenants)	**44.9**	45.6
Net debt as per note 25	**64.7**	97.4
Less: leases	**(14.4)**	(17.3)
Net debt excluding leases	**50.3**	80.1
Adjustment to align with covenants	**1.3**	2.0
Net debt (covenants)	**51.6**	82.1
Leverage	**1.1**	1.8

SHAREHOLDER INFORMATION

AGM and trading update 15 May 2026
2026 half-year results September 2026
Preliminary announcement of 2026 results March 2027
Annual Report 2026 April 2027

DIVIDENDS

See page 15 for details on the dividend policy.

ANNUAL GENERAL MEETING ("AGM")

The next AGM will be held on 15 May 2026 at 10.00 am. Details of the AGM procedure for 2026 and the Notice of Annual General Meeting will be made available at www.ttelectronics.com/investors/agm-gm.

ARTICLES OF ASSOCIATION

The Company's Articles of Association may only be amended by special resolution approved at a general meeting of the shareholders.

SHARE CAPITAL

The Company's issued share capital comprises a single class of share capital divided into ordinary shares of 25 pence each. All issued shares are fully paid. The share capital during the year is shown in note 22 to the consolidated financial statements. The rights and obligations attaching to the Company's ordinary shares are set out in the Company's Articles of Association, a copy of which can be obtained from Companies House in the United Kingdom or by writing to the Group General Counsel and Company Secretary. Subject to applicable statutes, shares may be issued with such rights and restrictions as the Company may decide by ordinary resolution, or (if there is no such resolution or so far as it does not make specific provision) as the Board may decide.

Holders of ordinary shares are entitled to speak at general meetings of the Company, to appoint one or more proxies and, if they are corporations, to appoint corporate representatives and to exercise voting rights. Holders of ordinary shares may also receive a dividend, and on a liquidation may share in the assets of the Company. In addition, holders of ordinary shares are entitled to receive the Company's Annual Report and Accounts. Subject to meeting certain thresholds, holders of ordinary shares may require a general meeting of the Company to be held or the proposal of resolutions at Annual General Meetings.

VOTING RIGHTS AND RESTRICTIONS ON TRANSFER OF SHARES

On a show of hands at a general meeting of the Company, every holder of ordinary shares present in person or by proxy, and entitled to vote, has one vote and on a poll, every member present in person or by proxy, and entitled to vote, has one vote for every ordinary share held. You can find further details regarding voting at the Annual General Meeting in the Notice of the Annual General Meeting which accompanies this document. None of the ordinary shares carries any special rights with regard to control of the Company. Electronic and paper proxy appointments and voting instructions must be received by the Company's Registrars not later than 48 hours before a general meeting. A shareholder can lose their entitlement to vote at a general meeting where that shareholder has been served with a disclosure notice and has failed to provide the Company with information concerning interests in those shares. The Directors may refuse to register a transfer of a certificated share which is not fully paid, provided the refusal does not prevent dealings in shares in the Company from taking place on an open and proper basis.

The Directors may also refuse to register a transfer of a certificated share unless the instrument of transfer: (i) is lodged, duly stamped (if stampable), at the registered office of the Company or any other place decided by the Directors accompanied by the certificate for the share to which it relates and/or such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer; (ii) is in respect of only one class of shares; (iii) is in favour of a person who is not a minor, bankrupt or a person in respect of whom an order has been made on the grounds that such person is suffering from a mental disorder or is otherwise incapable of managing their affairs; or (iv) is in favour of not more than four transferees.

Transfers of uncertificated shares must be carried out using CREST and the Directors can refuse to register a transfer of an uncertificated share in accordance with the regulations governing the operation of CREST.

The Directors may decide to suspend the registration of transfers for up to 30 days a year, by closing the register of shareholders. The Directors cannot suspend the registration of transfers of any uncertificated shares without obtaining consent from CREST.

There are no other restrictions on the transfer of ordinary shares in the Company except: certain restrictions may from time to time be imposed by laws and regulations (for example, insider trading laws or the Market Abuse Regulations 2015); pursuant to the Company's share dealing code whereby the Directors and certain employees of the Group require approval to deal in the Company's shares; and where a shareholder with at least a 0.25 per cent interest in the Company's certificated shares has been served with a disclosure notice and has failed to provide the Company with information concerning interests in those shares.

The Company is not aware of any agreements between shareholders that may result in restrictions on the transfer of ordinary shares or on voting rights.

SHARE DEALING SERVICES

Shareview Dealing is a telephone and internet service provided by Equiniti. It offers a simple and convenient way of buying and selling TT Electronics plc shares.

Log on to www.shareview.co.uk/dealing or call 03456 037 037 between 8.00 am and 4.30 pm, Monday to Friday (except bank holidays), for more information about this service and for details of the rates and charges. Please note that telephone lines remain open until 6.00 pm for enquiries.

A daily postal dealing service is also available and a form, together with terms and conditions, can be obtained by calling 0371 384 2248. Commission is 1.90 per cent with a minimum charge of £70.

SHAREGIFT

ShareGift is a charity share donation scheme for shareholders, administered by The Orr Mackintosh Foundation. It is especially for those who may wish to dispose of a small parcel of shares whose value makes it uneconomical to sell on a commission basis. Further information can be obtained at www.sharegift.org or from Equiniti.

MULTIPLE ACCOUNTS ON THE SHAREHOLDER REGISTER

If you have received two or more copies of this document, this means that there is more than one account in your name on the shareholder register. This may be caused by either your name or address appearing on each account in a slightly different way. For security reasons, the Registrars will not amalgamate the accounts without your written consent.

If you would like any multiple accounts combined into one account, please write to Equiniti Limited at the address given on this page.

SUBSTANTIAL SHAREHOLDING NOTIFICATIONS

The Company had been notified of the following voting rights attaching to TT Electronics plc shares in accordance with the Disclosure and Transparency Rules at 2 April 2026 and 31 December 2025.

So far as has been ascertained, no other person or corporation holds or is beneficially interested in any substantial part of the share capital of the Company.

	2 April 2026		31 December 2025	
	Number	%	Number	%
DBAY Advisors Limited	47,177,928	26.46	43,387,923	24.35
FIL Limited	17,864,879	14.29	17773549	13.58
Aberforth	14,832,779	9.10	14,832,779	9.10
BennBridge Limited	8,984,103	5.10	8,984,103	5.10
Slater Investments Ltd	8,915,000	5.06	8,759,144	4.91
Artemis Investment Management LLP	8,940,400	5.02	8,940,400	5.02
M&G plc	8,764,166	5.00	8,764,166	5.00
Chelverton Asset Management Ltd	8,797,581	4.98	8,797,581	4.98
Schroders plc	8,672,794	4.91	8,672,794	4.91
Polar Capital LLP	8,539,130	4.88	8,539,130	4.88
Aberdeen Asset Management Ltd	7,835,077	4.83	7,835,077	4.83
NN Group N.V.	7,815,000	4.78	7,815,000	4.78
Franklin Templeton	7,590,000	4.64	7,590,000	4.64

SHAREHOLDER ENQUIRIES

Registrar
The Company's Registrar is Equiniti Limited.

Equiniti provides a range of services to shareholders.

Extensive information including many answers to frequently asked questions can be found online.

Use the QR code to register for FREE at www.shareview.co.uk

Equiniti's registered address is:

Highdown House
Yeoman Way
Worthing
West Sussex
BN99 3HH

Equiniti offers a range of shareholder information online at www.shareview.co.uk

WEBSITE

Information on the Group's financial performance, activities and share price is available at www.ttelectronics.com

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