Brønnøysundregistrene

ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2024 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer:	912 237 788
Organisasjonsform:	Aksjeselskap
Foretaksnavn:	SURVITEC GROUP NORWAY AS
Forretningsadresse:	Gangstøvikvegen 66 6009 ÅLESUND

Regnskapsår

Årsregnskapets periode:	01.01.2024 - 31.12.2024

Konsern

Morselskap i konsern:	Ja
Konsernregnskap lagt ved:	Ja

Regnskapsregler

Regler for små foretak benyttet:	Nei
Benyttet ved utarbeidelsen av årsregnskapet til selskapet:	Regnskapslovens alminnelige regler
Benyttet ved utarbeidelsen av årsregnskapet til konsernet:	-

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet:	Jan Eskil Hollen
Dato for fastsettelse av årsregnskapet:	30.06.2025

Grunnlag for avgivelse

År 2024: Årsregnskapet er elektronisk innlevert

År 2023: Tall er hentet fra elektronisk innlevert årsregnskap fra 2024

Det er ikke krav til at årsregnskapet m.v. som sendes til Regnskapsregisteret er undertegnet. Kontrollen på at dette er utført ligger hos revisor/enhetens øverste organ. Sikkerheten ivaretas ved at innsender har rolle/rettighet for innsending av årsregnskapet via Altinn, og ved at det bekreftes at årsregnskapet er fastsatt av kompetent organ.

Brønnøysundregistrene, 12.08.2025

Resultatregnskap

Beløp i: NOK	Note	2024	2023
RESULTATREGNSKAP			
Kostnader			
Remunerations	1		
Other operating expenses	1	797 248	2 010 164
Sum kostnader		**797 248**	**2 010 164**
Driftsresultat		**-797 248**	**-2 010 164**
Finansinntekter og finanskostnader			
Income from subsidiaries	2	28 585 425	30 000 000
Renteinntekt fra foretak i samme konsern	2	1 845 584	3 132 395
Other financial income		4 625 319	1 486 517
Sum finansinntekter		**35 056 328**	**34 618 912**
Write-down of long-term investments	3	-146 419 523	-39 594 167
Rentekostnad til foretak i samme konsern	2	29 818 202	33 527 091
Other financial expenses		4 440 878	8 861 118
Sum finanskostnader		**-112 160 443**	**2 794 042**
Netto finans		**147 216 771**	**31 824 870**
Resultat før skattekostnad	4	**146 419 523**	**29 814 706**
Income tax expense	4		
Årsresultat		**146 419 523**	**29 814 706**
Årsresultat etter minoritetsinteresser		**146 419 523**	**29 814 706**
Totalresultat		**146 419 523**	**29 814 706**
Overføringer og disponeringer			
To uncovered loss		146 419 523	29 814 706
Sum overføringer og disponeringer		**146 419 523**	**29 814 706**

Balanse

Beløp i: NOK	Note	2024	2023
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Utsatt skattefordel	4		
Finansielle anleggsmidler			
Investering i datterselskap	3, 5	2 281 749 033	1 502 139 883
Lån til foretak i samme konsern	2		
Sum finansielle anleggsmidler		**2 281 749 033**	**1 502 139 883**
Sum anleggsmidler		**2 281 749 033**	**1 502 139 883**
Omløpsmidler			
Varer			
Fordringer			
Other receivables			111 551
Loan to group companies	2	46 750 686	40 483 913
Sum fordringer		**46 750 686**	**40 595 464**
Sum omløpsmidler		**46 750 686**	**40 595 464**
SUM EIENDELER		**2 328 499 719**	**1 542 735 347**
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Share capital	6, 7	8 869 250	8 187 000
Overkurs	7	3 084 050 679	2 486 158 728
Annen innskutt egenkapital	7		
Sum innskutt egenkapital		**3 092 919 929**	**2 494 345 728**
Opptjent egenkapital			
Udekket tap	7	1 331 674 222	1 478 093 745

Balanse

Beløp i: NOK	Note	2024	2023
Sum opptjent egenkapital		**-1 331 674 222**	**-1 478 093 745**
Sum egenkapital	8, 9	**1 761 245 707**	**1 016 251 983**
Gjeld			
Langsiktig gjeld			
Utsatt skatt	4		
Annen langsiktig gjeld			
Loan from group companies	2		
Sum langsiktig gjeld		**0**	**0**
Kortsiktig gjeld			
Loan from group companies	2	566 976 180	525 311 046
Leverandørgjeld			765 318
Tax payable	4		
Other current liabilities		277 832	407 000
Sum kortsiktig gjeld		**567 254 012**	**526 483 364**
Sum gjeld		**567 254 012**	**526 483 364**
SUM EGENKAPITAL OG GJELD		**2 328 499 719**	**1 542 735 347**

Skatteetaten

Vår dato	Din/Deres dato	Saksbehandler
07.12.2021	24.11.2021	Lars Waaltorp
800 80 000	Din/Deres referanse	Telefon
Skatteetaten.no	AR456348048	90833418
Org.nr	Vår referanse	Postadresse
974761076	2020/5301316	Postboks 9200 Grønland 0134 OSLO

SURVITEC GROUP NORWAY AS
Gangstøvikvegen 66
6009 ÅLESUND

Att. Tonje Risinggård, PWC

Fritak for konsernregnskapsplikt for Survitec Group Norway AS, org.nr. 912 237 788

Vi viser til deres brev av 24. november 2021 hvor dere søker om fritak fra plikten til å utarbeide konsernregnskap for Survitec Group Norway AS.

Skattekontoret finner med hjemmel i regnskapsloven § 3-7 fjerde ledd å kunne gi tillatelse til at det gjøres unntak for konsernregnskapsplikten for Survitec Group Norway AS. Dispensasjonen gjelder så lenge opplysningene som danner grunnlaget for vedtaket ikke endres vesentlig.

Kopi av dette brev må sendes Regnskapsregisteret i Brønnøysund sammen med årsregnskapet mv. Det påligger den regnskapspliktige å dokumentere ved dette brev at tillatelsen er gitt.

Bakgrunn
Survitec Group Norway AS er morselskap i et underkonsern, hvor Survitec Acquisition Company Limited er det ultimate morselskapet og er hjemmehørende i Storbritannia. Konsernregnskap utarbeides av Survitec Acquisition Company Limited på engelsk språk etter IFRS, hvor Survitec Group Norway AS med datterselskaper er omfattet.

Skattekontorets vurdering
Det forutsettes at Survitec Acquisition Company Limited utarbeider konsernregnskap som omfatter den regnskapspliktige og dennes datterselskaper. Det legges til grunn at dette konsernregnskapet er utarbeidet i samsvar med IFRS og at kravene i regnskapsloven § 3-7 med forskrifter for øvrig følges. Bestemmelsene i regnskapsloven kapittel 8 gjelder tilsvarende for dette konsernregnskapet.

Når det gjelder hvilket språk morselskapet skal utarbeide konsernregnskapet på, vises det til forskrift av 7. september 2006 nr. 1062 til utfylling og gjennomføring mv. av regnskapsloven. Det følger av § 3-7-1 at konsernregnskapet foruten å være på norsk, kan være på svensk, dansk eller engelsk.

Skattekontoret gir etter en konkret helhetsvurdering tillatelse til at det gjøres unntak for konsernregnskapsplikten.

Vennligst oppgi vår referanse ved henvendelse i saken.

Med hilsen

Lars Waaltorp
seniorrådgiver
Brukerdialog, brukerkontakt
Skatteetaten

Dokumentet er elektronisk godkjent og har derfor ikke håndskrevne signaturer.

Skatteetaten

Vår dato	Din/Deres dato	Saksbehandler
22.04.2020	25.03.2020	Vibeke Horne
800 80 000	Din/Deres referanse	Telefon
Skatteetaten.no	AR366275666	32212250
Org.nr	Vår referanse	Postadresse
974761076	2020/5301316	Postboks 9200 Grønland 0134 OSLO

SURVITEC GROUP NORWAY AS
Gangstøvikvegen 66
6009 ÅLESUND

Att. Monica Ulstein

Tillatelse til å utarbeide årsregnskap og årsberetning på engelsk for Survitec Group Norway AS, org.nr. 912 237 788

Vi viser til deres brev mottatt 25.mars 2020 der det søkes om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk for Survitec Group Norway AS. Søknaden ble sendt til Skattedirektoratet. Skattedirektoratets myndighet til å treffe enkeltvedtak etter regnskapsloven § 3-4 tredje ledd ble delegert til skattekontoret med virkning fra 1. juni 2019.

Skattekontoret gir på bakgrunn av en konkret helhetsvurdering Survitec Group Norway AS dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk, jf. regnskapsloven § 3-4 tredje ledd. Dispensasjonen gjelder så lenge opplysningene som danner grunnlaget for vedtaket ikke endres vesentlig.

Kopi av dette brevet må sendes til Regnskapsregisteret i Brønnøysund sammen med årsregnskapet. Den regnskapspliktige må selv dokumentere ved dette brev at tillatelse er gitt.

Bakgrunn

Survitec Group Norway AS er eid av et utenlandsk selskap og inngår i et internasjonalt konsern. Selskapets virksomhet består av å investere i og eie aksjer, finansielle instrumenter og andeler i andre selskaper, samt annen virksomhet som står i naturlig forbindelse med dette. Selskapet opererer i en internasjonal bransje. Ledelsen i selskapet er utenlandsk og kommunikasjonen i konsernet skjer på engelsk.

Skattekontorets vurdering

Etter regnskapsloven § 3-4 tredje ledd skal "årsregnskapet og årsberetningen [...] være på norsk. Departementet kan ved [...] enkeltvedtak bestemme at årsregnskapet og/eller årsberetningen kan være på et annet språk."

I Ot. prp. nr. 42 (1997-1998) Om lov om årsregnskap mv., er det uttalt følgende om regnskapslovens formål, jf. pkt. 1.1:

> "Regjeringen har som siktemål at regnskapsloven skal bidra til informative regnskaper for ulike grupper av regnskapsbrukere. Regnskapsbrukerne er dels investorer og kreditorer som tilfører kapital til foretakene, og dels andre grupper som har interesse av å vite hvordan foretaket drives,

f.eks. de ansatte og lokalsamfunnet. Informasjonen til kapitalmarkedet skal gi grunnlag for riktig prising av finansielle objekter. Riktig prisdannelse på aksjer er en forutsetning for at ressursbruken i samfunnsøkonomien skal bli best mulig. Gode regnskaper vil også gjøre det vanskeligere for markedsdeltakere å ta ut spekulasjonsgevinster med basis i skjevt fordelt informasjon."

Det fremgår således at et av hovedformålene med regnskapsloven er å bidra til "informative regnskaper for ulike grupper av regnskapsbrukere". Regnskapsbrukere vil omfatte, jf. uttalelsen i proposisjonen, blant andre investorer, kreditorer, ansatte og lokalsamfunnet.

Det er etter skattekontorets vurdering derfor avgjørende ved vurdering av om dispensasjon fra kravet til å utarbeide årsregnskap og/eller årsberetning på norsk kan gis, at det ikke foreligger mulige brukere av regnskapsinformasjon som blir vesentlig berørt negativt ved en eventuell dispensasjon.

Det er særlig hensynet til brukerne av regnskapsinformasjon som skal vurderes ved en dispensasjonssøknad.

I denne vurderingen har skattekontoret lagt særlig vekt på at selskapet er eid av et utenlandsk selskap som inngår i et internasjonalt konsern. Videre er det vektlagt at selskapet driver virksomhet i en internasjonal bransje der alle sentrale aktører behersker og benytter engelsk.

Vennligst oppgi vår referanse ved henvendelse i saken.

Med hilsen

Vibeke Horne
rådgiver
Brukerdialog, brukerkontakt
Skatteetaten

Dokumentet er elektronisk godkjent og har derfor ikke håndskrevne signaturer.

Registration number: 9333067

Survitec Acquisition Company Limited

Annual Report and Financial Statements

for Year Ended 31 December 2024

Survitec Acquisition Company Limited

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Survitec Acquisition Company Limited

Company Information

Directors	R S Kledal Jean-Francois Vingre
Company secretary	J Henley-Price
Registered office	Aviator Industrial Park Eric Fountain Road Ellesmere Port England. United Kingdom CH65 1AX
Solicitors	Paul, Weiss, Rifkind, Wharton & Garrison LLP 20 Air Street London United Kingdom W1B 5AN
Independent Auditors	PricewaterhouseCoopers LLP 1 Embankment Place London United Kingdom WC2N 6RH

Survitec Acquisition Company Limited

Strategic Report for the Year Ended 31 December 2024

The directors present their strategic report on Survitec Acquisition Company Limited (the "Company") and its subsidiaries (the "Group", "Survitec") for the year ended 31 December 2024.

The Vision for the Group is "To be the world's most trusted company for critical safety and survival solutions" and our Purpose is "We exist to protect lives".

Our Values are promoted and supported by the Board and Executive Management Team. The Survitec Code of Business Conduct and Ethics and our policies further ensure ethical conduct and compliance with the laws within the jurisdictions in which we operate. Together, these guide our decisions and support us in complying with applicable laws and promoting best practice.

Survitec's core Values reflect our Vision and Purpose, and the beliefs by which we conduct ourselves:

Safety and reducing risk is integral to everything we do;
We are committed to deliver real value and confidence to our **customers**;
We care for our **people** and invest in their development as individuals and teams;
We aim for **excellence** in everything we do;
We seek to **innovate** at every opportunity; and
Integrity: We do what we say we will do.

The Group Strategy is to:

Define the markets and customers that we can best serve to create value;
Deliver and continuously improve operational excellence to our customers;
Invest in the organisational capability to execute for our customers;
Deliver the right innovation process and pipeline; and
Ensure we realise the full returns of our investment and effort to deliver value.

Fair review of the business

Survitec is a resilient business with long term customer relationships which are supported by strong regulatory frameworks and by incumbent positions on major platforms.

The Group operates across a number of safety and survival markets and generated revenue for the year ended 31 December 2024 of £527,305,000 (31 December 2023: £442,028,000) from a range of services, solutions and equipment to the marine, and aerospace and defence markets. The Group's customers are principally larger organisations and enterprises who require robust and resilient solutions to meet the critical operational demands presented in the environments to which they operate in.

To best serve these markets and customers, the Group is currently organised into three business units, Marine, Aerospace and Defence and Hansen Protection. The respective key strengths and characteristics of these divisions are:

Marine
- Global market leader in the provision of products and services across the full Marine Safety portfolio (liferafts, marine evacuation systems ("MES"), suits, jackets, fire systems, lifeboats);
- High barriers to entry due to regulatory requirement for Original Equipment Manufacturer (OEM) servicing in marine evacuation systems and liferafts;
- Long term, blue chip customers have an installed base of products supported by a reputation for quality;
- Global offering delivered through over 400 locations; and
- Track record of market leading innovation.

Aerospace and Defence
- Leading expertise and manufacturers of critical safety equipment and systems for NATO militaries;
- Sole source on key US / NATO platforms (ejection-seat aircraft) including F35, Typhoon;
- Main supplier on key submarine platform for submarine escape and immersion equipment; and
- Benefiting from continued global investment in defence technology given general geopolitical instability.

Hansen Protection
- Market leader in Norwegian Oil and Gas and European Offshore Wind Personal Protection;
- Strong reputation for consistent delivery of excellent products and services;
- Supports existing market leadership positions through continued product and service innovation;
- Ability to leverage the ongoing rebound in the oil and gas industry to drive revenues in both rental and sales of transportation and survival suits;
- Complements our own immersion and wearables business strengthening our position as a global leader; and
- Strong integrated services concept in the wind energy market.

The Group benefits from long term contractual relationships with its customers which are generally global in nature and operate across a range of sectors. This provides a degree of both sector and geographic diversification which generates more stability in short term revenue and a platform for sustainable growth aligned to global trends across a number of market sectors in the medium to longer term.

Key performance indicators - Company
The company acts as a holding company for the Group. The value of the investment in subsidiaries drives the net assets of the Company as there are no other transactions and as such the key performance indicator is the net asset position. As at 31 December 2024, the Company had a net asset position of £134,881,000 (31 December 2023: £134,881,000).

Key performance indicators - Group
The key performance indicators are revenue and operating profit before depreciation, amortisation, impairment of property, plant and equipment and intangible assets and impairment of goodwill (EBITDA).

EBITDA for the year to 31 December 2024 was £71,380,000 (31 December 2023: £30,742,000) and is calculated as follows:

	Year ended 31 December 2024 £ 000	Year ended 31 December 2023 £ 000
Operating income / (loss)	25,434	(13,145)
Add back: Depreciation and amortisation	44,444	43,363
Add back: Impairment of intangible assets	1,502	524
EBITDA	71,380	30,742

The results for the Group show that revenue for the year has increased from £442,028,000 to £527,305,000, as a result of acquisitions as well as organic growth across the business.

The Group has achieved a remarkable financial turnaround in the current year, shifting from an operating loss of £13,145,000 in 2023 to an operating profit of £25,434,000. This significant improvement is primarily driven by a substantial increase in revenue and the overall enhanced performance of the Group. The rise in profitability directly strengthens the Group's EBITDA, highlighting improved operational efficiency and financial stability. This positive trajectory underscores the effectiveness of strategic initiatives, disciplined financial management, and stronger market positioning.

Results and operations

The Group has seen a substantial reduction in its loss before tax this year, primarily driven by a remarkable improvement in operating profit, which has increased by £38,579,000. This positive development has been partially offset by a rise in net finance costs of £5,878,000, largely due to continued high interest rates. The significant improvement in operating profit underscores the strength of the Group's core business performance and strategic financial management.

For internal management reporting, management categorise as 'one-off' all costs that are considered non-recurring in nature. The Group incurred such one-off costs of £14,995,000 for the year (31 December 2023: £22,213,000). A significant proportion of the one-off costs are directly linked to project costs delivering future transformation investment to drive long-term performance along some exceptional costs (refer note 9). This investment shows the commitment of the Group in delivering future growth, through the development of new products and service offerings, whilst simultaneously improving profitability by investing in digital and operational transformation projects across the Group, with the aim of improving operational effectiveness and reduced cost base.

To ensure that the Group can maintain its strong position in the global marketplace, the Group has continued to invest in new and existing product development, research programmes and acquisition strategy. During the year, the Group has expensed £174,000 (31 December 2023: £604,000) on research programmes. The Group has capitalised £2,925,000 (31 December 2023: £3,001,000) in respect of product development projects and £1,597,000 (31 December 2023: £2,349,000) relating to IT transformation programmes, with an impairment charge of £ Nil (31 December 2023: £524,000) recognised during the year. Please refer to notes 9 and 16.

The Group has been navigating through prior year challenges with proactive strategies, by keeping inventory investments, ensuring operational continuity to meet production needs. Continued focus on maintaining a robust balance sheet, managing debt repayments, and optimising working capital showcases strong financial performance. The ongoing efforts to reduce inventory levels and improve working capital while implementing pricing initiatives demonstrate a clear commitment to efficiency and sustainability.

Global market disruptions, including the war in Ukraine and the Israeli-Palestinian conflict, have and will impact some efforts to enhance working capital. Despite these challenges, the Group has achieved notable advancements in cash generation, pursued strategic priorities and strengthened leadership involvement. Management remains committed to cost reduction through targeted procurement rationalization, restructuring measures, new markets and pricing.

The Group also reviews performance using non-financial indicators.

Product quality and customer complaints

The Group tracks product quality issues closely and monitors customer complaints. Nil (2023: Nil) product recalls have been issued in the year. Total customer complaints recorded in the year are 874 (2023: 441).

Employees Engagement

The Group organises an annual employee engagement survey to determine employee engagement, culture and impact of improvements made. The completion rate is 73% (2023: 74%).

The Consolidated Statement of Financial Position shows a net liability position as at 31 December 2024 of £(29,430,000) (31 December 2023: £7,380,000 net asset). This was driven by a loss in the year of £25,734,000 (31 December 2023: loss of £70,743,000), combined with losses within Total Other Comprehensive income of £11,532,000 (31 December 2023: loss of £18,373,000).

There were bank and shareholder loans of £337,822,000 (net of capitalised transaction costs) as at 31 December 2024 (31 December 2023: £330,257,000) as described in note 26. The average number of full-time equivalent employees for the year ended 31 December 2024 has increased by 388, from 3,152 to 3,540.

Business combinations

On 15 January 2024 the Group acquired 100% of the issued share capital of Vinyl Technology Incorporation (VTI), a company based in the United States. The acquisition is part of Group's strategy to further strengthen the Defence business and enhance existing capacity. See note 15 to the financial statements for further details on this acquisition.

Section 172(1) statement

Directors' Duties

The Directors of Survitec Acquisition Company Limited must act in accordance with a general set of duties. These duties are detailed in section 172 of the UK Companies Act 2006 which is summarised as follows:

When making decisions, the Directors of a company must act in the way they consider, in good faith, is most likely to promote the success of the Company for the benefit of its members as a whole and, in doing so, have regard to:

a) likely consequences of any decisions in the long term;
b) interests of the Company's employees;
c) need to foster the Company's business relationships with suppliers, customers and others;
d) impact of the Company's operations on the community and environment;
e) desirability of the Company maintaining a reputation for high standards of business conduct; and
f) need to act fairly between members of the Company and consistent with its values.

In discharging their duties, the Directors have had regard to the factors set out above, as well as other factors relevant to the decisions being made.

Throughout the year, the Directors recognised their responsibility to act in good faith to promote the success of the Company for the benefit of shareholders, while also considering the impact of their decisions on wider stakeholders and local communities. Clear communication and proactive engagement with all stakeholders is an essential requirement, ensuring issues and factors which are most important to all parties are understood.

The Board acknowledges that every decision made will not necessarily result in a positive outcome for all stakeholders. By considering our Values, together with our strategic priorities, the Board aims to ensure that the decisions made are consistent and intended to promote the Company's long-term success.

Leadership

The group continues to grow and adapt, guided by consistent and visionary leadership of;

Group CEO, R S Kledal
Group CFO, Jean-Francois Vingre

The Board is responsible for setting Survitec's strategic direction. The focus is on continuing transformation work, positioning Survitec customers at the heart of every decision while achieving profitable growth.

A key focus for the Board will be Survitec's workforce of over 3,000 professionals, ensuring they feel connected to the Survitec Purpose, which is "We Exist to Protect Lives".

On 15 January 2024, Survitec acquired Vinyl Technology Incorporation (VTI) a US-based manufacturer headquartered in Monrovia California, further increasing our sewing capacity by 75% to drive the growth of Pilot Flight Equipment (PFE).

This has strengthened Group capabilities with Vinyl Technology Incorporation (VTI) now positioning us as a formidable contributor to the Joint Strike Fighter program as the sole supplier, designer, qualifier, and manufacturer of the full below-the-neck PFE. Vinyl Technology Incorporation (VTI) brings valuable capabilities to increase production capacity and share best practices. Their customer base includes a broad range of military, law enforcement and space entities.

Transformation programmes

Following the substantial completion of transformation programmes rolled over from preceding years, the Group's focus moves to strategic growth, both organically and through acquisition. To support these initiatives, there is continued investment across a number of Group wide simplification and continuous improvement programmes.

The Directors recognise that the continuous improvement programmes continue to require rigorous Board oversight, detailed project management and continuous improvement to ensure a successful outcome and mitigate any execution risk. The Group launched Vista, the new 3-year Marine and Wearables strategy and 2030 plan for A&D business. It outlines five clear routes for the Group to follow and execute the strategy, being;

- Improving customer journey
- Optimise pricing to win in the market and enhance profitability
- Strengthening our core range and simplifying everything else
- Improving our Manufacturing and supply chains
- Enhancing operational efficiencies within the business

Group's refined organisational structure based on regions specifically within Marine, designed to make Survitec an even better partner, with a focus on increased levels of customer centricity, business agility and reduced cost base is working positively for the Group in terms of growth, visibility and accountability.

The strategy has been updated to reflect changes in the external and internal environments over the last twelve months and is based on five key areas:

- Embed a strong culture change with Survitec values at the centre, reinforced through strong governance and performance structures;
- Defend the Group's leading positions, strengthen the customer base and grow through instilled product portfolio;
- Introduce new products and services of industry leading quality, grow the Group's markets, including geographic expansion and exploitation of digital platforms;
- Build front end sales and commercial capabilities; and
- Build a scalable efficient operating platform exploiting digitalisation.

The directors recognise the risks the Group may encounter across a changing global landscape in the following key areas:

- High inflation - energy prices; increased production costs; wage growth;
- Shift in global trade - geopolitical risk with impacts of commodity supply; natural resource supplies; supply chain challenges;
- Labour market constraints - competition for talent; travel constraints; work from home culture;
- Commodity process and critical components - market volatility; shortage of key components; and
- Global movement of goods and supply chain challenges - shortages; manufacturing lead times; transportation.

With the ongoing conflict in Ukraine, management continue to enforce the following actions:

- Legal and Compliance conducted a Group audit of all business activities related to Russia including customers, suppliers, third parties and vessels;

- A block has been put on business with Russian entities and vessels;
- Any potential business with Russian entities or vessels continues to be subject to Enhanced Due Diligence;
- Daily batch screening of all customers and suppliers conducted with use of Dow Jones and Lloyds Register, resulting, if appropriate, in termination of contracts with sanctioned customers or suppliers;
- Compliance has a Risk Management process to ensure that indirect risks, such as high-risk movements, are considered during compliance screenings.

The Board and Executive team are addressing the above risks through rigorous oversight across various financial and operational management programmes and the Risk Management Framework which involves the pro-active continued identification, evaluation and response to identified risks.

Customer engagement

Underpinned by a diversified loyal customer base and the provision of business critical products and services for the safety of their customers and employees, Survitec is well-placed to defend its position within its current markets and grow in new customer segments and markets.

Differentiation through best-in-class service, broad market portfolio and high-quality products, at competitive prices, alongside a customer centric model that designs and delivers value to customers, are key areas of customer focus for the Global sales and Commercial teams.

Our People

In 2024, the People & Culture (P&C) function has focused on strengthening its role as a key enabler of organisational success through talent management, transformation, and enhancing colleague experience. We can proudly say that significant strides were made toward creating a more engaged workplace. This report provides an overview of the key initiatives, milestones, and outcomes from the P&C function.

Talent Attraction and Retention

Employer Branding

In line with Survitec's ongoing commitment to strengthening its employee brand, we are proud to highlight the significant progress made on our outward-facing platform, Glassdoor. Over the past 9 months, the Group have seen a remarkable improvement in our rating, increasing from 2.82 to 3.58. This achievement reflects the dedication to enhancing our workplace culture and the positive feedback shared by our colleagues.

As we aim to further elevate our score, we remain focused on creating an environment where every colleague feels valued, supported, and empowered to succeed and a drive towards being an employer of choice.

Improved Onboarding Process:

The Group made significant strides in streamlining and enhancing our onboarding processes to ensure consistency and efficiency. The introduction of the Enboarder platform has been transformative, helping us to elevate our onboarding journeys, automating administrative tasks like IT equipment and uniform allocation and enabled teams to focus on creating personal connections with new hires. User adoption rates have surpassed industry benchmarks, demonstrating a measurable improvement in process efficiency from a starting point eNPS of -8 to a very healthy 74.

To accelerate time-to-competence, comprehensive training resources, including product videos and welcome messages from the CEO have been implemented. This approach has helped new colleagues understand their roles quickly and effectively. The onboarding programme also fosters a welcoming environment through personalised experiences, such as assigning buddies.

Colleague Development & Career Growth

Customer Service Excellence Programme
In Q4 2024, a significant milestone was achieved with the delivery of the Customer Service (CS) Excellence Programme. This initiative focused on equipping 170 customer service representatives and managers with the foundational skills required to deliver exceptional service.

Succession Planning
We continued to enhance and implement succession planning across our leadership teams with the aim of leadership continuity and mitigate risks in key roles. Our commitment to robust succession planning strengthens workforce resilience and drives financial growth.

Performance Development Review
Our PDR process is critical in aligning individual goals with company objectives, fostering a culture of continuous improvement. By providing regular feedback, we empower colleagues to enhance their skills and achieve higher levels of performance. PDRs also identify potential gaps and development opportunities, ensuring a stronger talent pipeline.

Employee Engagement & Culture

Employee Engagement Survey: Conducted company-wide engagement survey with 73% participation rate, resulting in a 5% increase in overall engagement scores from 54 to 59 in 2024 . The results were used to implement targeted actions through our Voice Ambassador group where we have achieved some key deliverables in line with our lowest scoring area last year capabilities. These outcomes in the areas of Recruitment, Learning and development and Onboarding are a testament to the impact of the feedback, collaboration, and commitment our colleagues showed to improving Survitec.

Survitec has made notable progress since the last survey, with culture improving by 10% and an overall score rising by 12 points over the last 2 years, moving the company from the 4th quartile to the 2nd. Highlights include a 17% improvement in Reward and Recognition, which now exceeds the benchmark, and notable gains in Communication, Performance Management, and Engagement scores, all nearing benchmark levels.

Diversity Equity & Inclusion (D&I)

In 2024 our DE&I Committee progressed with menopause in the workplace and signed the women's menopause workplace pledge joining over 2500 companies committed to normalising these conversations. We celebrated international Women's Day and implemented a gender decoding technology to ensure job adverts did not present male bias in text.

Once again, we came together as One Survitec giving back to the communities we live and work in for our third annual purpose day. Colleagues availed of a half day to volunteer in local communities, from helping food banks to litter picking around our coastlines demonstrating the importance of giving back.

Recognition Programs

Recognition platform: Introduced a company-wide recognition platform YouROCK and Anniversary award program which enabled employees to recognise each other's contributions. This improved morale and strengthened the company's culture of appreciation.

Employee Self-Service and Data Ownership: Rolled out enhanced colleague self-service functionalities allowing colleagues to directly update personal information (e.g., address changes and emergency contacts). This approach significantly reduced administrative burden while improving data accuracy by empowering colleagues to manage and verify their own data.

The People & Culture function has made considerable progress in 2024, by continuing to focus on these areas the function will contribute significantly to Survitec's success in the coming year.

Business Relationships

Our customers span a number of markets including Defence, Maritime, Aviation, Energy, Wind, Oil and Gas, and include both private and Government bodies that require safety equipment that is critical to the safety of their staff and customers. We regularly liaise with our customers to ensure our products are of the highest standards and meet the critical requirements of the customer and the end user. Without meeting and maintaining such standards we would lose our competitive position in the markets in which we operate. We work collaboratively with customers to ensure changes in legislation for safety equipment are appropriately incorporated into the goods and services we supply.

The Group actively worked with suppliers on goods and services critical to the effective operation of our entire value chain, from product development through to manufacturing and the supply of our safety equipment. We regularly engaged with suppliers to ensure a mutually beneficial partnering arrangement for goods and services.

The Board and management maintain a regular and constructive dialogue with investors and relationship banks to communicate the Group's strategy and performance in order to promote investor confidence and ensure continued access to capital. In addition to the stakeholder considerations, the Board has also had regard to the pension trustees and other factors such as environmental impact and community interests.

Community and Environment

Please refer to the Environmental and Sustainability Report below.

Risk Management

Our risk management process is designed to identify key risks and to provide assurance that they are fully understood and managed in line with management's risk appetite.

The Board has overall responsibility for risk management and internal controls, and for reviewing their effectiveness. Certain responsibilities have been delegated to the Audit and Risk Committee. The Board is chaired by the Group Chairman who is appointed by the shareholders. The Audit and Risk, Compliance and Remuneration committees are chaired by independent non-executive directors.

The risk management process is embedded at the business unit level and is supported by the bottom-up risk process within each business units. The executive maintains an overall Group risk register, which is reviewed once a year by the Audit and Risk Committee and is formally discussed with the Board.

To support risk discussions, the Group risk register captures the Group risks to achieving Survitec's objectives and identifies the potential impact and likelihood at both a gross and net level. The business unit leadership teams review each of the business unit risks regularly through an annual risk deep dive process. The updated risk assessments and the changes are then discussed at the Audit and Risk Committee.

The executive requires a quarterly certification from the top 200 leaders in the organisation that they are responsible for managing their business objectives and internal controls to provide reasonable, but not absolute, assurance that the risks in their areas of responsibility are appropriately identified, evaluated and managed. This is reported quarterly to the Audit and Risk Committee. Internal Audit and Risk provides the Audit and Risk Committee with a risk management update at each meeting. Any issues identified by this process are formally logged, with remediation actions to address them.

The Board receives updates on risk management and internal controls from the Chair of the Audit and Risk Committee. The Audit and Risk Committee assesses the effectiveness of the internal controls on an ongoing basis.

Environmental and Sustainability

Shareholders and Lenders
The Directors are committed to openly engaging with the shareholders and lenders, as the importance of a continued and effective dialogue is recognised. It is important to the Directors' that the shareholders and lenders understand the strategy and objectives of the Group, so these must be explained clearly, with the option for feedback or any other issue raised being properly considered.

Embracing the principles of caring for our environment
Survitec is committed to doing everything we can to operate in a way which is both environmentally friendly and ecologically sustainable. Our immediate focus is to make regular and continuous improvements, embracing the environmental challenge and continuously looking for opportunities to better our environmental performance. We are taking a proactive approach with our employees, customers and suppliers ensuring that the principles of caring for the environment and sustainability are embedded in our business.

In the year we continued our environmental initiative to reduce the use of single use plastic across the business and discontinuing the use of bubble wrap with the introduction of re-usable pouches for pyrotechnic and medical kits in rafts. We are assessing the use of solar and other energy sources to move to carbon neutral energy in production facilities, and products are developed with ESG in mind. We aim to make a positive contribution to protecting the environment by tackling what we can, where we can, as well as educating and encouraging best practice throughout our company.

Governance
Our current ISO 14001 approved Management System is being enhanced and extended to include all non-accredited sites and offices across Survitec's Global operations.

Strategy and Assessment
Investment in new technology that reduces size, weight and power consumption of products and carbon emissions is an important differentiator in the Group's markets. Areas of focus are potential use of lightweight buoyancy materials, recycled rope materials and carbon fibre.

As part of Survitec's commitment to an enhanced Environmental Strategy, we have begun to develop new Global Operational Controls, (IAW ISO 14001), that will make up one third of the Integrated Management System that mandates annual Environmental Management Reviews. These reviews are conducted at Operational, Regional and Group levels to ensure local, national and international regulatory, socio-economic and environmental risks are identified and prioritised for action.

The Group's ESG Committee, comprising a cross functional team focused on ESG strategy, risk and opportunity assessments, action plans and metrics continue to ensure the company persists to improve its global operations in line with its interested parties' expectations and Group strategy. The Group Counsel chairs the ESG Committee and holds the responsibility to inform the board and cascade management challenges via the ESG Committee meetings. The Group published its first ESG report in FY24 on voluntary basis. The Group is reassessing the impact of Omnibus package since the introduction of the Corporate Sustainability Reporting Directive (CSRD) issued by the European Union. Key objective of the CSRD is to improve sustainability performance and include said performance in annual reporting in businesses and management to report for investors, civil society, and other key stakeholders. The legislation introduces aspects of accountability and transparency in the reporting framework. The information under the reporting directive will be mandatory as part of the director's report, in a clearly identifiable dedicated section of the annual report and accounts.

Environmental data reviews are embedded into the monthly operational reporting cycles. Management reviews are now conducted at all relevant business levels ultimately feeding up to the Executive Management Review. This ensures that all local, national and international regulatory, socio-economic and environmental risks are identified and prioritised for action.

At present, the company does not utilise specific key performance indicators to measure progress on climate-related risks and opportunities. We recognize the importance of KPIs and are exploring ways to integrate them into the Group's ESG strategy.

Guaranteed compliance and effective audit programme
Global certification to ISO14001:2015 was achieved in Nov-2022. Rolling internal audit plans ensures that all sites are audited against the standard on a regular basis. To maintain this certification, Survitec is subject to annual external surveillance audits and recertification every 3 years.

Waste reduction measures
We endeavour to reduce waste at source and to encourage repurposing or recycling wherever possible and practical. Furthermore, we ensure that any waste that does arise is treated responsibly and disposed of compliantly and with minimum impact to our shared planet.

Actively support pollution prevention
Investment in new technology that reduces size, weight and power consumption of products and Co2e emissions is an important differentiator in the Group's markets. Areas of focus are use of new lightweight, sustainable materials, recycled polymer materials and carbon fibre, we are also working with the Henry Royce Centre on breakthrough materials that will aid our future objective of becoming a Net Zero business.

As part of Survitec's commitment to an enhanced Environmental Strategy, we have begun to develop more stringent Global Operational Controls, (IAW ISO 14001), that will make up one third of the Global Integrated Management System that mandates annual Environmental Management Reviews. These reviews are conducted at Operational, Regional and Group levels to ensure local, national and international regulatory, socio-economic and environmental impacts are assessed and any potential risks are eliminated or managed appropriately.

As part of our ISO 14001 accreditation, we perpetually monitor our emissions, waste and product recyclability to ensure we constantly improve our environmental performance. We strongly support the reduction of greenhouse gases and the principles of pollution prevention in order to reduce any adverse environmental impacts. We are also committed to respond to any incidents timely, proportionately and effectively to reduce the risk to people and the environment.

Principal risks and uncertainties

We define a principal risk as a risk or combination of risks that would threaten the business model, future performance, solvency or liquidity of Survitec. In addition to these principal risks, we continue to be exposed to other risks related to strategy, quality, IT, health & safety, supply chain, compliance & legal, operations, change management and people. These risks are subject to our normal procedures to identify, implement and oversee appropriate mitigation actions, supported by internal audit work to provide assurance. Refer to Risk management in the Director's Report.

Competitive Markets
- The risk of losing customer sales due to competitor behaviour or market changes.
- Risk drivers: The markets in which the Group operates react to global and industry specific macro-economic trends, such as Government defence spending, global oil prices, regulatory requirements and increases in key commodity prices.
- Impact: Customer sales lost to competitors as a result of increased sales pricing passed onto customers due to inflationary pricing pressures.
- Mitigation: The Group manages this risk by providing a high standard of service to its customers, sourcing quality, price competitive materials and maximising global purchasing capabilities. Additionally, investing in new and existing products, responding quickly to customer requirements and maintaining strong relationships.

The risk is additionally offset by a broad, highly regulated product, a global geographical footprint and further acquisitions to broaden the Group's portfolio.

Geopolitical and Inflation Risks
The emergence of trade wars, along with the ongoing War in Ukraine and the Israeli-Palestinian conflict, intensifies inflation risks and poses challenges to the global economy. There continues to remain uncertainty and instability in respect of the outcome of the tariffs applied by the US, however at the time of writing this report and based on preliminary assessment, the Group does not expect a significant impact. The Group will continue to monitor developments very carefully and will take prompt, appropriate action as required.

- Risk drivers: The negative effects of tensions between Russia and the West and the fear that the Israeli -Palestinian conflict might escalate into a regional conflict could cause prolonged negative effects on business investment and consumer spending. The conflict may also disrupt the shipping of goods through the Red sea, leading to supply chain issues and raw material shortages. This would result in more disruption, delays and higher costs for raw materials.

- Impact: Higher energy prices are one of the main factors which would directly impact production costs for manufacturing goods. Availability of gas exports, especially to Europe, could change if sanctions are tightened further.

- Mitigation: The Group manages this risk by actively sourcing new products and maximising global purchasing capabilities. Maintaining strong relationships with suppliers across our global network, to plan for both supply chain challenges and inflationary price increases. There is a continuous review of sales pricing, and where necessary, passing on price increases to the customer to mitigate exposure.

Warranty risk
As the Group's activities include the development of critical safety products, if a product failed to operate as designed, this could expose the Group to warranty claims from customers and other affected parties. There could also be other repercussions if there was injury or loss of life due to product failure. The Group manages this risk through a thorough FMEA (Failure Mode Effect Analysis) and product design and evaluation process. This includes extensive testing of the products to ensure that they are fit for purpose prior to entry into service, this will also include obtaining the appropriate certifications from regulatory authorities.

As part of Management's ongoing operational reviews, additional assessments were performed and modelled to consider the risk of product warranty matters and additional warranty provisions of £560,000 (31 December 2023: £1,022,000) were recognised. A total of £689,000 (31 December 2023: £1,238,000) was utilised and a total of £310,000 (31 December 2023: £1,599,000) was released to the Income Statement. In addition, £36,000 of foreign exchange gains were recognised (31 December 2023: £26,000 gain). There remained a warranty provision of £3,716,000 at the year-end (31 December 2023: £4,191,000). Releases were based on updated information available to management around the number of products subject to warranty as well as the passage of time.

Please refer to note 28 of the financial statements for additional information.

Future developments

Looking forward across the next 12 months, the Group anticipates an overall revenue growth in 2025 from New Build Fire and Liferaft Hire sectors (Marine division), the Personal Protection sector (Hansen Protection) and throughout the Aerospace & Defence division. Strong recurring revenues, in addition to the acquisitions ensure that a substantial amount of the 2025 order book is already secured.

Transformational programmes will transition into continuous improvement initiatives embedded in the culture of the business to further align the organisational structure to its identified market opportunities, in turn delivering sustainable growth.

Continuous project management of the improvement programmes, monitoring both benefits achieved, benefits still to be achieved and ongoing costs to achieve, and therefore managing the risk to the business, is a key programme for management review.

In addition to the digital transformation programmes, the Group will continue to invest in the continued enhancement of manufacturing and supply chain operations, giving the business the opportunity to meet customer demands while reducing cost and improving working capital management. Targeted cost reduction opportunities for the business will be pursued across all three divisions to align with management reporting lines.

The Group will continue to monitor trends in its key markets and actively assess any strategic growth or acquisition opportunities as they arise.

Approved by the Board on 17 April 2025 and signed on its behalf by:

.....

R S Kledal
Director

.....

Jean-Francois Vingre
Director

Survitec Acquisition Company Limited

Directors' Report for the Year Ended 31 December 2024

The directors present their report and the audited consolidated Financial Statements for the year ended 31 December 2024.

Directors' of the group

The directors, who held office during the year, and up to the date the financial statements were approved, were as follows:

R S Kledal

Jean-Francois Vingre

Principal Activities

The principal activity of the Company is that of an intermediate holding company.

In recent years, Survitec Group has solidified its position as the world's leading provider of critical safety and survival solutions for the marine and defence markets. Survitec provides survival and safety solutions across the globe through the design, manufacture and service of critical safety solutions. The Group operates in over 35 countries and employs over 3,000 people.

The subsidiary undertakings affecting the profits and/or net assets of the Group in the year are listed in note 38 to the financial statements. Additionally, the Group operate branches in Italy, Azerbaijan and the United Arab Emirates.

Events after the year end and future developments
Future developments have been included in the Strategic Report.

On 7 January 2025, the Group has signed an agreement to dispose of its wholly owned subsidiary "Lyngsoe" (Lyngsoe Rainwear Aps Denmark). This disposal provides the Group an increased level of focus and alignment with its longer-term strategy i.e. to strengthen its core business in the wearables business unit. Refer note 35 for further details as the entity has been disclosed as held for sale in these financial statements.

Results and Dividends

The loss after tax for the year-ended 31 December 2024 is £25,734,000 (31 December 2023: £70,743,000). A review of the performance of the business and a view on future developments of the business is set out in the Strategic report and is included in this report by cross-reference.

The Directors do not recommend a dividend on the ordinary shares for the year ended 31 December 2024 (31 December 2023: £Nil).

Business conduct

The Directors are committed to and responsible for ensuring that the Group conducts itself in accordance with the highest standards of integrity and transparency. The Group complies with all relevant anti-bribery and corruption legislation, including the UK Bribery Act 2010 and all relevant trade sanctions and export controls. The Group has an International Compliance Policy that takes account of relevant anti-bribery, corruption, sanctions and export legislation. The Directors recognise that they are responsible for overseeing this policy and ensuring its implementation throughout the Group. The Policy will be kept under review and may be varied from time to time so as to ensure effective compliance.

Whistleblowing

Our internal whistleblowing facility (Survitec Hotline), which includes a telephony service and web-based portal, is operated by a third-party service provider. Our global programme continues to provide a confidential and secure means for our employees, business partners, and other external stakeholders to report concerns about conduct that is contrary to our Values, Code of Business Conduct and Ethics. All reports are confidential and reporters are able to submit their disclosures anonymously. We review, assess and, where necessary, investigate all reports made. Oversight is provided by the Board Compliance & Ethics Committee.

Financial Risk Management

The Group's activities expose it to a number of financial risks including foreign exchange rate risk, interest rate risk, credit risk, liquidity risk and warranty risk. The use of financial derivatives is governed by the Group's policies which are approved by the Board of Directors. The Group does not use derivative instruments for speculative purposes.

Foreign exchange rate risk

The Group, whilst headquartered in the UK, operates in geographically diverse locations, with 87% (31 December 2023: 83%) of its sales being made outside the UK. It is therefore exposed to movements in exchange rates. The Group is generally naturally hedged, but where not, we seek to minimise this impact on its local operations by the use of multi-sourcing of its key materials and the use of foreign exchange contracts. The key currencies that impact the Group's performance, and that the Group therefore seeks to mitigate the impact of exchange rate movements on, are the Euro, Norwegian Krone, US Dollar, Australian Dollar and Singapore Dollar.

Interest rate risk

The Group has both interest-bearing and non-interest bearing assets and liabilities. Interest bearing assets include only cash balances, all of which earn interest at variable rates. Interest bearing liabilities relate mainly to bank loans, overdrafts and leases. Core debt is subject to interest at a fixed margin plus variable rate. The group manages the variable rate via an interest rate cap until August 2025, from floating to fix to cover 84% of the Unitranche loan of £240,653,000 excluding PIK interest. The interest rate swap will smooth-out the rising and volatile interest rate environment. Interest rate risk is not considered significant on cash balances. The Audit and Risk Committee regularly reviews interest rate risk.

Credit risk

The Group's principal financial assets are cash and cash equivalents and trade and other receivables. The Group has adopted a policy of only holding cash with creditworthy counterparties. Credit risk for the Group is primarily attributed to trade receivables. The amount presented in the financial statements is net of expected credit loss provisions. The Group has implemented policies that require appropriate credit checks on potential customers before sales are made, and at times new customers will be required to make advance payments where credit-worthiness cannot be established. The Group has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers.

Liquidity and funding risk

The Group uses a mixture of central long term debt, committed facilities and cash to maintain liquidity. This is managed by Group Treasury who ensure that sufficient funds are available for ongoing operations and developments and also manage liquidity thresholds per the debt covenants. The central Treasury function facilitates regular cash repatriation from subsidiaries where required. A weekly sixteen week cash flow forecast is used to monitor short term liquidity in conjunction with available committed facilities. In addition, liquidity is monitored against budget and longer term forecasts. The Group continues to use budget and five year forecasts to determine any future anticipated funding requirements. The Group also has access to a non-recourse revolving receivables financing facility to further aid the management of liquidity risk.

Warranty risk

Please refer to the 'Principal risks and uncertainties' section in the Strategic Report for consideration of warranty risk.

Climate risk
Survitec has assessed the top climate related risks relevant to the business:

Extreme weather could lead to supply chain or transportation issues, reduced production capacity, relocation of premises and thus reductions in revenue. The impact on the business has been assessed as short-term, moderate. The Group is planning to review the global Business Continuity Plan process to ensure that adaptation can be considered for all sites and in particular, vulnerable locations and future acquisitions.

Market changes could lead to increased costs for gas and electricity as well as other raw materials and risks related to the extensive supply chain. The Group will, in the future, be subject to increased reporting requirements which will have a time and cost impact. Climate and associated reporting risk has been assessed as significant and will impact in the next 1 to 3 years. The Group is planning to form a strategy around sustainable procurement, and to implement mitigation measures to reduce the impacts.

Alternative energy solutions could be costly to implement and will have a longer-term payback. This risk has been assessed as more long term with moderate risk. The Group will continue to pursue renewable energy options and identify those locations that can benefit from alternative sources.

The risk related to legal and policy compliance could lead to increased compliance obligations, increased operating costs, reduced demand for products and services or increased risk of legal action against the Group. This risk has been assessed as a medium-term, moderate risk.

Political donations

There were no political donations made by the Group during the year (31 December 2023: £Nil).

Gender equality

Survitec are an equal opportunities employer and are committed to reducing the gender pay gap where it exists.

Research and development

The Group is continually undertaking research and development in respect of improvements to the production process and the development of new products. During the year, the Group has expensed £174,000 (31 December 2023: £604,000) on research programmes. The Group has capitalised £2,925,000 (31 December 2023: £3,001,000) in respect of product development projects and £1,597,000 (31 December 2023: £2,349,000) relating to IT transformation programmes.

Corporate governance

The Survitec Group is a subsidiary of 'Ark TopCo Limited' at which level the Board administers oversight to its operating companies which include Survitec Acquisition Company Limited. The Board consists of 7 members and includes the Group Chairman (who is a Non-Executive Director), Group Chief Executive Officer, Group Chief Finance Officer, two Shareholder Representatives and two Non-Executive Directors. The role of a Non-Executive Director has been strengthened to provide further transparency to the Board. The size of the Board is guided by its constitutional documentation, scale and complexity of the Group, and markets in which it operates.

The Survitec Group has its own Corporate Governance Guidelines which details the roles of the Executive and Non-Executive Directors. Directors meet at least five times a year and on an as-needed basis for discussion of matters such as corporate governance and management of the business. In addition, the Shareholder Representatives are invited to monthly operational reviews, which fall in the months when no board meeting is held.

The Board and independent Non-Executive Directors have a clear understanding of their accountability and responsibilities. The Board's policies and procedures are there to support effective decision-making and independent challenge. This is clearly shown as the Group adopts the 'Company with committees' governance structure.

The Board has responsibility for the Group's overall approach to strategic decision-making and effective risk management (financial and non-financial) including reputational risk. The Board is also key in promoting the long-term sustainable success of the Company by identifying opportunities to create and preserve value, and establishing oversight for the identification and mitigation of risks. The Board utilises each of the committees to help with the consideration of matters such as financial control and reporting risk, succession, remuneration and compliance. The terms of each committee have been clearly set out.

In addition to appointing an established Board of Directors the Group also relies on the support of the following committees; each of which meet, at a minimum quarterly, and are Chaired by an independent Non-Executive Director:
- Audit and Risk Committee;
- Remuneration Committee; and
- Compliance & Ethics Committee.

A quarterly management certification process continues, and the outcomes are discussed with Management and Non-Executive Directors. The Survitec Group has a Group Chairman whose role is to set the strategic direction of the Group by continuously re-evaluating and enhancing the strategy, to drive operational and financial improvements. The Group Chairman is supported by a Group CEO, Group CFO and senior management team with a balance of skills, backgrounds, experience and knowledge, and who have sufficient capacity to make a valuable contribution.
In year, further steps have been taken, as part of the transformation programmes, to enhance and increase the Board's visibility by further separating functions within the business and their execution teams. For details of engagement with suppliers, customers and others in a business relationship with the Group please refer to the s.172(1) disclosures included within the Strategic Report.

Employment of disabled persons
The Group's policy in relation to the employment of disabled persons is, where practicable, to continue to employ employees who become temporarily or permanently disabled. Full regard is given to their training needs, career development and potential for promotion. Full and fair consideration is also given to the employment of applicants who are disabled persons, taking into account their aptitudes and abilities.

Employee involvement
The Group has continued its practice of keeping employees informed of matters affecting them as employees, and the financial and economic factors affecting the performance of the Group.

Directors and Management consider the interests of employees when taking strategic decisions. Employees are kept informed of any relevant information through regular management and employee review meetings, and through Group-wide briefings. Regular consultation is encouraged between Management and employees at each of the Group's operating locations.

Streamlined Energy and Carbon Reporting
This report summarises Survitec's energy usage, associated emissions, energy efficiency actions and energy performance under the government policy Streamlined Energy & Carbon Reporting (SECR), as implemented by the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018.

Under the SECR legislation the Group is mandated to include energy consumption, emissions, intensity metrics and all energy efficiency improvements implemented in our most recent financial year. An organisational boundary has been applied for the purposes of the reporting, such that only Group entities that are incorporated in the United Kingdom are considered.

The three broad scopes for emissions:

- Scope 1 comprises direct emissions from fuel (including natural gas) use to generate electricity, heat, or steam. These emissions result from combustion of fuels in stationary sources, for example boilers, furnaces, turbines, material, chemical processing, and waste processing, transportation of materials, products, waste, and employees. These emissions result from the combustion of fuels in Group owned transportation (e.g. trucks, trains, ships, aeroplanes, buses, and cars) from transport (where a journey starts or ends in the UK).
- Scope 2 comprises indirect emissions from purchased renewable and non-renewable electricity purchased and used in operations.
- Scope 3 comprises indirect emissions and energy use, and related emissions from transportation of purchased materials, goods, sold products and business travel in trains, ships, aeroplanes, buses, not owned by the Group, and rental cars and employee owned vehicles where the Group is responsible for purchasing the fuel.

Streamlined Energy and Carbon Reporting
Greenhouse emissions

	Year ended 31 December 2024 UK Consumption (kWh)	Year ended 31 December 2024 UK Consumption (tCo2e)
Utility and Scope		
Grid-Supplied Electricity (Scope 2)	2,854,163	591
Gaseous and other fuels (Scope 1)	4,624,911	881
Transportation (Scope 1, 2 and 3)	919,261	215
Total	8,398,335	1,687

	Year ended 31 December 2023 UK Consumption (kWh)	Year ended 31 December 2023 UK Consumption (tCo2e)
Utility and Scope		
Grid-Supplied Electricity (Scope 2)	2,604,693	539
Gaseous and other fuels (Scope 1)	4,665,659	884
Transportation (Scope 1, 2 and 3)	977,431	230
Total	8,247,783	1,653

Intensity metric
An intensity metric of 11.25 tCO2e per £m revenue has been calculated for the annual total emissions, the prior year figure was 9.43.

Energy Efficiency Improvements
We are committed to year-on-year improvements in our operational energy efficiency. As such, a register of energy efficiency measures available to us has been compiled, with a view to implementing these measures in the next 5 years.

Transport emissions decreased by 6.47% driven by the increase adoption of electric vehicles compared to 2023.

Measures undertaken in 2024
Reduce Waste to Landfill
In FY2024, Survitec aimed to reduce emissions by reducing the quantity of waste being sent to landfills. Survitec has successfully achieved a 10% reduction in waste being sent to landfills compared to FY2023 figures.

Energy Efficiency campaign
Survitec implemented an energy efficiency campaign to promote energy saving ideas worldwide, including LED lighting and its benefits. Sensor lighting was also installed in the common areas at the Glasgow site.

Replacement of Roof at Peterhead Site
The roof replacement at the Peterhead site was completed with a saving of 42% in gas usage compared with FY2023.

Measures prioritised for implementation in 2025
The Group will continue to implement environmental metrics. This includes measuring energy use and waste sent to landfill and reduction targets will be set over the next year. The Group plans to achieve these targets by carrying out LED lighting replacement programs across our sites worldwide and scoping potential sites for solar panel installations.

We also aim to begin measuring the emissions associated with business travel starting with the UK and Europe for FY2025.

Two new sites coming into operation for FY2025 will be "A" energy rated and fitted with LED lighting.

Reporting Methodology
Scope 1, 2 and 3 consumption and CO2e emissions data has been calculated using the GHG Protocol - A Corporate Accounting and Reporting Standard (World Resources Institute and World Business Council for Sustainable Development, 2004); Greenhouse Gas Protocol - Scope 2 Guidance (World Resources Institute, 2015); ISO 14064-1 and ISO 14064-2 (ISO, 2018; ISO, 2019); Environmental Reporting Guidelines: Including Streamlined Energy and Carbon Reporting Guidance (HM Government, 2019). Emissions Factor Database 2024 version 1.1 has been used, utilising the published kWh gross calorific value (CV) and kgCO2e emissions factors relevant for reporting period 01/01/2024 - 31/12/2024.

Estimations undertaken to cover missing billing periods for properties directly invoiced to Survitec Group Limited were calculated on a kWh/day pro-rata basis at meter level. These estimations equated to 8.15% (2023: 5.44%) of reported consumption.

Going concern

The Group has a net liability position as at 31 December 2024 of £36,254,000 which has reduced from a net asset position of £7,380,000 as at 31 December 2023. This change is primarily attributable to finance costs and foreign exchange movements during the year.

Management has taken active steps to address prior challenges, including supply chain disruptions, inflation, and working capital constraints. These efforts have led to a significant turnaround, with the Group achieving an operating profit of £25,400,000 during the year ended 31 December 2024, compared to an operating loss of £(13,100,000) in the previous year. Furthermore, a 9% reduction in inventory levels has contributed in improving the Group's net working capital position.

In reviewing the appropriateness of the Going concern assumption, management has prepared forecasts covering the Going concern period, which is a period of at least 12 months after approval of these financial statements. The forecasts comprise base case forecasts on which the Group's financial performance is managed. In addition to this, management has also prepared a severe but plausible downside forecast, by adjusting key trading assumptions such as a potential reduction in contribution margin and a less favourable working capital performance.

The assessment of Going concern also encompasses the Group's and Company's compliance with its financial covenants under its banking facilities, as the availability of these facilities is conditional on such compliance. As at 31 December 2024, the Group has access to three external facilities as explained in note 26.

These covenants include leverage and minimum liquidity covenants, which are tested quarterly and monthly respectively. The leverage covenant requires the Group to maintain a specified ratio of last 12 months EBITDA to net debt at each test date, whilst the minimum liquidity covenant requires the group to maintain a minimum available liquidity of £10,000,000 at each test date and £5,000,000 at any time over a rolling 13-week forecast. The leverage covenant reduces incrementally from 5.8x on 31 December 2024, to 4.2x on 30 June 2026.

Under both the base case and the severe but plausible downside forecasts the Group is expected to generate sufficient profits and cash during the Going concern period to enable the Group and the Company to meet its obligations as they fall due. This includes having sufficient headroom to comply with the financial covenants attached to the banking facilities as described above. As a result, the Directors have deemed it appropriate to adopt the going concern basis in the preparation of these financial statements.

Statement of Directors' Responsibilities in Respect of the Financial Statements

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the Group and the Company financial statements in accordance with UK-adopted international accounting standards.

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

- select suitable accounting policies and then apply them consistently;
- state whether applicable UK-adopted international accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and company will continue in business.

The directors are responsible for safeguarding the assets of the Group and Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Directors' confirmations

In the case of each director in office at the date the directors' report is approved:

- so far as the director is aware, there is no relevant audit information of which the Group's and Company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Group's and Company's auditors are aware of that information.

Survitec Acquisition Company Limited

Directors' Report for the Year Ended 31 December 2024 (continued)

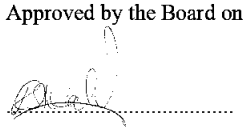
Directors' liabilities

The Group has made a qualifying third-party indemnity provision for the benefit of its Directors during the period and it remained in force at the date of signing of this report.

Reappointment of independent auditors

The Company has elected to dispense with the holding of annual general meetings, the laying of financial statements before the Company in general meetings and the annual appointment of independent auditors. PricewaterhouseCoopers LLP has expressed their willingness to continue in office.

Approved by the Board on 17 April 2025 and signed on its behalf by:



R S Kledal
Director

Jean-Francois Vingre
Director

pwc

Independent auditors' report to the members of Survitec Acquisition Company Limited

Report on the audit of the financial statements

Opinion

In our opinion, Survitec Acquisition Company Limited's Group financial statements and Company financial statements (the "financial statements"):

- give a true and fair view of the state of the Group's and of the Company's affairs as at 31 December 2024 and of the Group's loss and the Group's and Company's cash flows for the year then ended;
- have been properly prepared in accordance with UK-adopted international accounting standards as applied in accordance with the provisions of the Companies Act 2006; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the Consolidated and Company Statements of Financial Position as at 31 December 2024; the Consolidated Income Statement, the Consolidated Statement of Comprehensive Income, the Consolidated and Company Statements of Cash Flows, and the Consolidated and Company Statements of Changes in Equity for the year then ended; and the notes to the financial statements, comprising material accounting policy information and other explanatory information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's and the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the Group's and the Company's ability to continue as a going concern.

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

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 31 December 2024 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the Group and Company and their environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' Responsibilities in Respect of the Financial Statements, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the Group and industry, we identified that the principal risks of non-compliance with laws and regulations related to data protection and employment related legislation, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006 and tax legislation in the jurisdictions where the Group operates. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to increase profit, inappropriate recognition of revenue and management bias in determining accounting estimates. Audit procedures performed by the engagement team included:

- Evaluation of the design of management's controls designed to prevent and detect irregularities;
- Inquiries of Group and Divisional management teams (including Chief Executive Officer, Chief Financial Officer, Head of internal audit, Internal legal counsel and the members of the Audit and Risk Committee), including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- Assessment of matters reported on the Group's whistleblowing helpline and the result of management's investigation of such matters;

- Evaluating and, where appropriate, challenging assumptions and judgements made by management in determining significant accounting estimates, in particular relating to the recoverability of goodwill, acquired intangibles and other non-current assets including assets related to developed technology.
- Identifying and testing unusual journal entries, in particular journal entries posted with unusual account combinations impacting revenue; and
- Performing unpredictable procedures.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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

Use of this report

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the Company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the Company financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Andrew Paynter (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
17 April 2025

Survitec Acquisition Company Limited

Consolidated Income Statement for the Year Ended 31 December 2024

	Note	Year ended 31 December 2024 £ 000	Year ended 31 December 2023 £ 000
Revenue	5	527,305	442,028
Changes in inventories of finished goods and work in progress		(17,950)	(17,319)
Raw materials and consumables used		(208,074)	(176,337)
Employee Benefit Expense	6	(139,906)	(126,201)
Depreciation and amortisation expense	9	(44,444)	(43,363)
Other operating expenses		(93,679)	(92,829)
Other operating income	10	2,182	876
Operating Income / (loss)	9	25,434	(13,145)
Finance income	11	303	216
Finance costs	11	(49,016)	(43,051)
Net finance cost	11	(48,713)	(42,835)
Other losses	12	(1,083)	(8,989)
Loss before tax		(24,362)	(64,969)
Income tax expense	13	(1,372)	(5,774)
Loss for the year after tax		(25,734)	(70,743)
Loss attributable to:			
Owners of the Company		(25,864)	(70,628)
Non-controlling interests		130	(115)
		(25,734)	(70,743)

The Company has taken advantage of the exemptions under section 408 of the Companies Act 2006 from presenting its own Income Statement.

The notes on pages 37 to 99 form an integral part of these financial statements.

Survitec Acquisition Company Limited

Consolidated Statement of Comprehensive Income for the Year Ended 31 December 2024

	Note	Year ended 31 December 2024 £ 000	Year ended 31 December 2023 £ 000
Loss for the year		(25,734)	(70,743)
Items that will not be reclassified subsequently to profit or loss			
Remeasurements of post employment benefit obligations (net)	27	277	(285)
Items that may be reclassified subsequently to profit or loss			
Gain/ (Loss) on cash flow hedges		1,068	(1,642)
Currency translation differences		(12,877)	(16,446)
		(11,809)	(18,088)
Total Other Comprehensive expense		(11,532)	(18,373)
Total Comprehensive expense for the year		(37,266)	(89,116)
Total comprehensive expense attributable to:			
Owners of the Company		(37,396)	(89,001)
Non-controlling interests		130	(115)
		(37,266)	(89,116)

The notes on pages 37 to 99 form an integral part of these financial statements.

Survitec Acquisition Company Limited

(Registration number: 09333067)
Consolidated Statement of Financial Position as at 31 December 2024

	Note	31 December 2024 £ 000	31 December 2023 £ 000
Assets			
Non-current assets			
Goodwill	16	45,202	44,034
Intangible assets	16	115,748	115,673
Property, plant and equipment	17	65,968	66,337
Right of use assets	18	38,038	33,502
Deferred tax assets	13	3,841	3,626
Other receivables		542	808
Total non-current assets		269,339	263,980
Current assets			
Inventories	19	74,711	82,210
Trade and other receivables	20	115,442	107,123
Contract assets	20	19,900	18,166
Current tax receivable		966	979
Cash and cash equivalents	21	50,264	62,173
Total current assets		261,283	270,651
Assets classified as held for sale	35	23,765	340
Total assets		554,387	534,971
Equity and liabilities			
Equity			
Share capital	23	(928)	(928)
Share premium		(405,298)	(405,298)
Capital contribution reserve		(618,348)	(618,348)
Foreign currency translation reserve		40,593	27,716
Accumulated losses		1,013,917	989,854
Deficit / (equity) attributable to owners of the Company		29,936	(7,004)
Non-controlling interests		(506)	(376)
Total deficit / (equity)		29,430	(7,380)
Non-current liabilities			
Long term lease liabilities	24	(32,978)	(29,123)
Loans and borrowings	26	(337,419)	(330,175)
Retirement benefit obligations	27	(3,774)	(4,362)
Provisions	28	(5,656)	(5,085)
Deferred income and Contract Liabilities	25	(10,167)	(8,822)
Deferred tax liabilities	13	(3,108)	(1,474)
Total non-current liabilities		(393,102)	(379,041)

The notes on pages 37 to 99 form an integral part of these financial statements.

Survitec Acquisition Company Limited

(Registration number: 09333067)
Consolidated Statement of Financial Position as at 31 December 2024 (continued)

	Note	31 December 2024 £ 000	31 December 2023 £ 000
Current liabilities			
Current portion of lease liabilities	24	(7,890)	(7,793)
Trade and other payables	30	(140,314)	(108,776)
Contract liabilities	25	(20,081)	(17,176)
Current tax liability		(2,707)	(5,063)
Loans and borrowings	26	(10,477)	(4,344)
Provisions	28	(5,214)	(5,398)
Total current liabilities		(186,683)	(148,550)
Liabilities classified as held for sale	35	(4,032)	—
Total liabilities		(583,817)	(527,591)
Total equity and liabilities		(554,387)	(534,971)

The financial statements on pages 26 to 99 are approved by the Board on 17 April 2025 and signed on its behalf by:

R S Kledal
Director

Jean-Francois Vingre
Director

The notes on pages 37 to 99 form an integral part of these financial statements.

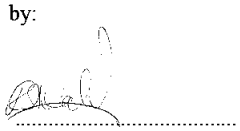
Survitec Acquisition Company Limited

(Registration number: 09333067)
Company Statement of Financial Position as at 31 December 2024

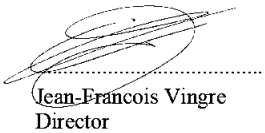
	Note	31 December 2024 £ 000	31 December 2023 £ 000
Assets			
Non-current assets			
Investments	14	134,939	134,939
Current assets			
Cash and cash equivalents	21	21	21
Total assets		**134,960**	**134,960**
Equity and liabilities			
Equity			
Share capital	23	(928)	(928)
Share premium		(405,297)	(405,297)
Capital contribution reserve		(533,333)	(533,333)
Accumulated losses		804,677	804,677
Total equity		(134,881)	(134,881)
Current liabilities			
Trade and other payables	30	(79)	(79)
Total current liabilities		(79)	(79)
Total equity and liabilities		(134,960)	(134,960)

The company has taken advantage of section 408 of the Companies Act 2006 and has not included its own Statement of Comprehensive Income in these financial statements. The Company's result for the year was £Nil (31 December 2023: £Nil).

The financial statements on pages 26 to 99 were approved by the Board on 17 April 2025 and signed on its behalf by:



R S Kledal
Director



Jean-Francois Vingre
Director

The notes on pages 37 to 99 form an integral part of these financial statements.

Survitec Acquisition Company Limited

Consolidated Statement of Changes in Equity for the Year Ended 31 December 2024

	Share capital £ 000	Share premium £ 000	Capital contribution reserve £ 000	Foreign currency translation reserve £ 000	Accumulated losses £ 000	Total £ 000	Non-controlling interests £ 000	Total equity £ 000
At 1 January 2024	928	405,298	618,348	(27,716)	(989,854)	7,004	376	7,380
Loss for the year	—	—	—	—	(25,864)	(25,864)	130	(25,734)
Other comprehensive expense	—	—	—	(12,877)	277	(12,600)	—	(12,600)
Gain on cash flow hedges (note 4)	—	—	—	—	1,068	1,068	—	1,068
Total comprehensive expense	—	—	—	(12,877)	(24,519)	(37,396)	130	(37,266)
Share based payment movement	—	—	—	—	456	456	—	456
At 31 December 2024	928	405,298	618,348	(40,593)	(1,013,917)	(29,936)	506	(29,430)

The notes on pages 37 to 99 form an integral part of these financial statements.

Survitec Acquisition Company Limited

Consolidated Statement of Changes in Equity for the Year Ended 31 December 2024 (continued)

	Share capital £ 000	Share premium £ 000	Capital contribution reserve £ 000	Foreign currency translation reserve £ 000	Accumulated losses £ 000	Total £ 000	Non-controlling interests £ 000	Total equity £ 000
At 1 January 2023	928	405,298	533,333	(11,270)	(917,361)	10,928	261	11,189
Loss for the year	—	—	—	—	(70,743)	(70,743)	—	(70,743)
Other comprehensive expense	—	—	—	(16,446)	(285)	(16,731)	—	(16,731)
Loss on cash flow hedges (note 4)	—	—	—	—	(1,642)	(1,642)	—	(1,642)
Total comprehensive expense	—	—	—	(16,446)	(72,670)	(89,116)	—	(89,116)
Non-controlling interest	—	—	—	—	(115)	(115)	115	—
Capital contribution additions (note 23)	—	—	85,015	—	—	85,015	—	85,015
Share based payment movement	—	—	—	—	292	292	—	292
At 31 December 2023	928	405,298	618,348	(27,716)	(989,854)	7,004	376	7,380

The notes on pages 37 to 99 form an integral part of these financial statements.

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Survitec Acquisition Company Limited

Company Statement of Changes in Equity for the Year Ended 31 December 2024

	Share capital £ 000	Share premium £ 000	Capital contribution reserve £ 000	Accumulated losses £ 000	Total equity £ 000
At 1 January 2024	928	405,297	533,333	(804,677)	134,881
Result for the year	-	-	-	-	-
At 31 December 2024	928	405,297	533,333	(804,677)	134,881

	Share capital £ 000	Share premium £ 000	Capital contribution reserve £ 000	Accumulated losses £ 000	Total equity £ 000
At 1 January 2023	928	405,297	533,333	(804,677)	134,881
Result for the year	-	-	-	-	-
At 31 December 2023	928	405,297	533,333	(804,677)	134,881

The notes on pages 37 to 99 form an integral part of these financial statements.

Survitec Acquisition Company Limited

Consolidated Statement of Cash Flows for the Year Ended 31 December 2024

	Notes	Year ended 31 December 2024 £ 000	Year ended 31 December 2023 £ 000
Cash flows from operating activities			
Loss for the year		(25,734)	(70,743)
Income tax charge	13	1,372	5,774
Depreciation and amortisation		34,840	33,781
Depreciation on right of use assets	18	9,604	9,582
Cash interest received	11	(303)	(216)
Impairment of Goodwill / intangible assets	16	1,502	524
Profit on disposal of property, plant and equipment	9	(1,720)	(159)
Loss on modification of a loan	12	—	8,158
Interest expense	11	49,016	43,051
Foreign exchange and other movements		(363)	1,160
Difference between pension charge and cash contributions		(97)	(968)
Decrease in provisions		(781)	(3,496)
		67,336	26,448
Working capital adjustments			
Decrease in inventories		3,337	13,086
Increase in trade and other receivables		(17,599)	(23,553)
Increase in trade and other payables		24,055	2,949
Cash generated from operations		77,129	18,930
Income taxes paid		(5,155)	(3,497)
Net cash flow generated from operating activities		71,974	15,433
Cash flows from investing activities			
Interest received	11	303	216
Acquisition of subsidiaries	15	(16,623)	(12,570)
Acquisitions of property, plant and equipment	17	(25,429)	(22,793)
Proceeds from sale of property, plant and equipment		6,256	2,363
Acquisition of intangible assets	16	(8,267)	(5,350)
Net cash flows used in investing activities		(43,760)	(38,134)

The notes on pages 37 to99 form an integral part of these financial statements.

Survitec Acquisition Company Limited

Consolidated Statement of Cash Flows for the Year Ended 31 December 2024 (Continued)

	Notes	Year ended 31 December 2024 £ 000	Year ended 31 December 2023 £ 000
Cash flows from financing activities			
Cash interest paid	26	(30,818)	(13,977)
Proceeds from bank borrowing drawdowns	26	—	32,795
Repayment of banks borrowings	26	(146)	(12,845)
Payments to lease creditors	26	(11,227)	(11,212)
Payment of other finance costs and capitalised finance costs		—	(781)
Contribution from parent undertakings	23	—	34,615
Net cash flows (utilised) / generated from financing activities		(42,191)	28,595
Net (decrease)/ increase in cash and cash equivalents		(13,977)	5,894
Cash and cash equivalents at beginning of the period		57,911	55,872
Decrease from exchange rate fluctuations on cash held		(62)	(3,855)
Reclassification to Held for Sale		(3,682)	—
Cash and cash equivalents at 31 December		40,190	57,911

The notes on pages 37 to99 form an integral part of these financial statements.

Survitec Acquisition Company Limited

Company Statement of Cash Flows

	Year ended 31 December 2024 £ 000	Year ended 31 December 2023 £ 000
Cash flows from operating activities		
	-	-
Working capital adjustments		
Cash flows from financing activities		
Net cash flows from financing activities	-	-
Cash and cash equivalents at beginning of the year	21	21
Cash and cash equivalents at 31 December	21	21

The notes on pages 37 to99 form an integral part of these financial statements.

Survitec Acquisition Company Limited

Notes to the Financial Statements for the Year Ended 31 December 2024

1 General information

The Company is a private company limited by share capital, incorporated in England and Wales, United Kingdom.

The address of its registered office is:
Aviator Industrial Park
Eric Fountain Road
Ellesmere Port
England. United Kingdom
CH65 1AX

These financial statements were authorised for issue by the Board on 17 April 2025.

2 Accounting policies

Basis of preparation

The Group and Company financial statements have been prepared in accordance with UK-adopted International Accounting Standards and with the requirements of the Companies Act 2006 as applicable to companies reporting under those standards.

The financial statements have been prepared on a historical cost basis, except otherwise stated.

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires Management to exercise its judgement in the process of applying the Group's accounting policies. Please see note 3 for further details.

The consolidated financial statements are presented in sterling (£) and all values are rounded to the nearest thousand, except when otherwise indicated.

Going concern

The Group has a net liability position as at 31 December 2024 of £36,254,000 which has reduced from a net asset position of £7,380,000 as at 31 December 2023. This change is primarily attributable to finance costs and foreign exchange movements during the year.

Management has taken active steps to address prior challenges, including supply chain disruptions, inflation, and working capital constraints. These efforts have led to a significant turnaround, with the Group achieving an operating profit of £25,400,000 during the year ended 31 December 2024, compared to an operating loss of £(13,100,000) in the previous year. Furthermore, a 9% reduction in inventory levels has contributed in improving the Group's net working capital position.

In reviewing the appropriateness of the Going concern assumption, management has prepared forecasts covering the Going concern period, which is a period of at least 12 months after approval of these financial statements. The forecasts comprise base case forecasts on which the Group's financial performance is managed. In addition to this, management has also prepared a severe but plausible downside forecast, by adjusting key trading assumptions such as a potential reduction in contribution margin and less a favourable working capital performance.

The assessment of Going concern also encompasses the Group's and Company's compliance with its financial covenants under its banking facilities, as the availability of these facilities is conditional on such compliance. As at 31 December 2024, the Group has access to three external facilities as explained in note 26.

These covenants include leverage and minimum liquidity covenants, which are tested quarterly and monthly respectively. The leverage covenant requires the Group to maintain a specified ratio of last 12 months EBITDA to net debt at each test date, whilst the minimum liquidity covenant requires the group to maintain a minimum available liquidity of £10,000,000 at each test date and £5,000,000 at any time over a rolling 13-week forecast. The leverage covenant reduces incrementally from 5.8x on 31 December 2024, to 4.2x on 30 June 2026.

Under both the base case and the severe but plausible downside forecasts the Group is expected to generate sufficient profits and cash during the Going concern period to enable the Group and the Company to meet its obligations as they fall due. This includes having sufficient headroom to comply with the financial covenants attached to the banking facilities as described above. As a result, the Directors have deemed it appropriate to adopt the going concern basis in the preparation of these financial statements.

Basis of consolidation

The Group financial statements consolidate the financial statements of the Company and its subsidiary undertakings drawn up to 31 December 2024.

Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by the Group.

Intra-Group transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated.

Changes in ownership interests in subsidiaries without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions - that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

Changes in accounting policy

Standards and interpretations issued and effective

No amendments to IFRS that became effective during the year resulted in new accounting policies, or changes to existing accounting policies that had a significant impact on the Group's or Company's financial position or performance.

Standards and interpretations issued but not yet effective

Minor amendments to IFRSs: The IASB has published a number of minor amendments to IFRSs that are applicable for periods beginning after 1 January 2024. The Group does not anticipate any of these amendments will have a significant impact on the Group.

Major new IFRSs:

IFRS 18 will be applicable for periods beginning 1 January 2027. Management will carry out an assessment of its impact on the Group's financial statements. There are no other standards which are issued but not yet effective which will have a material impact on the Group's financial statements.

Business combinations

The Group applies the acquisition method in accounting for business combinations. The consideration transferred by the Group to obtain control of a subsidiary is calculated as the sum of the acquisition-date fair values of assets transferred, liabilities incurred and the equity interests issued by the Group, which includes the fair value of any asset or liability arising from a contingent consideration arrangement. Acquisition costs are expensed as incurred.

Assets acquired and liabilities assumed are generally measured at their acquisition-date fair values.

Goodwill is measured at cost as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Revenue Recognition

Revenue comprises the fair value of the consideration received or receivable for the provision of services in the ordinary course of the Group's activities. Revenue is shown net of value-added tax and after eliminating sales within the Group.

The Group has the following key revenue streams, sale of goods, sale of goods with installation and/or training, sale of fire safety systems, rendering of services, lease income and design revenue. The Group's performance obligations and revenue recognition policy for each revenue stream is noted below.

In the case of fixed-price contracts, the customer pays the fixed amount based on a payment schedule. If the services rendered by the Company exceed the payment, a contract asset is recognised. If the payments exceed the services rendered, a contract liability is recognised.

(a) Sale of goods

For contracts for the sale of an individual item, the performance obligation is the acceptance or delivery of the item. For contracts with more than one item, the performance obligation is either:
- The acceptance or delivery of each individual item where each item is considered distinct; or
- The acceptance or delivery of the final item where the goods are not distinct.

Revenue is recognised at the point in time when the customer obtains control of the goods which is based on the delivery terms of the contract. Revenue is recognised over time using the input method in case of longer term contracts or where the performance obligation is satisfied over time. This revenue is included within 'sale of goods and services' in note 5.

(b) Sale of goods with installation and/or training

Delivery of goods, installation services and training services are treated as separate performance obligations as the customer can benefit from each separately and they are separate promises within the contracts.

Revenue in respect of goods is in line with 'a) Sale of goods'. Revenue in respect of installation is recognised over the period of the installation service and revenue in respect of training is recognised over the period of the training. This revenue is included within 'sale of goods and services' in note 5.

(c) Sales of Fire Safety Systems

The performance obligation is the overall contracted requirement to design, deliver and commission a bespoke fire safety system. Revenue on these contracts is recognised over the period of the contract. Stage of completion is determined using the input method based on costs incurred to date relative to the total expected cost to deliver the contract. This revenue is included within 'sale of goods and services' in note 5.

(d) Rendering of services

The performance obligation is the provision of servicing work as specified in the customer contract. Revenue is recognised as follows:

- Where a contractual right to receive payment exists, revenue is recognised over the period services are provided using the percentage of completion method, based on the input method using time spent; and
- Where no contractual right to receive payment exists, revenue is recognised upon completion of each separate performance obligation, which is typically when implementation services are complete or training materials have been provided to the customer.

The Group moreover receives revenue from sales-based royalty agreements, where the Group grants exclusive licence to use its technical information and copyright in the agreed territory. The revenue is recognised on the later of the subsequent sale and the performance obligation to which some or all of the sales-based royalty has been allocated has been satisfied (or partially satisfied). This revenue is included within 'sale of goods and services' in note 5.

(e) Lease income

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term. This revenue is included within 'leasing of equipment' in note 5.

(f) Design Revenue

The Company provides product design services which includes drawing, configuration, verification, certification, and testing reports. Revenue relating to the design services is recognised over time when the performance obligation is satisfied using the input method. This revenue is included within 'sale of goods and services' in note 5.

Government grants

Grants from the government are recognised at their fair value in profit or loss where there is a reasonable assurance that the grant will be received and the group has complied with all attached conditions. Grants received where the group has yet to comply with all attached conditions are recognised as a liability (and included in deferred income within trade and other Payables) and released to income when all attached conditions have been complied with.

Government grants relating to the purchase of intangible assets are included in non-current liabilities as deferred income, and they are credited to profit or loss on a straight-line basis over the expected lives of the related assets.

Foreign currency transactions and balances

(a) Functional and presentation currency
Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Sterling (£) which is the Group's presentation currency.

(b) Transactions and balances
Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement, except when deferred in other comprehensive income as qualifying cash flow hedges and qualifying net investment hedges. Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the income statement within 'finance income or costs'. All other foreign exchange gains and losses are presented in the income statement within 'Other operating expenses'.

Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

(c) Group companies
The results and financial position of all the Group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated as follows:

i) Assets and liabilities for each balance sheet presented are translated at the closing rate at the reporting date;
ii) Income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions);
iii) All resulting exchange differences on translation of long-term intercompany receivables and payables, which are deemed to be part of the net investment in foreign operations, are recognised in Other Comprehensive Income; and
iv) All resulting exchange differences are recognised in Other Comprehensive Income.

Tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except when an item of income or expense is recognised as Other Comprehensive Income, then the attributable tax is also recognised directly in Other Comprehensive Income.

The current income tax charge, including UK corporation tax and foreign tax, is calculated on the basis of the tax laws enacted or substantively enacted by the balance sheet date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill; deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transactions affects neither accounting nor taxable profit or loss.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled. Deferred income tax is measured on a non-discounted basis.

Deferred income tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred income tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax is recognised in respect of the retained earnings of overseas subsidiaries only to the extent that at the balance sheet date dividends have been accrued as receivable or a binding agreement to distribute past earnings in the future has been entered into by the subsidiary.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Property, plant and equipment

Property, plant and equipment is stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of property, plant and equipment includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Freehold buildings	2 - 4% Straight-line
Leasehold improvements	Life of lease Straight-line
Plant and machinery	5 - 25% Straight-line
Computer equipment	20 - 33% Straight-line
Motor vehicles	20 - 33% Straight-line
Survival suits	8 - 10% Straight-line
Liferafts	10% Straight-line

The assets' residual values and estimated useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'Other operating expenses' in the income statement.

Right of use assets

Right of use assets are stated in the statement of financial position at the initial amount of the lease liability, plus any lease payments made to the lessor before the lease commencement date, plus any initial direct costs incurred, minus any lease incentives received.

The depreciation period for the right of use asset is from the lease commencement date to the earlier of the end of the lease term or the end of the useful economic life of the asset. Where it is reasonably certain that the Group will exercise an option to purchase the asset, the depreciation period is through to the end of the asset's useful economic life.

Intangible assets

(a) Goodwill is measured using purchase price accounting. Goodwill on acquisition is included in intangible assets. Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for management reporting purposes.

(b) Contractual customer relationships
Separately acquired customer relationships are shown at historical cost. Customer relationships acquired in a business combination are recognised at fair value at the acquisition date. Customer relationships have a finite useful life and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method to allocate the cost of customer relationships over their estimated useful lives of 7 to 20 years.

(c) Developed technology
Separately acquired developed technology is shown at historical cost. Developed technology acquired in a business combination is recognised at fair value at the acquisition date. Developed technology has a finite useful life and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method to allocate the cost of developed technology over the estimated useful lives up to 20 years.

Research and development activities are typically self-initiated in nature. Costs for self-initiated research and development activities are assessed to determine if they qualify for recognition as internally generated intangible assets based on the following criteria:

- It is technically feasible to complete the intangible asset so that it will be available for use;
- Management intends to complete the intangible asset and use or sell it;
- There is an ability to use or sell the intangible asset;
- It can be demonstrated how the intangible asset will generate probable future economic benefits;
- Adequate technical, financial and other resources to complete the development and to use or sell the intangible are available; and
- The expenditure attributable to the intangible asset during its development can be reliably measured.

Further to meeting these criteria, only such costs that relate solely to the development phase of a self-initiated project are capitalised, this includes capitalisation of labour costs associated with the development phase. Any costs that are classified as part of the research phase of a self-initiated project are expensed as incurred. If the research phase cannot be clearly distinguished from the development phase, the respective project-related costs are treated as if they were incurred in the research phase only.

Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period. Assets are amortised once they are in use.

(d) Patents, trademarks, brands and other intangibles
Separately acquired patents, trademarks, brands and other intangibles are shown at historical cost. Those acquired in a business combination are recognised at fair value at the acquisition date, have a finite useful life and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method to allocate the cost over their estimated useful lives of 1 to 25 years.

Included within other intangibles is computer software. Costs associated with maintaining computer software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design

and testing of identifiable and unique software products controlled by the group are recognised as intangible assets when the criteria as per (b) 'Developed technology' are met.

Computer software development costs recognised as assets are amortised over their estimated useful lives, of 3 to 10 years.

Capitalised costs are also reviewed for potential impairment where there are indicators of impairment.

Internally developed intangible assets not yet brought into use are tested for impairment annually.

Investments (Company only)

Investments in subsidiaries are shown at cost less accumulated impairment losses. Investments are reviewed annually for impairment by comparing the carrying value of the investment to the higher of the subsidiary Group's value in use and fair value less costs to sell.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within loan and borrowings in current liabilities in the consolidated balance sheet.

Trade receivables

Trade receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection is expected in one year, they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provisions for impairment. The Group assesses impairments based on the lifetime expected credit loss.

Inventories

Inventories are stated at the lower of cost and net realisable value.

The cost of finished goods and work in progress comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Costs are assigned to individual items of inventory on a standard cost basis. At each reporting date, inventories are assessed for impairment. If inventory is impaired, the carrying amount is reduced to its selling price less costs to complete and sell; the impairment loss is recognised immediately in profit or loss.

Provisions against inventories are charged (credited if released) to the income statement.

Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less, or in the normal operating cycle of the business if longer. If not, they are presented as non-current liabilities.

Trade payables are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Borrowings

All borrowings are initially recorded at the amount of proceeds received, net of transaction costs. Borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the income statement over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in finance costs.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Provisions

a) Warranty
Due to the nature of products manufactured by the Group, warranty provisions are recognised when there is an expectation of a constructive or legal obligation on Survitec Group to rectify any issues identified on the part of their customers. The provision is best estimated based on known claims and on estimates based upon past experience, of possible future claims which could arise over the life of the products sold.

b) Dilapidations
Within the Group there are a number of properties under repairing lease arrangements requiring the properties to be reinstated to their original state when vacating the property. A provision is recognised for the full value of the reparation to the buildings' original configuration. The provision is estimated using third party valuations from current and prior periods, updated for any changes in building condition and configuration.

c) Employee Benefits
Long-term employee benefits may include paid long-service leave, other long service benefits, and profit sharing and bonus schemes (other than share based payments). These should include situations in which an employee could require settlement after 12 months of the end of the period in which the services have been rendered, and should be considered at the end of the reporting period. A liability is recognised for the present value of the obligation.

d) Other
Provisions for legal disputes and other claims are recognised when the Group has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic resources will be required from the Group and amounts can be estimated reliably. The timing of the outflow may still be uncertain.

Provisions are discounted to their present values, where the time value of money is material. The discount rate is the pre-tax rate that reflects current market assessments of the time value of money and risks specific to the liability.

Leases

Initial recognition and measurement

The group initially recognises a lease liability for the obligation to make lease payments and a right-of-use asset for the right to use the underlying asset for the lease term. The lease liability is measured at the present value of the lease payments to be made over the lease term.

The lease payments include fixed payments, purchase options at exercise price (where payment is reasonably certain), expected amount of residual value guarantees, termination option penalties (where payment is considered reasonably certain) and variable lease payments that depend on an index or rate.

The right-of-use asset is initially measured at the amount of the lease liability, adjusted for lease prepayments, lease incentives received, the group's initial direct costs (e.g., commissions) and an estimate of restoration, removal and dismantling costs.

Subsequent measurement

After the commencement date, the group measures the lease liability by:
(a) Increasing the carrying amount to reflect interest on the lease liability;
(b) Reducing the carrying amount to reflect the lease payments made; and
(c) Re-measuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in substance fixed lease payments or on the occurrence of other specific events.

The related right-of-use asset is accounted for using the Cost model and depreciated over the life of the lease. Right of use assets are tested for impairment at least annually.

Lease modifications

If a lease is modified, the modified contract is evaluated to determine whether it is or contains a lease. If a lease continues to exist, the lease modification will result in either a separate lease or a change in the accounting for the existing lease.

For all lease modifications which are not accounted for as a separate lease, IFRS 16 requires the lessee to recognise the amount of the re-measurement of the lease liability as an adjustment to the corresponding right-of-use asset without affecting profit or loss.

Short term and low value leases

The group has made an accounting policy election, by class of underlying asset, not to recognise lease assets and lease liabilities for leases with a lease term of 12 months or less (i.e. short-term leases) or low value leases.

Group as lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as income. Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. The Group will continue to recognise the leased asset in its statement of financial position.

Leases in which the Group transfers substantially all the risks and rewards incidental to ownership of an asset are classified as finance leases. Under a finance lease, the present value of the minimum future lease payments receivable by the Group is recognised as an investment in lease and the related asset is derecognised.

In determining whether contracts for which the group is a lessor (such as Extended Service Revenue (ESR) liferaft contracts) are classified as operating or finance leases, management assesses whether or not the risk and rewards incidental to ownership of the asset in question have been transferred to the lessee, taking into account factors such as the lease term in comparison to the life of the asset, and any option to purchase exercisable by the lessee.

Impairment of non-financial assets

Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's 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 that reflects current market assessments of the time

value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one party and a financial liability or equity instrument of another party. Financial assets of the Group include cash and cash equivalents, trade and other receivables, contract assets, and favourable derivative financial instruments. Financial liabilities of the Group include trade and other payables, borrowings, and unfavourable derivative financial instruments.

Initial recognition and measurement

Financial assets and liabilities are recognised in the statement of financial position when the Group becomes a party to the contractual obligations of the instrument.

The Group classifies its financial assets in the following measurement categories:

i) Those to be measured at amortised costs; and
ii) Those to be measured subsequently at fair value (either through Other Comprehensive Income or through profit and loss).

At initial recognition, the Group measures a financial asset at its fair value plus transaction costs that are directly attributable to the acquisition of the financial asset.

Regular way purchases and sales of financial assets are recognised on the trade date at which the commitment to purchase or sell the asset is made.

Financial liabilities are classified as financial liabilities at fair value through profit or loss, other financial liabilities at amortised cost or as derivatives.

Subsequent measurement
Subsequent to recognition, financial assets and liabilities are measured according to the category to which they are classified.

(a) Financial assets
The Group only has financial assets classified at amortised cost. These assets are those held for contractual collection of cash flows, where those cash flows represent solely payments of principal and interest and are held at amortised cost. Any gains or losses arising on derecognition is recognised directly in profit or loss. Impairment losses are presented as a separate line in the profit and loss account.

(b) Financial liabilities at fair value through profit and loss
Financial liabilities are classified as at FVTPL when the financial liability is either held for trading or it is designated as at FVTPL. Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on re-measurement recognised in profit or loss.

(c) Other financial liabilities
Trade and other payables and borrowings (including amounts due to related parties) are classified as other financial liabilities and are initially measured at fair value, net of transaction costs and subsequently measured at amortised cost using the effective interest rate method.

Derivative financial instruments and hedge accounting

The Group uses derivative financial instruments to hedge its exposure to foreign currency risks and interest rate risk exposures. Such derivative financial instruments are subsequently measured at fair value with changes in fair value generally being recognised in other comprehensive income. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when fair value is negative. A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not expected to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

i) Cash flow hedges
Where derivatives are designated as hedges of the exposure to variability in cash flows of a recognised asset or liability, or a highly probable forecast transaction, the portion of the fair value gain or loss on the derivative that is determined to be an effective hedge is recognised directly in equity. The ineffective part of any gain or loss is recognised in the income statement immediately.

The accumulated gains and losses recognised in equity are reclassified to the income statement in the periods in which the hedged item will affect profit or loss. When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss recognised at that time remains in equity until the forecast transaction is eventually recognised in the income statement.

When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was recognised in equity is immediately reclassified to the income statement.

ii) Fair value hedges
Where a derivative is designated as the hedging instrument to hedge the change in fair value of a recognised asset or liability or a firm commitment that could affect profit or loss, changes in the value of the derivative are recognised immediately in the income statement together with changes in the fair value of the hedged item that are attributable to the hedged risk. Fair values are based on quoted market prices in active markets or, where these are not available, using valuation techniques such as discounted cash flow models. If the derivative expires or is sold, terminated, or exercised, or no longer meets the criteria for fair value hedge accounting, or the designation is revoked, then hedge accounting is prospectively discontinued. Any adjustment up to that point, to a hedged item for which the EIR method is used, is amortised to profit or loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the income statement.

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred. The Group derecognises the financial assets under the factoring arrangement that was entered into in the prior year. See note 20 for further details.

Modification

When renegotiating or otherwise modifying the contractual cash flows of loans, the Group considers whether or not the new terms are substantially different to the original terms. If the new terms are not substantially different to the original terms, the modification in contractual cash flows does not result in derecognition. The gain or loss on modification of the contractual cash flow associated with the recognition of the revised gross carrying amount is recognised in the income statement.

When the contractual cash flows of financial assets are renegotiated or otherwise modified and the new terms are substantially different to the original terms, the original liability is derecognised, and a new set is recognised at fair value with a new EIR. The difference between the carrying amount derecognised and that rerecognised is included in the income statement as a gain or loss on derecognition. See note 26 for further details of the current year modification.

Impairment of a financial asset

The Group assesses on a forward looking basis, the expected credit losses associated with its debt instruments carried at amortised cost. For the majority of trade receivables the Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from the initial recognition of the receivables.

Fair value of financial instruments

Fair value amounts disclosed in these financial statements represent the Group's estimate of the price at which a financial instrument could be exchanged in an arm's length market transaction between knowledgeable, willing parties who are under no compulsion to act. They are point-in-time estimates that may change in subsequent reporting periods due to market conditions or other factors. Fair value is determined by reference to quoted prices in the most advantageous active market for that instrument to which the Group has immediate access. However, where there is no active market for the Group's financial instruments, the Group determines fair value based on internal or external valuation models, such as stochastic models, option-pricing models and discounted cash flow models. These calculations represent management's best estimates based on a range of methods and assumptions. Since they are based on estimates the fair values may not be realised in an actual sale or immediate settlement of the instruments.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Retirement Benefit obligations

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a separate entity and has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

For defined contribution plans contributions are paid publicly or privately administered pension insurance plans on a mandatory or contractual basis. The contributions are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as an asset.

Defined Benefit pension obligations

Typically defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, periods of service and compensation.

The liability recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated by independent actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligation.

The UK and Dutch defined benefit schemes are funded, with the assets of the UK scheme held separately from those of the Group in separate trustee administered funds. In Germany, the Group operates an unfunded defined benefit scheme.

The current service cost of the defined benefit plan, recognised in the income statement in employee benefit expense, except where included in the cost of an asset, reflects the increase in the defined benefit obligation resulting from employee service in the current period, benefit changes curtailments and settlements.

Past-service costs are recognised immediately in income. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

Any asset resulting from the calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the plan. Where the Group is considered to have a contractual obligation to fund the pension scheme above the accounting value of the liabilities, an onerous obligation is recognised.

The Group's balance sheet includes the net scheme surplus or deficit, being the difference between the fair value of the schemes' assets and the present value of scheme liabilities at the balance sheet date. Surpluses are recognised as an asset to the extent the Group has an unconditional right under the scheme rules to reduced contributions in future or obtain refunds from the schemes in accordance with IFRIC 14 The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction.

Share based payments

The Group operates a share-based compensation plan, under which the Company and its subsidaries receives services from employees as consideration for equity instruments. The awards are issued by Ark Topco Limited and the Group has no obligation to settle the awards. The fair value of the employee services received in exchange for the issue of the shares is recognised as an expense. A credit is recognised directly in equity. The total amount to be expensed is determined by reference to the fair value of the shares issued.

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. In addition, in some circumstances, employees might provide services in advance of the grant date, and so the grant date fair value is estimated for the purposes of recognising the expense during the period between service commencement and grant date.

At the end of each reporting period, the Group revises its estimates of the number of options that are expected to vest based on the non-market vesting conditions. It recognises the impact of the revision to original estimates, if any, in the income statement, with a corresponding adjustment to equity.

3 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group's accounting policies the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. 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 the revision and future periods if the revision affects both current and future periods.

Critical accounting judgements:

Cash generating units

The Group has assessed its global operations and concluded that the Group is made up of three Cash Generating Units (CGU's) at 31 December 2024 (31 December 2023: three) based on its operating divisions Marine, Hansen Protection and Aerospace and Defence.

Products in Development (Seahaven)

Management has assessed that Seahaven continues to be a marketable product and has the capability to be commercialised based on the current ongoing negotiations with potential customers.

Key sources of estimation uncertainty:

Impairment of goodwill, and acquired intangibles and other non-financial assets
The Group tests at least annually whether goodwill, acquired intangibles and other non-current assets have suffered any impairment, in accordance with its accounting policies. It does this by assessing the future cash flows of the CGUs to assess their 'value in use' which is used as the recoverable amount. The carrying amount of a CGU is compared to its recoverable amount. Assessing the value in use of a CGU requires management to estimate certain inputs, which can have a material impact on the respective values and ultimately the amount of any impairment. Long term growth rates, discount rates and trading performance are considered to be the key estimates in management's model.

In compliance with IAS 36, intangible assets that are not yet in use such as developed technologies, in particular the Seahaven programme and certain IT assets are subject to annual impairment testing. This ensures that their carrying value does not exceed their recoverable amount. Assessing the value in use of Seahaven requires management to estimate certain inputs, which can have a material impact on the respective value and ultimately the amount of any impairment. Price per system, discount rates and the timing of commercialisation are considered to be the key estimates in management's model. See note 16 for the results of this impairment assessment.

Defined benefit pension scheme
The Group has an obligation to pay pension benefits to certain employees. The cost of the defined benefit pension plan and the present value of the pension obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Any change to these assumptions will impact the carrying amount of the pension obligations. All assumptions are reviewed at each reporting date. The sensitivity analysis for these key estimates is included in note 27.

Recoverability of investments (Company only)
Management have performed an impairment assessment of the investments held by the Company, comparing the carrying value to the higher of the Group's value in use with the carrying value of the investment. As the Company holds the investment in all the subsidiaries of the Group either directly or indirectly, the total recoverable amount attributed to the identified CGUs above less the debt owed by subsidiaries is considered appropriate to assess the recoverable amount of the Company's investment as a whole. All the estimates noted within the 'impairment of goodwill, acquired intangibles and other non-current assets' also apply to the recoverability of investments as the management uses the same analysis undertaken at a CGU level.

4 Financial risk management

Financial risk factors

The Group's Head Office function provides services to the business, co-ordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Group through internal risk reports which analyses exposures by degree and magnitude of risks. These risks include market risk (including foreign currency risk and interest rate risk), credit risk and liquidity risk.

The Group seeks to minimise the effects of these risks by using derivative financial instruments to minimise these risk exposures. The use of financial derivatives is governed by the Group's policies approved by the directors, which provide principles on foreign exchange risk, interest rate risk, credit risk, the use of financial derivatives and non-derivative financial instruments, and the investment of excess liquidity.

The Group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

a) Market risk

The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates (see below). The Group enters into derivative financial instruments to manage its exposure to interest rate and foreign currency risk, specifically forward foreign exchange contracts, to mitigate the exchange rate risk arising on the sale of goods or purchase of materials in non-functional currencies.

i) Foreign currency risk

The Group's operations undertake transactions denominated in currencies other than their functional currency; consequently exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters utilising forward foreign exchange contracts.

It is the policy of the Group to enter into forward foreign exchange contracts to cover specific foreign currency payments and receipts. The Group may also enter into forward foreign exchange contracts to manage the risk associated with anticipated sales and purchase transactions out to 12 months. Basis adjustments are made to the carrying amounts of non-financial hedged items when the anticipated sale or purchase transaction takes place.

The carrying amounts of the non-functional currency denominated monetary assets and monetary liabilities at the reporting date are substantially covered by some form of natural hedge or derivative financial instruments. A movement of 5% in the year end exchange rates of the key currencies that impact the Group's performance, are not expected to materially impact the loss before tax for the year.

ii) Interest rate risk

The Group's external debt interest is based on ratchet margin plus variable rate. The Group hedged its variable rate exposure from floating to fixed at 5%. The interest rate cap covers £202,500,000 (84%) of the Unitranche loan. The hedging ratio is 0.84:1, the instrument has a termination date of August 2025.

2024

Derivative financial instrument	Notional amount of hedging instrument	Asset	Liability	Gain/(loss) recognised in OCI	Hedge ineffectiveness recognised in the IS
	£ 000	£ 000	£ 000	£ 000	£ 000
Interest rate cap – cashflow hedge	202,500	6	—	1,068	—

The sensitivity analysis above has been calculated for unhedged portion as of 31 December 2024 and has been determined based on the exposure to interest rates for both derivatives and non-derivative instruments at the balance sheet date. For floating rate liabilities, the analysis is prepared assuming the amount of liability outstanding at the balance sheet date was outstanding for the whole year. A 1% increase or decrease is used when considering interest rate risk by key management personnel. If interest rates had been 1 per cent higher and all other variables were held constant the Group's loss for the year ended 31 December 2024, based on the closing level of such debt for the year, would increase by approximately £382,000(31 December 2023: £382,000).

b) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group only transacts with entities that are rated the equivalent of investment grade and above. This information is supplied by independent rating agencies where available, and if not available, the Group uses other publicly available financial information and its own trading records to rate its major customers. The Group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by the risk management committee annually. Please refer to note 20 for default rates and ageing profiles.

Trade receivables consist of a large number of customers, spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivable.

The Group does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The Group defines counterparties as having similar characteristics if they are related entities. Concentration of credit risk to any counterparty did not exceed ten per cent of gross monetary assets at any time during the period.

The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies. The carrying amount of financial assets recorded in the financial statements, which is net of impairment losses, represents the Group's maximum exposure to credit risk as no collateral or other credit enhancements are held.

c) Liquidity risk

Ultimate responsibility for liquidity risk management rests with the directors, who have established an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking

facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The following tables detail the Group's remaining contractual maturity for its financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group or the Company can be required to pay. The table includes both interest and principal cash flows. The table below excludes lease liabilities that are financial liabilities under IFRS 9 and the remaining contractual maturity is disclosed in note 24.

Group

	Up to 1 year £ 000	2-3 years £ 000	4-5 years £ 000	Total £ 000
31 December 2024				
Borrowings	39,524	422,598	—	462,122
Trade and other payables excluding accrued interest	112,132	—	—	112,132
	151,656	422,598	—	574,254

	Up to 1 year £ 000	2-3 years £ 000	4-5 years £ 000	Total £ 000
31 December 2023				
Borrowings	36,641	115,583	348,864	501,088
Trade and other payables excluding accrued interest	84,289	—	—	84,289
	120,930	115,583	348,864	585,377

The tables above reflects the timing of repayments based on the contractual terms and conditions of the Unitranche and the PIK loan agreement. Balances due within 12 months equal their carrying balances, because the impact of discounting is not significant.

Company

	Up to 1 year £ 000	2-3 years £ 000	4-5 years £ 000	Total £ 000
31 December 2024				
Trade and other payables	79	-	-	79
	79	-	-	79

	Up to 1 year £ 000	2-3 years £ 000	4-5 years £ 000	Total £ 000
31 December 2023				
Trade and other payables	79	-	-	79
	79	-	-	79

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The capital structure of the Group consists of debt, which includes bank borrowings, revolving credit facilities and cash and cash equivalents and share capital.

The Group has a £240,000,000 loan agreement, denominated in sterling, for 6 years (maturing June 2027) at a floating rate of interest. The loan has standard compliance terms including a leverage test and minimum liquidity.

Additionally the Group has £50,000,000 Payment-in-kind (PIK) facility negotiated in 2023, with similar maturity to the Unitranche loan. The PIK facility is not considered in Group loan covenants.

The Group also has a £38,000,000 rolling credit facility ("RCF") as well as having renewed its £15,000,000 guarantee facility.

The Group does not manage to a target gearing figure, but it does manage the business to keep below the Consolidated Total Net Debt to pro-forma EBITDA covenant included in its banking facilities agreement. The covenant targets vary over time, and are periodically re-negotiated.

d) Capital risk management

The Group's capital management objectives are to ensure the Group's ability to continue as a going concern and to maintain adequate liquidity levels for both sustaining and growing the business. For covenant purposes the Consolidated Total Net Debt includes bank borrowings and overdrafts and the capital portion of any leases, net of cash balances. Pro-forma EBITDA is based on Earnings before Interest, Tax, Depreciation and Amortisation. Under this arrangement there is a need to maintain a minimum level of available liquidity and management has undertaken a number of measures to ensure these requirements are met.

e) Fair value estimation

The Group's financial instruments that are carried at fair value fall within level 2 of the valuation hierarchy. The valuation hierarchy is defined as follows:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 fair value measurements are those derived from 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 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Fair value instruments in level 2

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

Specific valuation techniques used to value financial instruments include:
- Quoted market prices or dealer quotes for similar instruments;
- The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves;

- The fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date, with the resulting value discounted back to present value; and
- Other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments.

The following table presents the Group's assets and liabilities that are measured at fair value:

	Level 1 £ 000	Level 2 £ 000	Level 3 £ 000	Total £ 000
31 December 2024				
Interest rate cap - assets	—	6	—	6
Forward currency contract - liabilities	—	(11)	—	(11)
Net liabilities	—	(5)	—	(5)

	Level 1 £ 000	Level 2 £ 000	Level 3 £ 000	Total £ 000
31 December 2023				
Interest rate cap - assets	—	826	—	826
Forward currency contract - liabilities	—	(497)	—	(497)
Net assets	—	329	—	329

The directors consider the carrying value of the other financial assets and liabilities held by the Group and Company to be a reasonable approximation of their fair value at the period end given that they are generally short term in nature and/or on terms which are considered equivalent to current market terms.

There were no transfers between levels during the period.

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Notes to the Financial Statements for the Year Ended 31 December 2024 (Continued)

5 Revenue

Analysis of revenue recognition	Year ended 31 December 2024 £ 000	Year ended 31 December 2023 £ 000
Sale of goods and services	488,198	412,583
Leasing of equipment	39,107	29,445
	527,305	442,028

Analysis of revenue by geography:	Year ended 31 December 2024 £ 000	Year ended 31 December 2023 £ 000
United Kingdom	70,291	73,061
Europe (excluding the UK)	165,893	160,253
Asia & Oceania	146,111	126,199
North America	132,952	73,978
South America	5,209	3,269
Africa	6,849	5,268
	527,305	442,028

6 Employee benefits expense

The aggregate payroll costs (including directors' remuneration) were as follows:

	Year ended 31 December 2024 £ 000	Year ended 31 December 2023 £ 000
Wages and salaries	118,209	104,424
Social security costs	14,355	15,504
Others pension costs	6,886	5,981
Share-based payment expenses (note 22)	456	292
	139,906	126,201

The monthly average number of persons employed by the Group (including directors) during the year, analysed by category was as follows:

	Year ended 31 December 2024 No.	Year ended 31 December 2023 No.
Production and sales	2,373	2,055
Management and administration	1,167	1,097
	3,540	3,152

There were no employees in the Company during the year (31 December 2023: nil).

7 Director's remuneration

The directors' remuneration for the year was as follows:

	Year ended 31 December 2024 £ 000	Year ended 31 December 2023 £ 000
Remuneration	1,308	1,199
Contributions paid to money purchase schemes	24	29
	1,332	1,228

The above includes payments made to directors for loss of office of £0 (31 December 2023: £111,000).

The number of directors accruing benefits under a money purchase pension scheme is 1 (31 December 2023: 2).

In respect of the highest paid Director:

	Year ended 31 December 2024 £ 000	Year ended 31 December 2023 £ 000
Remuneration	658	607
Company contributions to money purchase pension schemes	24	27
	682	634

The highest paid director did not exercise any share options in the period.

8 Auditors' remuneration

	Year ended 31 December 2024 £ 000	Year ended 31 December 2023 £ 000
Fee payable to auditors of the Company		
Audit of the consolidated and Company's financial statements	1,370	1,489
Audit of the financial statements of the Company's subsidiaries	1,917	1,766
	3,287	3,255

	Year ended 31 December 2024 £ 000	Year ended 31 December 2023 £ 000
Fee paid to auditors of the Company for other services		
Taxation compliance services	117	212
Tax advisory services	63	63
Other non-audit services	101	8
	281	283

In the year ended 31 December 2024, an additional fee of £175,000 in respect of the year ended 31 December 2023 consolidated and subsidiaries' financial statements was paid subsequent to the completion of the audit. This amount is not included in the table above.

The directors have agreed with the Company's auditors that the auditor's liability to damages for breach of duty in relation to the audit of the Company's and Group's financial statements for the year ended 31 December 2024 should be limited to the greater of £5,000,000 or 5 times the auditor's fees, and that in any event the auditor's liability for damages should be limited to that part of any loss suffered by the Company or Group as is just and equitable having regard to the extent to which the auditor, the Group or Company and any third parties are responsible for the loss in question. The shareholders approved this limited liability agreement, as required by the Companies Act 2006, by a resolution dated 23 August 2024.

9 Operating (loss)/ profit

Arrived at after charging/(crediting)

	Note	Year ended 31 December 2024 £ 000	Year ended 31 December 2023 £ 000
Depreciation expense	17	18,099	18,536
Depreciation on right of use assets - Machinery	18	949	1,187
Depreciation on right of use assets - Property	18	8,655	8,395
Amortisation expense	16	16,741	15,245
Research and development cost		174	604
Net warranty releases	28	214	(603)
Profit on disposal of property, plant and equipment		(1,720)	(159)
Expense on short term leases	24	198	185
Expense on low value leases	24	—	9
Cost of inventories recognised as an expense		226,024	193,656
Employee benefits expense	6	139,906	126,201
Impairment/write-off of intangible assets	16	1,502	524
Provision and write off of trade receivables		632	769
Provision and write off of inventories		2,691	2,153
Computer and IT expenses		11,659	11,203
Legal expenses		1,305	882
Audit and tax fees		4,073	4,117
Consultants and agency costs		5,862	6,501
Travelling and entertainment		5,426	4,302
Transformation Projects one off costs		2,979	8,945
IT one off costs		4,373	4,528
Consultancy one off costs		7,642	8,740
Other operating expenses		49,558	42,476

The research and development expenditure of £174,000 (31 December 2023: £604,000) is after capitalisation of £2,925,000 (31 December 2023: £3,001,000) of costs that relate solely to the development phase of a self-initiated project.

In accordance with IAS 36, intangibles not yet brought into use are required to be tested for impairment annually. Following that review, an impairment of £Nil has been charged to the income statement (31 December 2023: £524,000) relating to IT assets. A write-off of £1,502,000 (31 December 2023: £Nil) has been charged with regards to the goodwill in respect of a subsidiary as noted in Note 16.

10 Other operating income

The analysis of the Group's other operating income for the year is as follows:

	Year ended 31 December 2024 £ 000	Year ended 31 December 2023 £ 000
R&D expenditure credits	1,402	414
Other operating income	780	462
	2,182	876

11 Finance income and finance costs

	Year ended 31 December 2024 £ 000	Year ended 31 December 2023 £ 000
Finance income		
Other finance income	303	216
Total finance income	303	216
Finance costs		
Net finance costs on pensions	(142)	(183)
Interest on bank overdrafts and borrowings	(41,861)	(38,582)
Other finance costs and foreign exchange movement	(4,584)	(802)
Interest expenses on leases	(2,429)	(2,300)
Amortisation of finance costs	—	(1,184)
Total finance costs	(49,016)	(43,051)
Net finance costs	(48,713)	(42,835)

12 Other losses

The analysis of the Group's other losses for the year is as follows:

	Year ended 31 December 2024 £ 000	Year ended 31 December 2023 £ 000
Change in fair value of forward currency derivative assets/liabilities	1,083	831
Loss on debt modification	—	8,158
Other losses	1,083	8,989

The loss on debt modification in prior year relates to the modification of the debt on the Unitranche loan. No other gains or losses have been recognised in respect of financial assets or liabilities held at fair value through profit or loss.

13 Income tax

Tax charged in the income statement

	Year ended 31 December 2024 £ 000	Year ended 31 December 2023 £ 000
Current taxation		
UK Corporation tax	40	—
Adjustments in respect of prior periods	(1,282)	(162)
Foreign tax	4,365	3,575
Total current income tax	3,123	3,413
Deferred taxation		
Arising from origination and reversal of temporary differences	(1,613)	2,049
Arising from previously unrecognised tax loss, tax credit or temporary difference of prior periods	(138)	312
Total deferred taxation	(1,751)	2,361
Tax expense in the income statement	1,372	5,774

The applicable tax rate is the weighted average for the period of the local tax rates in the territories in which the Group operates. The weighted average rate is subject to fluctuations from year to year based on the level of taxable profits and losses in each jurisdiction.

During the period, there has been an impact on other comprehensive income. These movements relate to actuarial gains or losses on Defined Benefit Pension schemes within the Group.

Factors affecting the tax charge in future years

The Group's future tax charge, and effective tax rate, could be affected by several factors including tax reform in countries around the world, future corporate acquisitions and disposals, any restructuring of our businesses and the resolution of open tax issues.

The Organization for Economic Cooperation and Development ("OECD") has published Global Anti-Base Erosion ("GloBE") Model Rules, which include a minimum 15% tax rate by jurisdiction ("Pillar Two"). For the period ended December 31, 2024 the Group's consolidated turnover is below the €750m (£621m) threshold, so these rules do not apply to the Survitec Group. The threshold limit will be closely monitored going forward.

The tax charge in the income statement can be reconciled to the loss before tax per the income statement as follows:

	Year ended 31 December 2024 £ 000	Year ended 31 December 2023 £ 000
Loss before tax	(24,362)	(64,969)
Tax on loss before tax at 28.7% (31 December 2023: 22.7%)	(6,980)	(14,759)
Decrease in current tax from adjustment for prior periods	(1,282)	(162)
Increase from effect of different tax rates on some earnings	203	722
Decrease from effect of income exempt from taxation	(1,734)	(210)
Increase from effect of expenses not deductible in determining taxable profit	2,709	647
Increase from tax losses for which no deferred tax asset was recognised	8,116	19,094
Deferred tax expense from unrecognised temporary difference from a prior period	(138)	312
Other tax effects for reconciliation between accounting profit and tax expense	478	130
Total tax expense	1,372	5,774

Deferred tax

Group

Deferred tax asset and (liability) positions have been reflected gross across the categories outlined below. As a result, and to ensure consistency, 2023 deferred tax positions have been updated to reflect this presentational change. The net deferred tax position remains unchanged in 2023.

31 December 2024	Asset £ 000	Liability £ 000	Net deferred tax £ 000
Property, plant & equipment and intangibles	6,314	(18,945)	(12,631)
Tax losses carry-forwards	13,331	—	13,331
Other items	1,867	(1,834)	33
	21,512	(20,779)	733

31 December 2023	Asset £ 000	Liability £ 000	Net deferred tax £ 000
Property, plant & equipment and intangibles	11,489	(19,117)	(7,628)
Tax losses carry-forwards	9,853	—	9,853
Other items	1,209	(1,282)	(73)
	22,551	(20,399)	2,152

Survitec Acquisition Company Limited

Notes to the Financial Statements for the Year Ended 31 December 2024 (Continued)

	31 December 2024 £ 000	31 December 2023 £ 000
Deferred tax assets		
– to be utilised within 12 months	2,689	2,819
– to be utilised after more than 12 months	18,823	19,732
	21,512	22,551

	31 December 2024 £ 000	31 December 2023 £ 000
Deferred tax liabilities		
– to be utilised within 12 months	(2,597)	(2,550)
– to be utilised after more than 12 months	(18,182)	(17,849)
	(20,779)	(20,399)

Deferred tax movement during the year:

	At 1 January 2024 £ 000	Recognised in income £ 000	Business Acquisitions £ 000	Foreign Exchange £ 000	Reallocation of assets held for sale £ 000	31 December 2024 £ 000
Property, plant & equipment and intangibles	(7,628)	(1,825)	(4,064)	889	(3)	(12,631)
Tax losses carry-forwards	9,853	3,475	—	3	—	13,331
Other items	(73)	101	—	(7)	12	33
Net tax assets/(liabilities)	2,152	1,751	(4,064)	885	9	733

Deferred tax movement during the prior year:

	At 1 January 2023 £ 000	Recognised in income £ 000	Business Acquisitions £ 000	Foreign Exchange £ 000	Reallocation of assets held for sale £ 000	31 December 2023 £ 000
Property, plant & equipment and intangibles	(11,177)	1,670	—	1,879	—	(7,628)
Tax losses carry-forwards	13,049	(3,160)	—	(36)	—	9,853
Other items	380	(871)	—	418	—	(73)
Net tax assets/(liabilities)	2,252	(2,361)	—	2,261	—	2,152

In accordance with IAS 12, deferred tax assets and deferred tax liabilities have been separately disclosed in the current year across material deferred tax categories. To enhance presentational accuracy, prior year comparative deferred tax balances have been restated in this manner, however net deferred tax balances remain unchanged.

Unrecognised deferred tax assets

The recognition of deferred tax assets, particularly in respect of tax losses, is based upon whether management judge it is probable that there will be sufficient taxable profits in the relevant entity or tax group against which to utilise the assets in the future.

At 31 December 2024, the Group has unrecognised deferred income tax assets totalling £111,900,000 (31 December 2023: £96,600,000). £12,900,000 (31 December 2023: £7,800,000) of this amount relates to temporary differences and £99,000,000 (31 December 2023: £88,800,000) relates to tax losses. The majority of the unrecognised tax losses of £89,400,000 (31 December 2023: £83,400,000) relates to undertakings in the UK, US, Norway, Italy and Singapore. No deferred tax asset is recognised since it is uncertain whether losses will be utilised. Deferred tax assets will be recognised when it considered more likely than not that there would be sufficient taxable profits against which to utilise the losses.

14 Investments

Company

	Total £ 000
Cost	
At 1 January 2024	525,129
At 31 December 2024	525,129
Impairment	
At 1 January 2024	390,190
At 31 December 2024	390,190
Carrying value	
At 31 December 2024	134,939
At 31 December 2023	134,939

At the year end, an impairment assessment of the investment has been performed, by comparing the carrying value of the investment to the recoverable amount, which is calculated by adding the value in use calculated for each of the CGUs less the debt owed by subsidiaries which represent the investment in subsidiaries either directly, indirectly. No impairment has been identified as a result. See note 38 for subsidiaries details.

15 Business Combinations

On 15 January 2024, the Group acquired Vinyl Technology Incorporation (VTI) a US-based manufacturer headquartered in Monrovia California, further increasing the Group's sewing capacity by 75% to drive the growth of Pilot Flight Equipment (PFE). This has strengthened the Group's capabilities with VTI now positioning it as a formidable contributor to the Joint Strike Fighter program as the sole supplier, designer, qualifier, and manufacturer of the full below-the-neck PFE. VTI brings valuable capabilities to increase production capacity and share best practices. VTI's customer base includes a broad range of military, law enforcement and space entities.

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Notes to the Financial Statements for the Year Ended 31 December 2024 (Continued)

The following balances have been recorded on the balance sheet on acquisition:

	Provisional values on acquisition
	£ 000
Acquiree's net assets at the acquisition date:	
Software	29
Customer relationships	11,385
Order backlog	1,315
Brand	1,940
Total intangible fixed assets	**14,669**
Property, plant and equipment	1,077
Right of use assets	924
Total tangible fixed assets	**2,001**
Inventory	4,978
Accounts receivable	2,071
Total receivables and other assets	**7,049**
Cash and cash equivalents	1,720
Total assets	**25,439**
Lease liabilities	975
Other payables	1,561
Tax liability	142
Deferred tax liability	4,064
Total liabilities	**6,742**
Net identifiable assets and liabilities	**18,697**
Consideration:	
Initial purchase price	16,623
Contingent consideration expected to be paid at fair value	15,638
Total consideration	32,261
Goodwill on acquisition	13,564

Goodwill recorded on acquisition is equal to the consideration in excess of the assets and liabilities recognised and represents the value of the acquired workforce and expected synergies.

Total acquisition related costs of £1,967,000 have been recognised within other expenses in the income statement. The cash flow statement includes £16,623,000 cash paid for subsidiary net of cash acquired.

16 Intangible assets

	Goodwill	Contractual customer relationships	Developed technology	Patents, trademarks, brands and other intangibles	Total
	£ 000	£ 000	£ 000	£ 000	£ 000
Cost or valuation					
At 1 January 2023	45,262	222,236	138,879	68,876	475,253
Additions	—	—	3,001	2,349	5,350
Acquired through business combinations	3,133	2,482	—	475	6,090
Disposals	—	—	(553)	(52)	(605)
Foreign exchange movements	(4,361)	(8,671)	(767)	(1,316)	(15,115)
At 31 December 2023	44,034	216,047	140,560	70,332	470,973
Additions	—	—	2,925	5,342	8,267
Acquired through business combinations	13,564	11,385	—	3,284	28,233
Disposals	—	—	(4,536)	(393)	(4,929)
Transfer	—	—	(57)	57	—
Impairment	(1,502)	—	—	—	(1,502)
Transfer to held for Sale	(7,146)	—	—	(1,991)	(9,137)
Foreign exchange movements	(3,748)	(8,663)	(920)	(1,201)	(14,532)
At 31 December 2024	45,202	218,769	137,972	75,430	477,373
Accumulated Amortisation					
At 1 January 2023	—	152,815	105,882	42,792	301,489
Amortisation charge	—	9,363	2,752	3,130	15,245
Amortisation eliminated on disposals	—	—	(474)	(52)	(526)
Impairment	—	—	524	—	524
Foreign exchange movements	—	(4,447)	(789)	(230)	(5,466)
At 31 December 2023	—	157,731	107,895	45,640	311,266
Amortisation charge	—	9,415	2,672	4,654	16,741
Amortisation eliminated on disposals	—	—	(4,536)	(393)	(4,929)
Transfer	—	—	(5)	5	—
Impairment	—	—	—	—	—
Transfer to held for Sale	—	—	—	(295)	(295)
Foreign exchange movements	—	(5,145)	(813)	(402)	(6,360)
At 31 December 2024	—	162,001	105,213	49,209	316,423
Carrying amount					
At 31 December 2024	45,202	56,768	32,759	26,221	160,950
At 31 December 2023	44,034	58,316	32,665	24,692	159,707

Under the terms of the Group's facilities agreement, the Group has granted a fixed and floating charge over the assets held by Group companies that are subject to the Group's banking facilities. As at the reporting date the net book value of intangible assets subject to such charge was £28,891,000 (31 December 2023 : £28,237,000) which includes assets held for sale amounting to £1,696,000.

The Group tests its non-current assets annually for impairment or more frequently if there are indicators that they might be impaired. The carrying amount of each CGU is compared to its recoverable amount, being the value in use of the CGU. Discounted cashflow models has been used to determine the value in use of each CGU. As disclosed in note 3 (Critical accounting judgements and key sources of estimation uncertainty), there are three CGUs for the year ended 31 December 2024 (31 December 2023: three).

The recoverable amount of the CGUs has been determined based on the value in use. The calculation uses cash flow projections based on financial forecasts approved by Management covering a five-year period. Cash flows beyond the five-year period are extrapolated using a terminal value. The growth rate does not exceed the long-term average growth rate for the sector in which the CGU operates.

The key assumptions for all CGUs were the growth rates within the five-year financial budgets and operating margins (trading performance); the weighted average cost of capital and long term growth rates. These were determined based on a combination of past experience, confirmed orders and external data. As the assumptions utilised in the trading performance vary year on year within the five-year financial budgets, these are not disclosed separately. The other key inputs used in the impairment assessment are outlined below:

	Long-term growth rate		Weighted average cost of capital	
	2024	2023	2024	2023
Defence	2.00 %	2.00 %	13.48 %	12.82 %
Marine	2.00 %	2.00 %	12.99 %	11.76 %
Hansen Protection	2.00 %	2.00 %	11.94 %	10.98 %

The total unimpaired goodwill at 31 December 2024 is £45,202,000 (31 December 2023: £44,034,000) made up of £28,436,000 (31 December 2023: £39,399,000) relating to the Hansen Protection CGU; £Nil (31 December 2023: £1,502,000) relating to the Marine CGU and £16,766,000 31 December 2023: £3,133,000) relating to the Defence CGU arising from the acquisition of Vinyl Technology Incorporation (VTI) which completed during current year.

The impairment review concluded on 31 December 2024 that the recoverable amount of all CGUs exceeded the respective carrying amounts (31 December 2023: recoverable amounts exceeded the carrying amounts).

The Marine CGU has a total impairment recognised to date of £161,653,000 (31 December 2023: £160,151,000). The impairment is recognised in intangible assets and property, plant and equipment. No impairment reversal has been recognised in the current or prior year. During the year, goodwill amounting to £1,502,000 (31 December 2023: £ nil) relating to a specific subsidiary has been written off.

Any reasonable possible changes in the assumptions will not result in an impairment in respect of Marine, Defence and Hansen Protection CGUs. Impairment assessments have also been performed across intangible assets where impairment indicators have been identified in accordance with IAS 36. This has resulted in an impairment charge of £Nil being recognised in the year (31 December 2023: £524,000).

In carrying out impairment reviews of developed technology, several assumptions are made. These include the future commercialisation of the products in development and the growth in revenues once commercialised. In particular, the key product development is the Seahaven programme, which is a new revolutionary inflatable lifeboat for the mass evacuation of passengers and crew from Cruise ships. Seahaven would be the largest capacity evacuation system available. During the year a live deployment harbour test was conducted for the United States Coast Guard, and this has generated high customer engagement. Given the risks inherent in the commercialisation

of a new product of this scale and the requirement, in the case of Seahaven, for customers to embrace alternatives to conventional lifeboat systems, if the ongoing discussions with customers do not result in firm orders or commitments, this could result in an impairment of Seahaven.

Products in development of £17,793,000 (2023: £16,300,000) could also be subject to potential impairment, despite commercialisation of the asset, if the actual results differ to the assumptions applied in the impairment model in particular, in respect of the timing of commercialisation, revenue growth and the discount rate applied in the model. If the assumptions used in the impairment model were changed to a greater extent than as presented in the following table, these changes would, in isolation, lead to an impairment loss being recognised..

Change required for carrying value to equal recoverable amount:	**Seahaven**
Reduction in price per system	(11.00)%
Discount Rate	7.00 %
Delay in commercialisation of the product	1 year

17 Property, plant and equipment

Group

	Land	Freehold buildings	Leasehold improvements	Other property, plant and equipment	Total
	£ 000	£ 000	£ 000	£ 000	£ 000
Cost					
At 1 January 2023	1,419	13,562	17,151	161,365	193,497
Additions	—	68	1,031	21,695	22,794
Acquired through business combinations	—	—	158	641	799
Disposals	—	—	(382)	(7,290)	(7,672)
Transfer	—	(1,531)	1,531	—	—
Foreign exchange movements	(14)	(347)	(459)	(7,927)	(8,747)
At 31 December 2023	1,405	11,752	19,030	168,484	200,671
Additions	—	9	2,171	23,249	25,429
Acquired through business combinations	—	—	—	1,077	1,077
Disposals	(481)	(439)	(32)	(12,094)	(13,046)
Transfer	—	(55)	(152)	207	—
Transfer to Held for Sale	—	—	(20)	(57)	(77)
Foreign exchange movements	(18)	(487)	(332)	(11,331)	(12,168)
At 31 December 2024	906	10,780	20,665	169,535	201,886
Accumulated Depreciation					
At 1 January 2023	504	11,352	7,505	107,317	126,678
Charge for year	—	436	1,767	16,324	18,527
Eliminated on disposal	—	—	(100)	(5,494)	(5,594)
Transfers	—	(1,005)	1,005	—	—
Foreign exchange movements	—	(333)	(330)	(4,614)	(5,277)
At 31 December 2023	504	10,450	9,847	113,533	134,334
Charge for the year	—	325	1,021	16,753	18,099
Eliminated on disposal	—	(174)	(21)	(7,973)	(8,168)
Transfer	—	8	1	(9)	—
Transfer to Held for Sale	—	—	(9)	(45)	(54)
Foreign exchange movements	—	(514)	(244)	(7,535)	(8,293)
At 31 December 2024	504	10,095	10,595	114,724	135,918
Carrying amount					
At 31 December 2024	402	685	10,070	54,811	65,968
At 31 December 2023	901	1,302	9,183	54,951	66,337

Under the terms of the Group's facilities agreement, the Group has granted a fixed and floating charge over the assets held by Group companies that are subject to the Group's banking facilities. As at the reporting date the net book value of property, plant and equipment subject to such charge was £43,858,396 (31 December 2023: £53,323,000) which includes assets held for sale amounting to £23,000.

The Group tests its non-current assets for impairment if there are indications that they might be impaired. Property, plant and equipment is included in the carrying amount of respective CGUs, and an impairment assessment is carried out at the CGU level as disclosed in note 16.

There were no impairments identified for the year ended 31 December 2024 (31 December 2023: none).

18 Right of use assets

Group

	Machinery	Property	Total
	£ 000	£ 000	£ 000
Cost			
At 1 January 2023	6,097	51,832	57,929
Additions	1,155	11,103	12,258
Disposals	(1,455)	(4,784)	(6,239)
Foreign exchange movements	(114)	(1,943)	(2,057)
At 31 December 2023	5,683	56,208	61,891
Additions	727	14,503	15,230
Additions through business combinations	—	924	924
Disposals	(1,391)	(4,471)	(5,862)
Transfer to Held for Sale	—	(1,761)	(1,761)
Foreign exchange movements	(107)	(1,904)	(2,011)
At 31 December 2024	4,912	63,499	68,411
Accumulated Depreciation			
At 1 January 2023	4,425	21,449	25,874
Charge for year	1,187	8,395	9,582
Eliminated on disposal	(1,455)	(4,784)	(6,239)
Foreign exchange movements	(71)	(757)	(828)
At 31 December 2023	4,086	24,303	28,389
Charge for the year	949	8,655	9,604
Eliminated on disposal	(1,391)	(4,471)	(5,862)
Transfer to Held for Sale	—	(759)	(759)
Foreign exchange movements	(66)	(933)	(999)
At 31 December 2024	3,578	26,795	30,373
Carrying amount			
At 31 December 2024	1,334	36,704	38,038
At 31 December 2023	1,597	31,905	33,502

19 Inventories

	Group	
	31 December 2024	31 December 2023
	£ 000	£ 000
Raw materials and consumables	28,336	26,277
Work in progress	9,438	10,539
Finished goods and goods for resale	36,937	45,394
	74,711	82,210

Provisions against inventory at the end of the period totalled £10,685,000 (31 December 2023: £9,997,000). The provision has increased due to additions through acquisitions of £325,000 and creation of provisions totalling £3,742,000, which are offset by utilisation of £2,069,000 and release of £1,051,000 and foreign currency exchange differences of £226,000 and reclassification to assets held for sale £33,000.

20 Trade and other receivables

	Group		Company	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
	£ 000	£ 000	£ 000	£ 000
Trade receivables	71,031	67,216	—	—
Provision for impairment of trade receivables	(1,435)	(1,419)	—	—
Net trade receivables	69,596	65,797	—	—
Prepayments	13,174	11,891	—	—
Other receivables	24,221	22,039	—	—
VAT	8,451	7,396	—	—
	115,442	107,123	—	—

Other receivables include loans made to management (see note 33), amounts due from invoice factoring lenders and derivative financial instruments.

The Group has recognised the following assets relating to contracts with the customers:

	31 December 2024	31 December 2023
	£ 000	£ 000
Contract assets recognised at start of the year	18,166	12,994
Revenue recognised in the previous period that was invoiced and received during the year	(18,166)	(12,994)
Revenue recognised during the year which will not be invoiced until after the year end	19,900	18,166
Balance at the end of the year	**19,900**	**18,166**

Revenue recognised in advance of invoicing of £19,900,000 (31 December 2023: £18,166,000) is due to be invoiced in the year ending 31 December 2025.

As at 31 December 2024, there was a loss allowance against trade receivables of £1,435,000 (31 December 2023: £1,419,000). See below for the movements in the loss allowance for trade receivables.

	31 December 2024	31 December 2023
	£ 000	£ 000
Loss allowance at start of the year	(1,419)	(1,135)
Effect of foreign exchange rate movements	56	22
Impact of acquisition	(8)	—
Amounts written off as uncollectible	94	34
Release of loss allowance	141	197
Additional loss allowance	(312)	(537)
Reclass to assets held for sale	13	—
Balance at the end of the year	**(1,435)**	**(1,419)**

Trade receivables disclosed above include amounts (see below for aged analysis) against which the Group has not fully recognised a loss allowance for receivables because there has not been a significant change in credit quality and the amounts are still considered recoverable. The Group does not hold any collateral or other credit enhancements over these balances nor does it have a legal right of offset against any amounts owed by the Group to the counterparty.

Age of trade receivables		**Group**
	31 December 2024	31 December 2023
	£ 000	£ 000
Neither past due nor impaired	12,180	13,317
7 to 30 days	50,609	45,643
31 to 60 days	2,023	3,732
61 to 90 days	1,441	1,127
> 90 days	3,343	1,978
	69,596	65,797

No expected credit losses have been recognised relating to customers for whom there is no recent history of default and for which there are no other indications that they will not be able to meet their obligations.

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables, contract assets and lease receivables. To measure the expected credit losses, receivables are grouped based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables. As at 31 December 2024 using the simplified approach, the Group has not recognised any impairment loss on contract assets (31 December 2023: £Nil)

The expected loss rates are based on the payment profiles of sales over a period of 12 months before 31 December 2024 and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The default rate on receivables during the period is <1% (31 December 2023: <1%).

The Directors consider the carrying amount of trade and other receivables is approximately equal to their fair value. The maximum exposure to customer credit risk at the reporting date is the currency value of the trade receivables shown above.

Before accepting any new customer, the Group assess the potential customer's credit quality and defines credit limits by customer. Limits and scoring attributed to customers are reviewed periodically.

The table below splits out the trade and other receivables balance by local currency:

	31 December 2024 Group £ 000	31 December 2023 Group £ 000
UK pound	39,850	34,704
Euro	13,039	10,213
US dollars	10,524	4,515
Canadian dollars	2,888	2,334
Australian dollars	2,940	4,169
Singapore dollars	1,820	2,781
Norwegian Krone	31,710	32,237
Chinese Yuan Renminbi	2,822	4,714
Other currencies	9,849	11,456
	115,442	107,123

Factoring arrangement:

Under the terms of the agreement, the Group committed certain of its companies, to a non-recourse revolving receivables financing facility, under which the purchaser purchases all the eligible receivables of the Seller (Group Companies), on an ongoing basis.

Under IFRS 9, all eligible receivables upon approval from the purchaser will be de-recognised from the Group's balance sheet as the Seller has substantially transferred its control, all risks, and rewards to the purchaser under the arrangement. The purchaser will retain 10% as retention and the amount shall never be lower than 10%. Additionally, the purchaser finances each seller in the currency of the transferred receivables to avoid any foreign currency exposure for the Group. Therefore, the carrying amounts of the trade receivables on the Statement of Financial Position excludes those receivables which are subject to the factoring arrangement. As at 31 December 2024 the Group had sold but not collected £12,471,000 (31 December 2023: £12,226,0000) of trade receivables under the arrangement.

21 Cash and cash equivalents

	Group		Company	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
	£ 000	£ 000	£ 000	£ 000
Cash and cash equivalents	50,264	62,173	21	21
Bank overdrafts (note 26)	(10,074)	(4,262)	—	—
Cash and cash equivalents in statement of cash flows	40,190	57,911	21	21

Cash at bank earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for periods of between one day and three months, depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates.

22 Share-based payments

Share-based payment transactions

	2024	2023
Group	£ 000	£ 000
Arising from equity settled share-based payment transactions	456	292

	2024	2023
Company	£ 000	£ 000
Arising from equity settled share-based payment transactions	–	–

The Management executive plan is administered by the Employee Share Trust. When the options are exercised, the trust transfers the appropriate amount of shares to the employee. The proceeds received, net of any directly attributable transaction costs, are credited directly to equity. During the year, there has been no new grants, the Group had 4 good leavers. Below are the number of shares in issue as at 31 December 2024.

Type of Shares	2024	2023
D Shares	143,811	150,000
A2 Shares	352,420	371,395
A Preferences Shares	2,440,064	2,572,861
Total	2,936,295	3,094,256

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Notes to the Financial Statements for the Year Ended 31 December 2024 (Continued)

23 Share capital and reserves

Authorised, allotted, called up and fully paid shares

	31 December 2024		31 December 2023	
	No. 000	£ 000	No. 000	£ 000
Ordinary shares of £1 each	928	928	928	928

The ordinary shares are non-redeemable but shall hold full rights in respect of voting, and shall entitle the holder to full participation in respect of equity and in the event of a winding up of the Company. The shares may be considered by the Directors when considering dividends from time to time.

Share premium

The share premium reserve represents the premium received above the par value on the issue of ordinary shares.

Capital Contribution Reserve

The capital contribution reserve represents contributions to the equity capital not made in exchange for shares issued.

Foreign Currency Translation Reserve

The foreign currency translation reserve represents translation differences arising as a result of converting foreign subsidiaries financial statements from their functional currency to the reporting currency.

Accumulated Losses

The accumulated losses represent cumulative profits or losses, net of any dividends paid and other adjustments.

24 Leases

Group

For details of Right of Use Assets, see Note 18. The details of lease liabilities are set out below.

Lease liabilities maturity analysis

A maturity analysis of lease liabilities based on discounted gross cash flow is reported in the table below:

	31 December 2024	31 December 2023
	£ 000	£ 000
Within one year	7,890	7,793
Later than one year and not later than five years	24,035	18,897
Later than five years	8,943	10,226
Total discounted lease liabilities	40,868	36,916

A maturity analysis of lease liabilities based on undiscounted gross cash flow is reported in the table below:

	31 December 2024	31 December 2023
	£ 000	£ 000
Within one year	9,962	9,637
Later than one year and not later than five years	26,378	21,317
Later than five years	14,090	15,095
Total undiscounted lease liabilities	50,430	46,049

Total cash outflows related to leases

Total cash outflows related to leases are presented in the table below:

	31 December 2024	31 December 2023
Payment	£ 000	£ 000
Payment of capital element of lease liabilities	11,227	11,212
Interest	2,429	2,300
Low value leases	—	9
Short term leases	198	185
Termination payments	1	1
Total cash outflow	13,855	13,707

The Group is potentially exposed to future cash outflows of £28,095 (31 December 2023: £29,600) relating to extension options on leases for which exercise is not deemed to be reasonably certain. These have not been included in the lease liability. There are no other significant potential cash outflows relating to leases. Amounts recognised in the Consolidated Income Statement are set out in note 9 and 11.

Leases as lessor

The Group rents out liferafts as operating leases. These leases have terms of between one and five years. All leases include a clause to enable upward revision of the rental charge on an annual basis according to prevailing market conditions.

Future minimum rentals receivable under non-cancellable operating leases as at this periods end are as follows:

	31 December 2024	31 December 2023
	£ 000	£ 000
No later than 1 year	24,103	25,150
Later than 1 year and no later than 5 years	85,839	81,371
Later than 5 years	—	—
	109,942	106,521

25 Deferred income and Contract Liabilities

	31 December 2024	31 December 2023
	£ 000	£ 000
Non-current	**10,167**	**8,822**
Current	**20,081**	**17,176**
Current		
Contract liabilities recognised at start of the period	17,176	21,491
Revenue recognised that was included in contract liabilities at the beginning of the period	(17,176)	(21,491)
Amounts invoiced during the year which did not meet revenue recognition criteria during the year	20,081	17,176
Balance at the end of the year	**20,081**	**17,176**

The non-current portion includes the Deferred Income related to Government grants amounting to £2,046,000 (Dec 31 2023: £2,046,000), remaining movement arise from invoicing carried out in the year.

26 Loans and borrowings

	Group		Company	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
	£ 000	£ 000	£ 000	£ 000
Non-current loans and borrowings				
Bank borrowings	337,419	330,175	—	—

	Group		Company	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
	£ 000	£ 000	£ 000	£ 000
Current loans and borrowings				
Bank borrowings	403	82	—	—
Bank overdrafts	10,074	4,262	—	—
Other loans	—	—	—	—
	10,477	4,344	—	—

Analysis of loans and borrowings by currency:

Group

	Sterling	Euro	Other	Total
	£ 000	£ 000	£ 000	£ 000
31 December 2024				
Bank overdrafts	9,942	81	51	10,074
Bank borrowings	337,419	—	403	337,822
	347,361	81	454	347,896

	Sterling	Euro	Other	Total
	£ 000	£ 000	£ 000	£ 000
31 December 2023				
Bank overdrafts	4,145	—	117	4,262
Bank borrowings	329,778	—	479	330,257
	333,923	—	596	334,519

The other principal features of the Group's borrowing after deduction of unamortised finance costs are as follows:

	Group		Company	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
	£ 000	£ 000	£ 000	£ 000
Unitranche Loans at 7% plus SONIA	240,653	240,653	—	—
Revolving credit facility at 3.5% plus SONIA	24,500	24,500	—	—
Additional Credit Facility at 8.13% plus SONIA	13,246	12,920	—	—
Other currency loans at 7%	403	479	—	—
PIK Facility 8.25% plus SONIA	59,020	51,705	—	—
Bank overdrafts	10,074	4,262	—	—
	347,896	334,519	—	—
	347,896	334,519	—	—

Bank overdrafts are repayable on demand. Interest is payable semi-annually on the Unitranche, RCF and Additional Credit Facility. The Group opted to PIK the interest on the Payment in Kind facility until 2025. The Unitranche loans are secured by fixed and floating charges over the Group's major assets and are subject to quarterly covenant calculations based on EBITDA, net leverage and liquidity.

The fair value of total borrowings of the Group is not considered to be different to the carrying value.

Survitec Acquisition Company Limited

Notes to the Financial Statements for the Year Ended 31 December 2024 (Continued)

Reconciliation of movements of liabilities to cash flows arising from financing activities

Group	Bank Overdrafts £ 000	Other loans and borrowings £ 000	Lease liability £ 000	Accrued interest £ 000	Total £ 000
Balance at 1 January 2024	(4,262)	(330,257)	(36,916)	(15,142)	(386,577)
Interest capitalised	—	(7,641)	—	7,641	—
New leases	—	—	(15,917)	—	(15,917)
Lease payments	—	—	11,227	—	11,227
Amounts repaid	—	146	—	—	146
Interest paid	—	—	—	30,818	30,818
Effects of changes in foreign exchange rates	5	(7)	1,992	—	1,990
Increase in bank overdraft	(5,817)	—	—	—	(5,817)
Interest charges	—	(61)	(2,429)	(41,815)	(44,305)
Balance at 31 December 2024	**(10,074)**	**(337,820)**	**(42,043)**	**(18,498)**	**(408,435)**

Accrued interest is included within trade and other payables, please refer to note 30.

Group	Bank Overdrafts £ 000	Other loans and borrowings £ 000	Lease liability £ 000	Accrued interest £ 000	Total £ 000
Balance at 1 January 2023	(13,533)	(330,780)	(35,214)	(12,335)	(391,862)
Interest capitalised	—	(6,113)	—	6,113	—
Amortisation of transaction cost	—	(1,184)	—	—	(1,184)
Amendment of previous external debt	—	(20,297)	—	13,299	(6,998)
Debt restructure equitisation	—	49,800	—	600	50,400
New leases	—	—	(12,257)	—	(12,257)
Lease payments	—	—	11,212	—	11,212
Drawdown of loans and borrowings	—	(32,795)	—	—	(32,795)
Amounts repaid	—	12,845	—	—	12,845
Interest paid	—	—	—	13,977	13,977
Effects of changes in foreign exchange	7	53	1,643	—	1,703
Repayment of bank overdraft	9,264	—	—	—	
Interest charges	—	(1,786)	(2,300)	(36,796)	(40,882)
Balance at 31 December 2023	**(4,262)**	**(330,257)**	**(36,916)**	**(15,142)**	**(386,577)**

Accrued interest is included within trade and other payables, please refer to note 30.

27 Retirement benefits schemes

Defined contribution schemes

In the UK the Group operates defined contribution schemes in respect of certain employees. The charge against profit is the amount of contributions payable to the pension scheme during the period.

In the USA, the Group operates defined contribution plans with optional funding opportunities provided by a designated company for all eligible full time employees.

In Australia, the Group operates a defined contribution scheme in accordance with statutory requirements and local customs and practice.

The total pension charge during the period for the Group's defined contribution plans amounts to £6,886,000 (31 December 2023: £5,981,000).

Defined benefit schemes

	31 December 2024			31 December 2023		
	UK	Overseas	Total	UK	Overseas	Total
	£ 000	£ 000	£ 000	£ 000	£ 000	£ 000
Net employee defined benefit liability (before deferred tax)	—	3,774	3,774	—	4,362	4,362

	31 December 2024			31 December 2023		
	UK	Overseas	Total	UK	Overseas	Total
	£ 000	£ 000	£ 000	£ 000	£ 000	£ 000
Fair value of scheme assets	46,094	1,229	47,323	51,121	2,046	53,167

The Group manages funded schemes in both the UK and Netherlands, while the remaining schemes are unfunded plans.In Germany as noted earlier, the Group operates an unfunded defined benefit plan, which in accordance with local customs and practice is financed through book reserves. The obligations held at 31 December 2024 amounts to £3,652,000 (31 December 2023: £4,109,000).

The fair value of the funded scheme plan assets are equivalent to the present value of the scheme assets assessed using the discount rate at the statement of financial position date. In addition to allowing for cash flows, the asset value has therefore also been adjusted for the change in discount rates. The value of accruing benefits over the period plus interest on past benefits passes through the income statement, offset by expected return on the plan assets. The re-measurement of plan liabilities (and also that of the plan assets) passes through other comprehensive income.

In the UK, the Group operates a defined benefit pension scheme, which provide benefits in the form of a guaranteed level of pension payable to the members. Rates of contributions are determined by the trustees in accordance with the recommendation of independent actuaries using the projected unit method. Actuarial valuations are prepared every three periods. The most recent formal actuarial valuation was carried out as at 31 March 2024 by a qualified Actuary. The present value of the defined benefit obligation, the related current service cost and past service cost was measured using the projected unit method.

While the UK scheme is in a net surplus position, the Group does not recognise the surplus. as it does not have an unconditional right to the surplus. As at 31 December 2024, the minimum funding liability amounted to £Nil (31 December 2023: £Nil).

Survitec Acquisition Company Limited

Notes to the Financial Statements for the Year Ended 31 December 2024 (Continued)

The key assumptions used are as follows:

	31 December 2024			
	UK	**Germany**	**Norway**	**Netherlands**
Rate of increase in salaries	N/A	3.00%	N/A	2.10%
Rate of pension increases	3.75%	2.00%	N/A	N/A
Discount rate	5.30%	3.40%	N/A	3.60%
Inflation assumption	3.25%	2.00%	N/A	N/A
	31 December 2023			
	UK	**Germany**	**Norway**	**Netherlands**
Rate of increase in salaries	N/A	3.00%	3.75%	2.30%
Rate of pension increases	3.60%	2.20%	2.40%	N/A
Discount rate	4.40%	3.50%	3.80%	3.60%
Inflation assumption	3.10%	N/A	2.25%	N/A

Mortality assumptions

Investigations have been carried out within the past three periods into the mortality experience of the Group's defined benefit schemes. These investigations concluded that the current mortality assumptions include sufficient allowance for future improvements in mortality rates. On retirement:

	31 December 2024			
Years	**UK**	**Germany**	**Norway**	**Netherlands**
Retiring today:				
Males	20.2	20.9	N/A	21.6
Females	22.7	24.3	N/A	24.5
Retiring in 25 years:				
Males	21.9	24.3	N/A	24.1
Females	24.5	27.0	N/A	26.9
	31 December 2023			
Years	**UK**	**Germany**	**Norway**	**Netherlands**
Retiring today:				
Males	20.4	20.8	22.8	21.6
Females	22.9	24.2	26.1	24.4
Retiring in 25 periods:				
Males	22.0	24.1	25.0	24.1
Females	24.7	26.9	28.6	26.8

The amount included in the balance sheet arising from the Group's Obligations in respect of its defined benefit retirement scheme is as follows:

	Year ended 31 December 2024 £ 000	Year ended 31 December 2023 £ 000
Bonds	45,490	50,501
Other	1,833	2,666
Fair value of scheme assets	47,323	53,167
Present value of defined benefit obligations	(43,975)	(47,537)
Surplus in the schemes	3,348	5,630
Surplus in the UK scheme not recognised	(7,122)	(9,992)
Additional liability recognised due to minimum funding requirements	—	—
Net pension liability in the balance sheet	(3,774)	(4,362)

As at 31 December 2024, the total scheme assets are invested in pooled investment vehicles, of which 96% of underlying assets have a quoted market price (31 December 2023: 96%), consisting of equities and bonds, including Liability Driven Instruments.

Analysis of the amount charged to loss before tax

	Year ended 31 December 2024 £ 000	Year ended 31 December 2023 £ 000
Net interest cost	142	183
Service and admin cost	206	303

Analysis of amount recognised in statement of other comprehensive income

	Year ended 31 December 2024 £ 000	Year ended 31 December 2023 £ 000
Actuarial (loss)/gain on scheme assets	(4,455)	1,273
Changes in assumptions underlying the present value of schemes liabilities	1,422	(4,040)
Actuarial loss	(3,033)	(2,767)
Actuarial gain not recognised in respect of UK pension scheme	3,310	2,482
Deferred tax through OCI	—	—
Net actuarial gain/(loss)	277	(285)
Exchange loss	(193)	(86)

Movements in the fair value of scheme assets during the period

	Year ended 31 December 2024 £ 000	Year ended 31 December 2023 £ 000
At start of the period	53,167	51,401
Interest income	2,233	2,329
Actuarial losses on scheme assets	(4,455)	1,273
Contributions from the sponsoring companies	434	1,423
Benefits paid	(2,936)	(2,874)
Settlement payments	(777)	—
Expenses paid from plan assets	(283)	(273)
Exchange rate movements	(60)	(112)
At end of the period	47,323	53,167

Movements in the present value of defined benefit obligations during the period

	Year ended 31 December 2024 £ 000	Year ended 31 December 2023 £ 000
At start of the period	47,537	44,582
Service cost	(110)	36
Interest expense	1,935	1,957
Actuarial losses on scheme liabilities	(1,422)	4,040
Benefits paid	(2,936)	(2,874)
Settlement payments	(777)	—
Exchange rate movements	(252)	(204)
At end of the period	43,975	47,537

Expected maturity analysis of undiscounted pension benefits

	Year ended 31 December 2024 £ 000	Year ended 31 December 2023 £ 000
Within the next 12 months (next annual reporting period)	2,928	2,840
Between 2 and 5 years	11,571	11,334
Over 5 years	14,977	14,583
Total expected payments	29,476	28,757

The weighted average duration of the defined benefit obligation at the end of the reporting period is 11.9 years (31 December 2023: 12.2 years).

The defined benefit pension plans are exposed to a number of risks, mainly:

- The plan liabilities are calculated using a discount rate set with reference to corporate bond yield curves; if plan assets underperform this yield, this will create a deficit. Additionally, a decrease in corporate bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of the plans' asset holdings;
- Some of the group's pension obligations are linked to inflation assumptions, and higher inflation will lead to higher liabilities; and

- The plans' obligations are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the plans' liabilities.

A quantitative sensitivity analysis for significant assumptions as at 31 December 2024 is as shown below:

Impact on gross defined benefit obligation

	Change in assumption	Increase in assumption	Decrease in assumption
		£ 000	£ 000
Discount rate	0.25 %	(1,212)	1,271
Inflation rate	0.25 %	(513)	604
		Decrease by 1 year in assumption	
Life expectancy		(2,008)	

The sensitivity analysis above has been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

28 Provisions

Group

	Warranties	Dilapidations	Employee benefits	Other provisions	Total
	£ 000	£ 000	£ 000	£ 000	£ 000
At 1 January 2024	4,191	5,352	608	332	10,483
Additional provisions	560	729	82	30	1,401
Provisions used	(689)	(2)	—	(90)	(781)
Unused provision released	(310)	—	—	(78)	(388)
Increase due to foreign exchange differences	(36)	(60)	(31)	282	155
At 31 December 2024	3,716	6,019	659	476	10,870
Non-current liabilities	1,761	3,419	—	476	5,656
Current liabilities	1,955	2,600	659	—	5,214

	Warranties	Dilapidations	Employee benefits	Other provisions	Total
	£ 000	£ 000	£ 000	£ 000	£ 000
At 1 January 2023	6,032	5,447	625	968	13,072
Additional provisions	1,022	80	4	471	1,577
Provisions used	(1,238)	(36)	—	(40)	(1,314)
Unused provision released	(1,599)	(82)	—	(987)	(2,668)
Decrease due to foreign exchange differences	(26)	(57)	(21)	(80)	(184)
At 31 December 2023	4,191	5,352	608	332	10,483
Non-current liabilities	1,889	2,898	—	298	5,085
Current liabilities	2,302	2,454	608	34	5,398

Due to the nature of critical safety products manufactured by Survitec, the Group could be exposed to warranty claims from customers and other affected third parties. The provision is estimated based on known claims and on estimates based upon past experience, of possible future claims which could arise over the life of the products sold. Hence the warranty provision relates to estimates to repair or replace the goods sold to customers.

Dilapidations relate to the cost of putting property back to its original condition at the end of its lease term.

Employee benefits include provisions in respect of long service awards and termination benefits.

'Other' includes legal and restructuring provisions.

29 Financial instruments

Group 31 December 2024	Amortised cost	FVTPL	FVOCI	Total
Financial assets	**£ 000**	**£ 000**	**£ 000**	**£ 000**
Current				
Trade receivables	69,596	—	—	69,596
Other receivables	24,215	—	6	24,221
Cash and short-term deposits	50,264	—	—	50,264
Total	144,075	—	6	144,081
Non-current				
Other receivables	542	—	—	542

	Amortised cost	FVTPL	FVOCI	Total
Financial liabilities	**£ 000**	**£ 000**	**£ 000**	**£ 000**
Current				
Current portion of lease liabilities	7,890	—	—	7,890
Trade and other payables	130,619	11	—	130,630
Loans and borrowings	10,477	—	—	10,477
Total	148,986	11	—	148,997
Non-current				
Long term lease liabilities	32,978	—	—	32,978
Loans and borrowings	337,419	—	—	337,419
Total	370,397	—	—	370,397

31 December 2023	Amortised cost	FVTPL	FVOCI	Total
Financial assets	**£ 000**	**£ 000**	**£ 000**	**£ 000**
Current				
Trade receivables	65,797	—	—	65,797
Other receivables	21,213	—	826	22,039
Cash and short-term deposits	62,173	—	—	62,173
Total	149,183	—	826	150,009
Non-current				
Other receivables	808	—	—	808

	Amortised cost	FVTPL	FVOCI	Total
Financial liabilities	**£ 000**	**£ 000**	**£ 000**	**£ 000**
Current				
Current portion of lease liabilities	7,793	—	—	7,793
Trade and other payables	98,934	497	—	99,431
Loans and borrowings	4,347	—	—	4,347
Total	111,074	497	—	111,571
Non-current				
Long term lease liabilities	29,123	—	—	29,123
Loans and borrowings	330,175			330,175
Total	359,298	—	—	359,298

Company	Amortised cost	Total
	£ 000	**£ 000**
31 December 2024		
Financial assets		
Current		
Cash and short-term deposits	21	21
Total	**21**	**21**
Financial liabilities		
Current		
Trade and other payables	79	79
Total	79	79

	Amortised cost	Total
	£ 000	£ 000
31 December 2023		
Financial assets		
Current		
Cash and short-term deposits	21	21
Total	21	21
Financial liabilities		
Current		
Trade and other payables	79	79
Total	79	79

30 Trade and other payables

	Group		Company	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
	£ 000	£ 000	£ 000	£ 000
Trade payables	38,727	32,087	—	—
Accrued expenses	36,585	32,042	33	33
Social security and other taxes	9,684	9,345	—	—
Other payables	55,318	35,302	46	46
	140,314	108,776	79	79

The Group's exposure to market and liquidity risks, including maturity analysis, related to trade and other payables is disclosed in the financial risk review note.

Included within other payables of the Group is an amount of interest payable of £18,498,000 (31 December 2023: £15,142,000) and amount's payable of £15,638,000 (31 December 2023: Nil) with regards to the Vinyl Technology Incorporation (VTI) acquisition. The interest payable relates to accrued interest on Unitranche, PIK and RCF facilities.

31 Commitments

Capital commitments

The total amount contracted for in relation to property plant and equipment but not provided in the financial statements was £1,184,000 (31 December 2023: £872,000).

The total amount authorised in relation to property plant and equipment but not contracted for and not provided in the financial statements was £2,048,000 (31 December 2023: £298,000).

The total amount contracted for in relation to intangible fixed assets but not provided in the financial statements was £185,000 (31 December 2023: £343,000).

The total amount authorised in relation of intangible fixed assets but not contracted for and not provided in the financial statements was £Nil (31 December 2023: £Nil).

32 Contingent liabilities

Throughout the Group, there are guarantees and performance bonds outstanding amounting to £11,335,000 (31 December 2023: £13,564,000) which are issued by banks on Group's behalf either under a committed guarantee facility or otherwise.

In common with comparable companies, from time to time the Group is involved in disputes in the ordinary course of business which may give rise to claims against the Group. The Group defends such claims where appropriate and where costs are likely to be incurred in defending and concluding such matters and can be measured reliably they are provided for in the financial statements.

33 Related party transactions

The following table provides the total amount of transactions that have been entered into with related parties during the relevant financial period and the balances outstanding as at the relevant balance sheet date.

31 December 2024 Group	Amounts owed from related parties £ 000	Loans issued £ 000	Interest receivable £ 000	Amounts owed to related parties £ 000	Repayments £ 000
Key management personnel	1,489	—	2	—	—
Ark Topco Limited	—	—	—	3,365	—

There were no related party transactions in the Company.

31 December 2023 *Group*	Amounts owed from related parties £ 000	Loans issued £ 000	Interest receivable £ 000	Amounts owed to related parties £ 000	Repayments £ 000
Key management personnel	1,926	1,413	12	—	(98)
Ark Topco Limited	—	—	—	3,365	—

Remuneration of key management personnel

The remuneration of key management personnel of the Group and Company, is set out below in aggregate for any of the categories specified in IAS 24 Related Party Disclosures:

	Year ended 31 December 2024	Year ended 31 December 2023
	£ 000	£ 000
Short term employee benefits	3,583	2,739
Post employee benefits	125	106
	3,708	**2,845**

Key management personnel are Directors, Managing Directors and other key managing officers of the Group. The above includes payments made to key management upon their departure of £Nil (31 December 2023: £111,000).

Directors' transactions

There were no advances, credits or guarantees with Directors or other Key Management that are disclosable in accordance with section 413 of the 2006 Act and IAS 24 in the current or prior periods.

34 Parent and ultimate parent undertaking

The ultimate parent company of the Company is Ark Topco Limited, a private company registered in 48 Esplanade, St Helier, Jersey, Chanel Islands, JE1 0BD, United Kingdom.

These financial statements are the largest Group into which the Company's financial statements are consolidated.

Survitec Acquisition Company Limited

Notes to the Financial Statements for the Year Ended 31 December 2024 (Continued)

35 Assets / Liabilities held for sale

In September 2024, the Group planned to focus on its core business. As a result in January 2025, the Group disposed of its wholly owned subsidiary "Lyngsoe" (Lyngsoe Rainwear Aps Denmark). The recoverable amount of the subsidiary is higher than the carrying value (refer note 37). This disposal provides the Group an increased level of focus and alignment with its longer-term strategy i.e. to strengthen its core business in the Wearables business unit.

	31 December 2024
	£ 000
Goodwill	7,146
Intangible assets	1,696
Property, plant and equipment	23
Right of use assets	1,002
Inventories	6,717
Trade and other receivables	3,499
Cash and Cash equivalents	3,682
Assets held for sale	23,765
Lease liabilities	1,175
Trade and other payable	2,516
Income tax liability	332
Deferred Tax Liability	9
Liabilities held for sale	4,032

36 Subsidiary companies audit exemption

Survitec Acquisition Company Limited has provided the following subsidiaries with a parental guarantee in accordance with section 479C of the Companies Act. As such, advantage has been taken by the audit exemption available for the following subsidiary companies conferred by section 479A of the Companies Act relating to the audit of individual financial statements:

Subsidiary undertaking name	Registration number
Survitec Group Holdco Limited	12382931
Survitec AUD Newco Limited	09491698
Survitec Services and Distribution Limited	00553893
Survitec Safety Solutions UK Limited	10338650
Survival-One Limited	SC188500
Survitec Survival Craft Ltd	SC131397
Survitec Viscom Ltd	SC136955
Survitec Global Solutions Limited	08374445
Blue Anchor Fire and Safety Limited	SC297185
Survitec Group International Limited	08375460
Lifeguard Equipment Limited	00893329
Seaweather Marine Services Limited	01295131
RFD Limited	00488183
Beaufort Group Holdings Limited	12667860
Survitec Group (Finance 1) Limited	07070606

The directors acknowledge their responsibilities for:

a. Ensuring that each Company keeps adequate accounting records which comply with section 386 of the Companies Act 2006; and

b. Preparing financial statements which give a true and fair view of the state of the affairs of the Company at 31 December 2024 and of its profit or loss for the year then ended in accordance with the requirements of Section 394 of the Companies Act 2006, and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements so far as applicable to the Company.

37 Events after the reporting period

On 7 January 2025, the Group signed an agreement to dispose of its wholly owned subsidiary "Lyngsoe" (Lyngsoe Rainwear Aps Denmark) for an amount of £33,500,000. Refer note 35 for further details as the entity has been disclosed as held for sale in these financial statements.

38 Investments listing

Group subsidiaries

The subsidiary undertakings of the Group at 31 December 2024 and 2023 are set out below. Unless otherwise stated, the 100% interest in each undertaking is represented by equity capital and each undertaking operates from its country of incorporation. The share capital of all of the companies below, except for the share capital of Survitec Holdings 1 Limited and 1% of Wilhelmsen Safety do Brazil Ltda was held by subsidiary undertakings of the Company.

Survitec Acquisition Company Limited

Notes to the Financial Statements for the Year Ended 31 December 2024 (Continued)

			Proportion of ownership interest and voting rights held	
Name of subsidiary	**Principal activity**	**Registered office**	**2024**	**2023**
Survitec AUD Newco Limited	Finance Company	Aviator Industrial Park Eric Fountain Road Ellesmere Port England, United Kingdom CH65 1AX	100%	100%
Survitec Group Limited	Inflatable lifesaving, submarine escape & pilot flight equipment	Aviator Industrial Park Eric Fountain Road Ellesmere Port England, United Kingdom CH65 1AX	100%	100%
RFD Beaufort Limited	Inflatable lifesaving,submarine escape & pilot flight equipment	Aviator Industrial Park Eric Fountain Road Ellesmere Port England, United Kingdom CH65 1AX	100%	100%
Beaufort Air-Sea Equipment Limited	Dormant	Aviator Industrial Park Eric Fountain Road Ellesmere Port England, United Kingdom CH65 1AX	100%	100%
Shark Sports Limited	Dormant	Aviator Industrial Park Eric Fountain Road Ellesmere Port England, United Kingdom CH65 1AX	100%	100%
Lifeguard Equipment Limited	Dormant	Aviator Industrial Park Eric Fountain Road Ellesmere Port England, United Kingdom CH65 1AX	100%	100%
Nauticair Components Limited	Dormant	Aviator Industrial Park Eric Fountain Road Ellesmere Port England, United Kingdom CH65 1AX	100%	100%
RFD (Northern Ireland) Limited	Dormant	Kingsway Dunmurry Belfast BT17 9AF	100%	100%
Kirkhill (Dormant) Limited	Dormant	Aviator Industrial Park Eric Fountain Road Ellesmere Port England, United Kingdom CH65 1AX	100%	100%
Survival-One Limited	Sales and rental of survival suits to the offshore oil & gas industry	Findon Shore Findon Aberdeen AB12 3RL	100%	100%
Seaweather Aviation Services Limited	Dormant	Aviator Industrial Park Eric Fountain Road Ellesmere Port England, United Kingdom CH65 1AX	100%	100%

Survitec Acquisition Company Limited

Notes to the Financial Statements for the Year Ended 31 December 2024 (Continued)

			Proportion of ownership interest and voting rights held	
Name of subsidiary	**Principal activity**	**Registered office**	**2024**	**2023**
Seaweather Holdings Limited	Dormant	Aviator Industrial Park Eric Fountain Road Ellesmere Port England, United Kingdom CH65 1AX	100%	100%
Seaweather Marine Services Limited	Dormant	Aviator Industrial Park Eric Fountain Road Ellesmere Port England, United Kingdom CH65 1AX	100%	100%
Survitec Group (USA) Inc	Holding Company	1420 Wolf Creek Trail PO Box 359 Sharon Center Ohio OH 44274, USA	100%	100%
RFD Beaufort Inc.	Dormant	1420 Wolf Creek Trail PO Box 359 Sharon Center Ohio OH 44274, USA	100%	100%
Survitec Survival Products Inc.	Sales of marine safety equipment	1420 Wolf Creek Trail PO Box 359 Sharon Center Ohio OH 44274, USA	100%	100%
DSB Deutsche Schlauchboot GmbH	Inflatable liferafts, boats & special products	Angerweg 5 37632 Escherhausen Germany	100%	100%
Eurovinil S.p.A	Inflatable liferafts & large inflatable buildings	Via Genova 5 58100 Grosseto Italy	100%	100%
Survitec Group (Australia) Pty Limited	Holding Company	2 Burilda Close Wetherill Park NSW 2164 Australia	100%	100%
RFD (Australia) Pty Limited	Sales & service of marine safety equipment	2 Burilda Close Wetherill Park NSW 2164 Australia	100%	100%
RFD New Zealand Limited	Sales & service of marine safety equipment	Lockhart Place, Mount Wellington PO Box 2386 Auckland New Zealand	100%	100%
RFD Japan Limited	Sales & service of marine safety equipment	7-24 Shinyamashita 3-chome Naka-ku Yokohama Japan	80%	80%
Survitec Group (Singapore) Pte Limited	Sales & service of marine safety equipment	25 Senoko South Road Singapore 758081	100%	100%
W H Brennan & Co (Private) Limited	Sales & service of marine safety equipment	25 Senoko South Road Singapore 758081	100%	100%
W H Brennan (Shanghai) Co Limited	Sales & service of marine safety equipment	Block 11 128 Dieqiao Road Shanghai 201315 China	100%	100%
Survitec Korea Co. Limited	Sales & service of marine safety equipment	90 Hwajeonsandan 5-ro, Gangseo-gu Busan 46738 South Korea	100%	100%

Survitec Acquisition Company Limited

Notes to the Financial Statements for the Year Ended 31 December 2024 (Continued)

			Proportion of ownership interest and voting rights held	
Name of subsidiary	**Principal activity**	**Registered office**	**2024**	**2023**
RFD France SAS	Sales & service of marine safety equipment	Zl les Estaches 214 Rue de Bruxelles 62730 Les Attaques France	100%	100%
Survitec Services & Distribution Limited	Sales & service of marine safety equipment`	Aviator Industrial Park Eric Fountain Road Ellesmere Port England, United Kingdom CH65 1AX	100%	100%
Survitec Service & Distribution S.L.	Holding Company	C/Jose Agustin Goytisilo 33 nave B1 08908 Hospitalet de LLobregat Barcelona Spain	100%	100%
Survitec Service & Distribution N.V.	Sales & service of marine safety equipment	Vitshoekstraat 44 2030 Antwerpen Belgium	100%	100%
Survitec Service & Distribution GmbH	Sales & service of marine safety equipment	Winsbergring 8 D-22525 Hamburg Germany	100%	100%
Oceana Air Sea Trading Company B.V.	Holding Company	Willem Barentszstraat 47-49 Rotterdam 3165 AA Albrandswaard, the Netherlands	100%	100%
Survitec Group (France) SAS	Holding Company	Route de Chatenet 17210 Chevanceaux France	100%	100%
Survitec SAS	Inflatable lifesaving equipment	Route de Chatenet 17210 Chevanceaux France	100%	100%
DBC Marine Safety Systems Limited	Inflatable lifesaving equipment	1689 Cliveden Avenue, Delta Vancouver V3M 6V5 British Columbia Canada	100%	100%
Survitec Group Norway AS	Holding Company	Gangstovikeien 66 6009 Aalesund Norway	100%	100%
Survitec Sweden AB	Sales & service of marine safety equipment	Ovädersgaten 7 418 34 Göteborg Sweden	100%	100%
Risk Security Service US Inc.	Sales & service of offshore oil & gas related safety equipment	1640-B Brittmore Road Houston Texas 77043 USA	100%	100%
Servaux Survitec SAS	Sales & service of marine safety equipment	765 Chemin du Littoral Anse de Saumaty 13016 Marseille France	50%	50%
Survitec Global Solutions Limited	Operation of global raft hire projects	Aviator Industrial Park Eric Fountain Road Ellesmere Port England, United Kingdom CH65 1AX	100%	100%
Survitec Group International Limited	Administration of group network of service stations	Aviator Industrial Park Eric Fountain Road Ellesmere Port England, United Kingdom CH65 1AX	100%	100%

Survitec Acquisition Company Limited

Notes to the Financial Statements for the Year Ended 31 December 2024 (Continued)

			Proportion of ownership interest and voting rights held	
Name of subsidiary	**Principal activity**	**Registered office**	**2024**	**2023**
Survitec Survival Craft Limited	Sales & service of marine safety equipment	Findon Shore Findon Aberdeen AB12 3RL Scotland	100%	100%
Survitec Survival Craft Inc	Sales & service of marine safety equipment	5847 San Felipe San Felipe Plaza, Suite 1700 Houston, Texas TX77062 USA	100%	100%
Survitec Viscom Limited	Training & media services	Findon Shore, Findon Aberdeen AB12 3RL Scotland	100%	100%
Survitec Safety Solutions do Brasil Ltda	Maritime products and services	Rua Bispo Lacerda 61/67 Del Castilho Rio de Janeiro Brazil	100%	100%
Survitec Safety Solutions Canada Inc.	Maritime products and services	1689 Cliveden Avenue, Delta Vancouver V3M 6V5 British Columbia Canada	100%	100%
Survitec Safety Solutions Panama S.A.	Maritime products and services	Int.Business Park Flexi Bodegas Unit #4 Panama Pacifico	100%	100%
Survitec Safety Solutions US LLC	Maritime products and services	9400 New Century Drive Pasadena Texas 77507 United States	100%	100%
Survitec Safety Solutions Australia Pty Limited	Maritime products and services	2 Burilda Close Wetherill Park NSW 2164 Australia	100%	100%
Survitec Safety Solutions China Co. Ltd	Maritime products and services	Block 11 128 Dieqiao Road Shanghai 201315 China	100%	100%
Survitec Safety Solutions Hong Kong Ltd	Maritime products and services	Room 1104-6, 11th Floor Lu Plaza 2 Wing Yip Street Kwun Tong Kowloon Hong Kong	100%	100%
Survitec Safety Solutions Japan Co. Limited	Maritime products and services	13th Floor Gontenyama Trust Tower 7-35 Kitashinagawa 4-chome Shinagawa-Ku 140-0001 Tokyo	100%	100%
Survitec Safety Solutions Spain SL	Maritime products and services	C/Jose Agustin Goytisilo 33 nave B1 08908 Hospitalet de Llobregat Barcelona Spain	100%	100%
Survitec Safety Solutions Canarias SLU	Maritime products and services	12 Cuzco Las Palmas de Gran Canaria 35008 Spain	100%	100%
Survitec Safety Solutions UK Limited	Maritime products and services	Aviator Industrial Park Eric Fountain Road Ellesmere Port England, United Kingdom CH65 1AX	100%	100%

Survitec Acquisition Company Limited

Notes to the Financial Statements for the Year Ended 31 December 2024 (Continued)

			Proportion of ownership interest and voting rights held	
Name of subsidiary	**Principal activity**	**Registered office**	**2024**	**2023**
Survitec Safety Solutions South Africa Proprietary Limited	Maritime products and services	49 Island Circle, Riverhorse Valley Durban 4017 South Africa	100%	100%
Survitec Turkey Emniyet Cozum Leri LTD STI	Maritime products and services	Abide-i Hürriyet Caddesi Bolkan Center C Blok No:211 K:3 Şişli İstanbul 34381 Turkey	100%	100%
Survitec Safety Solutions Norway AS	Maritime products and services	Strandveien 20 1366 Lysaker Norway	100%	100%
Survitec Fire Solutions Japan Co. Limited	Fire safety systems	2-63 Imazunishihama-cho Nishinomiya-shi Hyogo	100%	100%
Survitec Fire Solutions Norway AS	Holding Company	Strandveien 20 1366 Lysaker Baerum Oslo Norway	100%	100%
Survitec Fire Solutions Poland Sp. z.o.o	Fire Safety Solutions	Stobno 74 72-002 Stobno Poland	100%	100%
Survitec Fire Solutions Singapore Pte. Limited	Fire Safety Solutions	25 Senoko South Road Singapore 758081	100%	100%
Survitec Fire Solutions Korea Co. Limited	Fire Safety Solutions	90 Hwajeonsandan 5-ro, Gangseo-gu Busan 46738 South Korea	100%	100%
Novenco Fire Fighting A/S	Fire Fighting Solutions	Lille Tombjerg Vej 30 5220 Odense SØ Denmark	100%	100%
Maritime Protection AS	Fire Safety Solutions	Rigedalen 13 Kristiansand 4626 Norway	100%	100%
Survitec Fire Solutions China Co. Limited	Fire Safety Solutions	Block 11 128 Dieqiao Road Shanghai 201315 China	100%	100%
RFD Limited	Dormant	Aviator Industrial Park Eric Fountain Road Ellesmere Port England, United Kingdom CH65 1AX	100%	100%
Survitec Holdings 1 Limited (formerly - Survitec Group (Cayman Islands) Limited)	Holding Company	c/o Intertrust Corporate Services (Cayman) Limited 190 Elgin Avenue George Town KY1-9005 Cayman Islands	100%	100%
Survitec Group (Finance 1) Limited	Dormant	Aviator Industrial Park Eric Fountain Road Ellesmere Port England, United Kingdom CH65 1AX	100%	100%

Survitec Acquisition Company Limited

Notes to the Financial Statements for the Year Ended 31 December 2024 (Continued)

			Proportion of ownership interest and voting rights held	
Name of subsidiary	**Principal activity**	**Registered office**	**2024**	**2023**
Survitec Safety Equipment Trading and Installation LLC	Maritime products and services	24th Damac Executive Height Bldg P.O.Box:12089 Tecom C Dubai	49%	49%
Survitec Group Holdco Limited	Intermediate holding company	Aviator Industrial Park Eric Fountain Road Ellesmere Port England, United Kingdom CH65 1AX	100%	100%
Hansen Protection AS	Manufacturing, sale and rental of survival suits	Tykkemyr 27 Moss 1597 Norway	100%	100%
Lyngsøe Rainwear ApS	Sale of protective workwear	Hammershusvej 1B Herning 7400 Denmark	100%	100%
Biardo Survival Suits BV	Sale, service and rental of survival suits	De Trompet 2800 Heemserk 1967 Netherlands	100%	100%
Helippe ApS	Rental of protective suits for offshore windmills	Vesterhavsgade 145 Esbjerg 6700 Denmark	100%	100%
Helippe Limited	Rental of protective suits for offshore windmills	Block 3, Units 1-15 Kiln Lane Trading Estate Stallingborough DN31 3AS United Kingdom	100%	100%
Helippe GmbH	Rental of protective suits for offshore windmills	Gorch Fock Strasse 103 Emden 2671 Germany	100%	100%
Hansen Protection AB	Sale of protective suits and equipment	Lappesandsvägen 61 Hönö 475 41 Sweden	100%	100%
Hansen Protection Canada Limited	Dormant	24 Quindora Crescent Dartmouth Nova Scotia B2W6G3 Canada	100%	100%
Blue Anchor Fire and Safety Limited	Service and supply of fire and safety equipment	Hopetown Boyndie Banff Aberdeenshire AB45 2LR United Kingdom	100%	100%
Survitec Safety Marine Maintenance and Trading LLC	Maritime products and services	The Gate Tower II, Globex - 7th Floor - Unit 741, PO Box 14023, Doha, Qatar	49%	49%
Ocean Newco 2 Limited	Financing activities	47 Esplanade, St Helier, Jersey, JE1 OBD	100%	100%
Beaufort Group Holdings Limited	Holding Company	Aviator Industrial Park, Eric Fountain Road, Ellesmere Port, CH65 1AX	100%	100%

Survitec Acquisition Company Limited

Notes to the Financial Statements for the Year Ended 31 December 2024 (Continued)

			Proportion of ownership interest and voting rights held	
Name of subsidiary	**Principal activity**	**Registered office**	**2024**	**2023**
Survitec Group Holdings USA Inc.	Holding company	c/o Corporation Trust Center, 2109 Orange Street, Wilmington DE 19801, United States	100%	100%
Survitec Safety Solutions Belgium NV	Maritime products and services	Vosseschijnstraat 44 Map, 2030 Antwerpen	100%	100%
Survitec Safety Solutions Cyprus Limited	Administration of group network of service stations	Lemesou 5, 2nd Floor, Aglantzia, 2112 Nicosia, Cyprus	100%	100%
Survitec Safety Solutions FZC	Maritime products and services	Warehouse No-224 A/1, Fujairah Free Zone Phase II, Post Box 51488, Fujairah, UAE	49%	49%
Survitec Safety Solutions Germany Gmbh	Maritime products and services	Winsbergring 42, 22525 Hamburg, Germany	100%	100%
Survitec Safety Solutions Hellas Sole-Shareholder SA	Maritime products and services	Pindou 3, Moschato, Greece, 18344	100%	100%
Survitec Safety Solutions Italy S.r.l.	Maritime products and services	13th Floor Gontenyama Trust Tower , 7-35 Kitashinagawa 4-Chome , Shinagawa-Ku, 140-0001 , Tokyo	100%	100%
Survitec Safety Solutions Malaysia Sdn Bhd	Maritime products and services	Level 19-1, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, 50490 Kuala Lumpur, Malaysia	100%	100%
Survitec Safety Solutions Netherlands B.V.	Maritime products and services	Willem Barentszstraat 47/49, Rotterdam, 3165AB, Netherlands	100%	100%
Survitec Safety Solutions Poland Sp.z.o.o	Maritime products and services	Stobno, 72-002 Dołuje, Poland	100%	100%
Survitec Safety Solutions Portugal, SUL	Maritime products and services	Condominio Empresarial da Moita, Fracção E, Zona Industrial do Carvalhinho, 2860-579 Moita, Portugal	100%	100%
Vinyl Technology, LLC	Manufacturing	200 Railroad Avenue, Monrovia CA 91016, United States	100%	—%

The aforementioned subsidiaries were dissolved or deregistered in 2024: W.H. Brennan (Hong Kong) and Battlefield Sim Limited.
Survitec Aerospace & Defence (UK) has been renamed to Beaufort Group Holdings Limited.

To the General Meeting of Survitec Group Norway AS

Independent Auditor's Report

Opinion

We have audited the financial statements of Survitec Group Norway AS (the Company), which comprise the balance sheet as at 31 December 2024, the income statement and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion the financial statements comply with applicable statutory requirements, and the financial statements give a true and fair view of the financial position of the Company as at 31 December 2024, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). 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 Company as required by relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The Board of Directors and the Managing Director (management) are responsible for the information in the Board of Directors' report. The other information comprises information in the annual report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the information in the Board of Directors' report.

In connection with our audit of the financial statements, our responsibility is to read the Board of Directors' report. The purpose is to consider if there is material inconsistency between the Board of Directors' report and the financial statements or our knowledge obtained in the audit, or whether the Board of Directors' report otherwise appears to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report. We have nothing to report in this regard.

Based on our knowledge obtained in the audit, it is our opinion that the Board of Directors' report

- is consistent with the financial statements and
- contains the information required by applicable statutory requirements.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for such internal control as management determines 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, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern. The financial statements use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations.

Auditor's Responsibilities for the Audit of the Financial Statements

PricewaterhouseCoopers AS, Gravane 26, Postboks 447, NO-4664 Kristiansand
T: 02316, org. no.: 987 009 713 MVA, www.pwc.no
Statsautoriserte revisorer, medlemmer av Den norske Revisorforening og autorisert regnskapsførerselskap

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 will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. For further description of Auditor's Responsibilities for the Audit of the Financial Statements reference is made to: https://revisorforeningen.no/revisjonsberetninger

Kristiansand, 30 June 2025
PricewaterhouseCoopers AS

Kai Arne Halvorsen
State Authorised Public Accountant
(This document is signed electronically)

Securely signed with Brevio

Revisjonsberetning

Signers:

Name	*Method*	*Date*
Halvorsen, Kai Arne	BANKID	2025-06-30 18:11

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Financial statement 2024
Survitec Group Norway AS

Director's report
Income statement
Balance sheet
Cash flow statement
Notes to the financial statements

Org.no.: 912 237 788

Survitec Group Norway AS

Org. nr. 912 237 788

Annual Report 2024

The nature and location of the business.

The company was founded on 4 July 2013. The company is a holding company with 100% ownership in the companies, Survitec Sweden AB, Survitec Safety Solutions Norway AS, Survitec Fire Solutions Norway AS and Hansen Protection AS.

The Company is a wholly owned subsidiary of Survitec Group Limited. The largest and smallest Group in which the results of the Company are consolidated is Survitec Acquisition Company Limited. As a subgroup, Survitec Group Norway AS does not prepare consolidated financial statements. The consolidated financial statements are prepared and reported in the UK.

Going concern

The Company is a wholly owned subsidiary of Survitec Acquisition Company Limited (the "parent company") (together with its subsidiaries, the "Group"). As at 31 December 2024, the Company had net assets (31 December 2023: net asset position)

Group had a net liability position as at 31 December 2024 (31 December 2023: net asset position). The assessment of the Group's going concern position also encompasses the Group's compliance with its financial covenants under its banking facilities, as the availability of these facilities is conditional on such compliance. Under both the base case and the severe but plausible downside forecasts the Group is expected to generate sufficient profits and cash during the going concern period to enable the Group to meet its obligations as they fall due. This includes having sufficient headroom to comply with the financial covenants attached to the banking facilities. The Directors of the Company have reviewed the basis on which it was concluded appropriate to prepare the parent company and Group financial statements on a going concern basis and are satisfied with this conclusion.

Accordingly based on the above considerations, the Directors have concluded that it is appropriate to prepare these financial statements on a going concern basis.

Statement of the annual accounts and cash flow

The annual accounts for 2024 are for the period 1 January to 31 December 2024 ("calendars"). As a holding company in a group, the company has limited costs in addition to interest costs. The company has no turnover either in 2024, 2023, 2022, 2021, 2020, 2019 or in 2018. Annual results for 2024 show a profit of 146.4 million NOK compared with a profit of NOK 29.8 million for the previous year. The company's income consists of interest on loans to the subsidiary in Norway and Sweden. Interest expenses are long-term expenses incurred by the parent company in the UK.

Cash and cash equivalents were NOK -2.64 million as per 31.12.2024 (2023: NOK -0.8 million). Cash outflow from operating activities was NOK 1.58 million (2023: 3.84 million). Cash inflows from investing activities were NOK 73.7 million (2023: NOK 177.66 million). Cash outflows from financing activities were NOK 74.69 million (2023: inflow NOK 173.90 million). The cash outflow was primarily driven by repayment of loans from Group companies.

Financial risk

Financial assets and liabilities, which consist of loan and receivables from companies in the same group, are exposed to risk and opportunities for interest rate and exchange rate changes. However, the majority of the loans are set off against receivables, so that any effects are reduced.

Market risk

The company has investments in subsidiaries that trade. They operate in competitive markets, which is an ongoing risk for the subsidiaries and could lead to a loss of sales to their competitors. The subsidiaries manage the risk by offering customers a high standard of service, investing in new products, responding quickly to customers' needs and maintaining strong relationships with them. The markets in which the subsidiaries operate respond to global and industry-specific trends, such as defense spending, global oil
prices and regulatory requirements. The subsidiaries respond to such risks through a combination of new product development, a broadly highly regulated product and a geographical portfolio and management of the cost base. Most of the subsidiaries' products are of a safety-critical nature, where performance may be necessary in hazardous conditions. The company invests in design and development, quality controls and standards to ensure that the products meet all regulatory requirements and performs reliably when necessary.

Liquidity risk

There is a liquidity risk related to the subsidiaries' ability to service debt to Survitec Group Norway AS and Survitec Group Norway AS's ability to service debt to its parent company Survitec Group Ltd. However, Survitec Group Ltd will not require Survitec Group Norway AS to service this debt, initially for a period of 12 months from 31 December 2024.

Work environment and staff

The company has no employees and is thus not involved in research and development activities.

Corporate governance

Survitec Group Norway AS' governance follows Survitec Groups Corporate Guidelines and DLA's. Survitec Group Norway AS intend to meet the highest standard of performance working uninterruptedly to improve. Norwegian Transparency Act with new regulations on sustainability has been introduced in 2023 and Survitec Group Norway AS has finalized a report to summarize the activities being made to meet the requirements of this new law. The report is available on https://survitecgroup.com/media/349039/norwegain-transparency-act-statement-survitecgroup-norway-2023.pdf

Ålesund 30.06.2025

Jan Eskil Hollen
(Chairman of the board)

Husain Claude Sada (Board member)

Income statement

Survitec Group Norway AS

	Note	2024	2023
Operating expenses			
Other operating expenses	1	-797 248	-2 010 164
Total operating expenses		**-797 248**	**-2 010 164**
Operating result		**-797 248**	**-2 010 164**
Financial income and expenses			
Income from subsidiaries	2	28 585 425	30 000 000
Interest income from group companies	2	1 845 584	3 132 395
Other financial income		4 625 319	1 486 517
Write-down of long-term investments	3	146 419 523	39 594 167
Interest expense to group companies	2	-29 818 202	-33 527 091
Other financial expenses		-4 440 878	-8 861 118
Net financial items		**147 216 771**	**31 824 870**
Net profit before tax	4	146 419 523	29 814 706
Net profit after tax		**146 419 523**	**29 814 706**
Annual net profit		**146 419 523**	**29 814 706**
Brought forward			
To uncovered loss		146 419 523	29 814 706
Net brought forward		**146 419 523**	**29 814 706**

Balance sheet

Survitec Group Norway AS

Assets	Note	2024	2023
Non-current assets			
Financial fixed assets			
Investments in subsidiaries	3, 5	2 281 749 033	1 502 139 883
Total non-current financial assets		**2 281 749 033**	**1 502 139 883**
Total non-current assets		**2 281 749 033**	**1 502 139 883**
Current assets			
Debtors			
Other receivables		0	111 551
Loan to group companies	2	46 750 686	40 483 913
Total receivables		**46 750 686**	**40 595 464**
Total current assets		**46 750 686**	**40 595 464**
Total assets		**2 328 499 719**	**1 542 735 347**

Balance sheet

Survitec Group Norway AS

Equity and liabilities	Note	2024	2023
Restricted equity			
Share capital	6, 7	8 869 250	8 187 000
Share premium reserve	7	3 084 050 679	2 486 158 728
Total restricted equity		**3 092 919 929**	**2 494 345 728**
Retained earnings			
Uncovered loss	7	-1 331 674 222	-1 478 093 745
Total retained earnings		**-1 331 674 222**	**-1 478 093 745**
Total equity	**8, 9**	**1 761 245 707**	**1 016 251 983**
Liabilities			
Current liabilities			
Loan from group companies	2	566 976 180	525 311 046
Trade payables		0	765 318
Other current liabilities		277 832	407 000
Total current liabilities		**567 254 012**	**526 483 364**
Total liabilities		**567 254 012**	**526 483 364**
Total equity and liabilities		**2 328 499 719**	**1 542 735 347**

Ålesund, 30.06.2025
The board of Survitec Group Norway AS

Jan Eskil Hollen
chairman of the board/General Manager

Husain Claude Sada
member of the board

Cash flow statement

Survitec Group Norway AS

	2024	2023
Cash flows from operating activities		
Profit/loss before tax	146 419 523	29 814 706
Reversal of Impairment	-146 419 523	-39 594 167
Change in accounts payable (operational)	-765 318	-2 596 669
Change in other receivables (operational)	111 551	420 897
Change in other accrual items (operational)	-129 168	344 500
Net items classified as investment/financing acitivites	-797 248	7 769 297
Net cash flows from operating activities (A)	**-1 580 183**	**-3 841 436**
Cash flows from investment activities		
Group contribution received from group companies	28 585 425	30 000 000
Investment in group companies	-34 615 426	-30 000 000
Interest on loans to group companies received	1 362 354	2 656 232
Additional loans received from subsidiaries	96 952 358	157 831 792
Repayments on loans granted to group companies	-	34 800 113
Interest on loans from group companies	-12 313 120	-6 265 987
Additional loans granted to group companies	-6 266 773	-11 364 106
Net cash flows from investment activities (B)	**73 704 818**	**177 658 044**
Cash flows from financing activities		
Net currency translation effects	184 441	-7 374 601
Repayments made on loans from group companies	-57 851 961	-139 737 296
Additional loans received from subsidiaries	-	-
Interest on loans to group companies received	483 230	476 163
Interest on loans from to group companies	-17 505 082	-27 261 104
Net cash flows from financing activities (C)	**-74 689 372**	**-173 896 838**
Net cash flows for the year (A + B + C)	**-2 564 737**	**-80 230**
Cash and cash equivalents at the start of the period	-80 230	-
Net cash flows for the year	-2 564 737	-80 230
Cash and cash equivalents at the end of the period*	**-2 644 967**	**-80 230**

*The company is part of the Survitec groups cash pool arrangement. The cash pool balance is presented together with other intercompany balances (refer to note 2).

Note 0 Accounting principles

The annual accounts have been prepared in conformity with the provisions of the Accounting Act and generally accepted accounting principles in Norway.

Consolidation
The company is consolidated by Survitec Acquisition Company Limited. Consolidated accounts can be received by contacting the company's offices.

Use of estimates
In the preparation of the annual accounts estimates and assumptions have been made that have affected the profit and loss account and the valuation of assets and liabilities, and uncertain assets and liabilities on the balance sheet date in accordance with generally accepted accounting practice. Areas which to a large extent contain such subjective evaluations, a high degree of complexity, or areas where the assumptions and estimates are material for the annual accounts, are described in the notes.

Foreign currency
Foreign currency transactions are translated at the exchange rate on the date of the transaction. Monetary foreign currency items are translated to NOK at the exchange rate on the balance sheet date. Exchange rate fluctuations are posted to the profit and loss account as they arise under other financial items.

Tax
The tax charge in the profit and loss account consists of tax payable for the period and the change in deferred tax. Deferred tax is calculated at the tax rate at 22 % on the basis of tax-reducing and tax-increasing temporary differences that exist between accounting and tax values, and the tax loss carried forward at the end of the accounting year. Tax-increasing and tax-reducing temporary differences that reverse or may reverse in the same period are set off and entered net. The net deferred tax receivable is entered on the balance sheet to the extent that it is likely that it can be utilised.

Classification and valuation of current assets
Current assets and short-term liabilities consist normally of items that fall due for payment within one year of the balance sheet date. Current assets are valued at the lower of acquisition cost and fair value. Short-term liabilities are entered on the balance sheet at the nominal amount at the time of the transaction.

Subsidiaries and associated companies
Subsidiaries and associated companies are valued using the cost method in the company accounts. The investment is valued at acquisition cost for the shares unless a write-down has been necessary. A write-down to fair value is made when a fall in value is due to reasons that cannot be expected to be temporary and such write-down must be considered as necessary in accordance with good accounting practice. Write-downs are reversed when the basis for the write-down is no longer present.

Dividends, group contributions and other distributions from subsidiaries are posted to income in the same year as provided for in the distributor’s accounts. To the extent that dividends/ group contributions exceed the share of profits earned after the date of acquisition, the excess amounts represents a repayment of invested capital, and distributions are deducted from the investment’s value in the balance sheet of the parent company.

Cash flow statement
The cash flow statement has been prepared using the indirect method. Cash and cash equivalents consist of cash and bank deposits.

Note 1 Employee benefits and auditor's fee

The company has no employees and is therefore not subject to the mandatory occupational pension act.

There is no remuneration paid to the Board in 2024.

Auditor
Remuneration to the auditor for 2024 is NOK 338 000 for statutory audit and NOK 90 000 for technical assistance with the preparation of statutory accounts and tax papers. All numbers are exclusive of VAT.

Note 2 Intercompany balances and transactions

Long-term loan to group companies	**31/12/2024**	**31/12/2023**
Hansen Protection AS	0	0
Total	**0**	**0**
Short-term loan to group companies		
Survitec Safety Solutions Norway AS	32 971 258	28 658 501
Hansen Protection AS	0	0
Survitec Group Limited	13 779 428	11 825 412
Total	**46 750 686**	**40 483 913**
Short-term loans from group companies		
Survitec Group Limited	279 069 594	336 921 555
Survitec Safety Solutions Norway AS	249 792 123	154 754 452
Survitec Fire Solutions Norway AS	35 469 496	32 519 888
Others group companies	0	1 034 921
Cash pool balance	2 644 967	80 230
Total	**566 976 180**	**525 311 046**
Interest expense		
Interests to Survitec Group Ltd	17 505 082	27 261 104
Interests to Survitec Safety Solutions Norway AS	9 363 513	3 782 655
Interests to Survitec Fire Solutions Norway AS	2 949 607	2 483 332
Total	**29 818 202**	**33 527 091**
Interest income		
Interests from Survitec Sweden AB	0	0
Interests from Survitec Safety Solutions Norway	1 362 354	1 278 532
Interests from Survitec Group Ltd	483 230	476 163
Interests from Hansen Protection AS	0	1 377 699
Total	**1 845 584**	**3 132 394**

Income from subsidiaries
This year's income of 28,585 MNOK relates to group contribution received from Hansen Protection AS.

Note 3 Impairment of amounts due from group undertakings and investments in subsidiaries (significant estimates)

The Company reviews amounts due from group companies regularly for any indication of an expected credit loss under IFRS 9. The Company reviews investments in subsidiaires for any indication of impairment under IAS 36.

The Company has invested in its subsidiaries through both an investment in share capital and loans. The value of the investment and recoverability of monies owed from group companies is considered together and is dependent on the recoverability of the Company's subsidiary's assets. The Company tests annually for impairment of investments and the expected credit loss of amounts owed by group undertakings or more frequently if there are indications that its investment might be impaired.

There are three trading divisions of the Survitec Group; Marine, Defence and Hansen Protection. The determination of the recoverable amount of the Subsidiaries to which investment is allocated involves the use of estimates by management and is considered separately for the three trading divisions. Management have considered different options for recoverability of the balances and disposal is considered most likely. The carrying amount of the Company's investment in its subsidiaries is compared to its recoverable amount, being the higher of value in use and fair value less costs to sell, to determine if an impairment or expected credit loss exists. In assessing fair value, the Company gives consideration to the likely EBITDA multiple that would be realised through sale. The EBITDA multiples for each of the trading divisions is calculated separately. These estimates, including the methodology used, can have a material impact on the respective values and ultimately the amount of any investment impairment or expected credit losses in relation to amounts owed by group undertakings.

Impairment assessment of each subsidiary

An impairment and expected credit loss review was carried out on the Company's investments in and amounts owing from its subsidiaries in line with IFRS 9 and IAS 36. To consider the impairment of the Company's investment in subsidiaries and the expected credit loss of loans to subsidiaries the fair value of the subsidiary group was compared to the Company's combined investment in and the loan to the subsidiary group, as follows;

- Shares in Hansen Protection AS has not been impaired as there as there are no impairment indicators as of 31.12.2024.

- Shares in Survitec Sweden AB has been impaired to the book value of equity in Survitec Sweden AB as of 31.12.2024. Management believe this is the best estimate for the fair value of the shares. The EBITDA multiple method does not show sufficient headroom for further impairment reversals.

- Shares in Survitec Fire Solutions Norway AS has been impaired to the book value of equity in Survitec Fire Solutions Norway AS as of 31.12.2024. Management believe this is the best estimate for the fair value of the shares. The EBITDA multiple method does not show sufficient headroom for further impairment reversals.

- Shares in Survitec Safety Solution Norway AS has been impaired to book value of equity in Survitec Safety Solutions Norway AS as of 31.12.2024. Management believe this is the best estimate for the fair value of the shares. The EBITDA multiple method shows material headroom, but due to significant uncertainty in the fair value calculations the book value of the shares is kept to book value of equity.

On this basis, a net reversal of previous year's impairment of 146,4 MNOK has been booked against investments in subsidiaries.

Impairment of amounts due from group undertakings and investments in subsidiaries, and the fair value calculations methods described above, are estimates associated with significant uncertainty. Further information about investments in subsidiaries is disclosed in note 5.

Note 4 Tax

This year's tax expense	2024	2023
Entered tax on ordinary profit/loss:		
Payable tax	0	0
Changes in deferred tax assets	0	0
This year's tax expense	**0**	**0**

Taxable income:		
Ordinary profit/loss before tax	146 419 523	29 814 706
Permanent differences	-175 004 948	-68 497 435
Received Group contribution	28 585 425	30 000 000
Allocation of loss to be brought forward	0	8 682 729
Taxable income	**0**	**0**

Payable tax in the balance:		
Payable tax on this year's result	0	0
Total payable tax in the balance	**0**	**0**

The tax effect of temporary differences and loss for to be carried forward that has formed the basis for deferred tax and deferred tax advantages, specified on type of temporary differences:

	2024	2023	Change
Accumulated loss to be brought forward	-58 579 050	-58 579 050	0
Cut interest deduction	-293 211 232	-293 211 232	0
Not included in the deferred tax calculation	351 790 282	351 790 282	0
Basis for calculation of deferred tax	**0**	**0**	**0**
Deferred tax assets (22 %)	**0**	**0**	**0**

Significant estimates and judgements

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits, together with future tax planning strategies. Based on this, no deferred tax assets were recognised in the balance sheet.

Note 5 Shares in subsidiaries

Subsidiaries	Office	Ownership/ Voting rights	Equity as of 31.12.2024	Result 2024	Booked value
Survitec Sweden AB*	Gøteborg	100 %	6 303 711	-3 834 427	7 090 870
Survitec Fire Solutions Norway AS	Oslo	100 %	200 337 511	25 568 700	200 337 511
Survitec Safety Solutions Norway AS	Oslo	100 %	1 228 127 000	49 478 000	1 228 127 000
Hansen Protection AS	Moss	100 %	729 223 806	13 538 501	846 193 652
Total**			**2 163 992 028**	**84 750 774**	**2 281 749 033**

* The numbers are reported in NOK (translated from SEK).
**As of 31.12.2024, the total accumulated impairment of shares in subsidiaries was NOK 866 281 334. See further descriptions of impairment estimates in note 3.

Note 6 Share capital

The share capital in Survitec Group Norway AS as of 31.12. consists of the following share classes:

	Number	Par value	Posted
Ordinary shares	68 225 000	0,13	8 869 250

Survitec Group Ltd owns 100 % of the shares. All shares carry equal rights.
Survitec Group Norway AS is included in the group financial statements of Survitec Acquisition Company Limited, located in UK. The group financial statements can be found at www.survitecgroup.com.

Note 7 Equity capital

	Share capital	Share premium	Uncovered loss	Total
01.01.	8 187 000	2 486 158 728	-1 478 093 745	1 016 251 983
Result for the year	0	0	146 419 523	146 419 523
Conversion of debt to equity*	682 250	597 891 951	0	598 574 201
31.12.	**8 869 250**	**3 084 050 679**	**-1 331 674 222**	**1 761 245 707**

Note 8 Going concern

The financial statements have been prepared on a going concern basis, which the Directors believe to be appropriate based on the considerations set out below.

The Company is a wholly owned subsidiary of Survitec Acquisition Company Limited (the “parent company”) (together with its subsidiaries, the “Group”). The Group has a net liability position as at 31 December 2024 of £ 36 254 000 which has reduced from a net asset position of £ 7 380 000 as at 31 December 2023. This change is primarily attributable to finance costs and foreign exchange movements during the year.

The assessment of Group’s Going concern also encompasses the Group’s compliance with its financial covenants under its banking facilities, as the availability of these facilities is conditional on such compliance. Under both the base case and the severe but plausible downside forecasts the Group is expected to generate sufficient profits and cash during the Going concern period to enable the Group to meet its obligations as they fall due. This includes having sufficient headroom to comply with the financial covenants attached to the banking facilities. The Directors of the Company have reviewed the basis on which the Group’s Directors have concluded that it was appropriate to prepare the Group financial statements on a going concern basis and are satisfied with this conclusion.

As at 31 December 2024, the Company had 520 503 TNOK net liability position (31 December 2023: 485 888 TNOK net liability position). The net liability position is due to the company's intercompany debt. Given the intercompany debt ant the company's strong equity ratio, it is considered that going concern assumtion can be used as a basis.

Note 9 Subsequent events

There have not been any significant events after balance sheet date which are assessed to impact the entity's figures for the financial year ended 31. December 2024.